

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 25, 2026

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes 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. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The Notes will NOT be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$2,000,000
BEAVER RIVER CENTRAL SCHOOL DISTRICT
LEWIS COUNTY, NEW YORK
GENERAL OBLIGATIONS
\$2,000,000 Bond Anticipation Notes, 2026 Series A
(the "Notes")

Dated: March 18, 2026

Due: July 24, 2026

The Notes are general obligations of the Beaver River Central School District, Lewis County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will NOT be subject to redemption prior to maturity.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the purchaser or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and, if issued and received by the purchaser and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Trespasz Law Offices, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about March 5, 2026.

ELECTRONIC BIDS for the Notes must be submitted on the Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com, on March 5, 2026 by no later than 10:30 A.M. Prevailing Time Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

March __, 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 SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – C, MATERIAL EVENT NOTICES" HEREIN.

**BEAVER RIVER CENTRAL SCHOOL DISTRICT
LEWIS COUNTY, NEW YORK**

DISTRICT OFFICIALS



2025-2026 BOARD OF EDUCATION

HOLLY AUCTER
President

JONATHAN BELLER
Vice President

IAN GILBERT
TODD LIGHTHALL
JACQUELINE PATE
TARI THOMPSON
JAMIE ZEHR

* * * * *

TODD G. GREEN
Superintendent

RONALD ROCKWOOD
Business Manager

DIANNA BUSH
District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

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

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
THE NOTES	1	SPECIAL PROVISIONS AFFECTING	
Description of the Notes.....	1	REMEDIES UPON DEFAULT	25
No Optional Redemption.....	1	MARKET AND RISK FACTORS	26
Purpose of Issue	1	Cybersecurity	27
Nature of the Obligation.....	2	TAX MATTERS	27
BOOK-ENTRY-ONLY SYSTEM	3	LEGAL MATTERS	28
Certificated Notes.....	4	LITIGATION	28
THE SCHOOL DISTRICT	5	CONTINUING DISCLOSURE	28
General Information.....	5	Historical Continuing Disclosure Compliance	28
District Population	5	MUNICIPAL ADVISOR	29
Five Largest Employers	5	CUSIP IDENTIFICATION NUMBERS	29
Selected Wealth and Income Indicators	5	RATINGS	29
Unemployment Rate Statistics	6	MISCELLANEOUS	29
Form of School Government.....	6	APPENDIX – A	
Budgetary Procedures	6	GENERAL FUND - Balance Sheets	
Investment Policy.....	7	APPENDIX – A1	
State Aid.....	7	GENERAL FUND – Revenues, Expenditures and	
State Aid Revenues	11	Changes in Fund Balance	
School Facilities.....	11	APPENDIX – A2	
Enrollment Trends.....	12	GENERAL FUND – Revenues, Expenditures and	
Employees.....	12	Changes in Fund Balance - Budget and Actual	
Status and Financing of Employee Pension Benefits	12	APPENDIX – B	
Other Post-Employment Benefits.....	14	BONDED DEBT SERVICE	
Financial Statements	15	APPENDIX – B1	
New York State Comptroller Reports of Examination.....	16	CURRENT BONDS OUTSTANDING	
The State Comptroller’s Fiscal Stress Monitoring System...	16	APPENDIX – C	
Other Information.....	17	MATERIAL EVENT NOTICES	
TAX INFORMATION	17	APPENDIX – D	
Taxable Assessed Valuations	17	FORM OF OPINION OF BOND COUNSEL	
Tax Rate Per \$1,000 (Assessed).....	17	APPENDIX – E	
Tax Collection Procedure.....	17	AUDITED FINANCIAL STATEMENTS -	
Tax Levy and Tax Collection Record.....	18	For the Fiscal Year Ending June 30, 2025	
Real Property Tax Revenues	18		
Ten Largest Taxpayers – 2025-26 District Tax Roll	18		
STAR – School Tax Exemption.....	19		
Additional Tax Information.....	19		
TAX LEVY LIMITATION LAW	19		
STATUS OF INDEBTEDNESS	20		
Constitutional Requirements	20		
Statutory Procedure.....	21		
Debt Outstanding End of Fiscal Year.....	22		
Details of Outstanding Indebtedness	22		
Debt Statement Summary.....	22		
Bonded Debt Service.....	23		
Cash Flow Borrowings.....	23		
Other Obligations.....	23		
Capital Project Plans	23		
Estimated Overlapping Indebtedness	24		
Debt Ratios.....	24		

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
 250 South Clinton Street, Suite 502
 Syracuse, New York 13202
 (315) 752-0051
www.fiscaladvisors.com

OFFICIAL STATEMENT
of the
BEAVER RIVER CENTRAL SCHOOL DISTRICT
LEWIS COUNTY, NEW YORK

Relating To
\$2,000,000 Bond Anticipation Notes, 2026 Series A

This Official Statement, which includes the cover page, has been prepared by the Beaver River Central School District, Lewis County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$2,000,000 principal amount of Bond Anticipation Notes, 2026 Series A (referred to herein as the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are to be dated March 5, 2026 and will mature, without option of prior redemption, on July 24, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) the name of the purchaser, in denominations of \$5,000 or integral multiples thereof, as may be determined by the successful bidder with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder; or (ii) at the option of the purchaser, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on February 9, 2026 authorizing the issuance of up to \$18,632,000 serial bonds and bond anticipation notes to finance the costs of a capital improvements project authorized by the qualified voters of the District on February 5, 2025 (the "2025 Capital Project"). (See also "STATUS OF INDEBTEDNESS – Capital Project Plans" herein.)

The proceeds of the Notes will provide \$2,000,000 in new money for the 2026 Capital Project.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

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

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

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating

authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note 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, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note 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 NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes under Certain Circumstances

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes 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 system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District was established in 1952 and presently serves approximately 850 students in a single kindergarten through grade 12 building in Beaver Falls, New York. The District located east of the Black River and west of the Adirondack Mountains in Lewis County, is one of the largest geographic districts in New York State, encompassing over 237 square miles. The District includes the Towns of Croghan, New Bremen and a portion of the Town of Watson.

Lewis County, where the District is located, is a predominately rural county located in Northern New York State, nearly due east of Lake Ontario. The economy of the District is primary based on agriculture and forest related products and industries. In addition to being a well-known dairy/milk producing area, the District is also noted for wood specialty products, paper manufacturing, maple syrup production and tourism.

Source: District officials.

Population

The 2024 estimated population of the District is 5,683. (Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2021-2025 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Five Largest Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Beaver River Central School District	Educational Institution	204
Interface Solutions	Specialty Paper Manufacturer	45
Omniafiltra	Specialty Paper Manufacturer	40
Aries Chemical	Chemical Mfg. & Distribution	15
Lewis Co. General Hospital	Healthcare Clinic	13

Source: District officials.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns of Croghan, New Bremen and Watson in the County of Lewis. The figures set below with respect to such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns of:						
Croghan	\$ 21,230	\$ 25,368	\$ 32,158	\$ 47,868	\$ 57,000	\$ 81,250
New Bremen	20,577	24,820	34,134	55,208	57,500	91,875
Watson	23,067	35,854	35,447	44,375	67,833	73,889
County of:						
Lewis	20,970	27,770	33,677	49,554	65,238	79,375
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: 2006-2010, 2016-2020 and 2020-2024 American Community Survey 5-Year Estimates data.

Note: U.S. Census Bureau, 2021-2025 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

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 Lewis County. The information set forth below with respect to Lewis County is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that Lewis County is necessarily representative of the District, or vice versa.

	<u>Annual Averages</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Lewis County	5.3%	7.5%	5.1%	4.1%	4.4%	4.1%	N/A
New York State	3.9%	9.8%	7.1%	4.3%	4.2%	4.3%	N/A

	<u>2025 Monthly Figures</u>											<u>2026</u>	
	<u>2025</u>		<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Lewis County	6.4%	5.6%	3.9%	3.0%	3.0%	3.5%	3.7%	3.4%	N/A	4.0%	4.8%	N/A	
New York State	4.3%	4.1%	3.7%	3.5%	3.8%	4.6%	4.7%	4.7%	N/A	4.5%	4.4%	N/A	

Note: Unemployment rates for the months of October 2025, January 2026 and annual averages for 2025 are unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education is the policy-making body of the District and consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board of Education each year. Each Board of Education member must be a qualified voter of the District. The President and the Vice President are selected by the Board members.

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011, beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 157 yes to 45 no. The adopted budget included a total tax levy increase of 2.0%, which was within the District’s tax levy limit of 2.8% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 285 yes to 146 no. The adopted budget included a total tax levy increase of 2.0%, which was within the District’s tax levy limit of 0.19% for the 2025-26 fiscal year.

Investment Policy

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

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

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 69.5% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of the State’s fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

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

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 preliminary building aid ratios, the District expects to receive State building aid of approximately 82.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job

readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State’s 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State’s 2024-25 Enacted Budget maintained the “save harmless” provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State’s 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State’s 2025-26 Enacted Budget includes approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State’s 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

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

The State’s 2026-27 Executive Budget includes \$39.3 billion in State funding to school districts for the 2026-27 school year, an estimated year-to-year funding increase of \$1.6 billion. The State’s 2026-27 Executive Budget includes \$27 billion in Foundation Aid, an increase of \$779 million from 2025-26, and includes a 1% minimum increase in Foundation Aid to all school districts. The State’s 2026-27 Executive Budget also includes an increase of \$561 million in Universal Pre-Kindergarten Aid to ensure universal full-day Pre-K for all four-year-olds in the State by the start of the State’s 2029 fiscal year.

State Aid Litigation

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

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

A case related to the CFE was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely

to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is outlined below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027 Executive Budget: \$27 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State’s 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below completed fiscal years and 2025-26 budgeted figures comprised of State aid

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$ 16,829,098	\$ 10,693,252	63.54%
2021-2022	17,397,134	11,501,696	66.11
2022-2023	18,188,973	11,771,880	64.72
2023-2024	20,312,051	13,688,839	67.39
2024-2025	21,091,124	14,249,040	67.56
2025-2026 (Budgeted)	21,386,985 ⁽²⁾	14,871,804	69.54

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$1,868,714 of appropriated fund balance.

Source: Audited financial statements for the 2020-21 through 2024-25 fiscal years and adopted budget (unaudited) for the 2025-26 fiscal year. This table is not audited.

School Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Beaver River Central School	K-12	1,500	1953, '59, '61, '67, '83, '90, 2000

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	843	2026-27	860
2022-23	872	2027-28	860
2023-24	872	2028-29	860
2024-25	862	2029-30	860
2025-26	857	2030-31	860

Source: District officials.

Employees

The District employs a total of 118 full-time and 84 part-time employees. Employees who are represented by various bargaining units are outlined below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
104	Beaver River CSD School Related Personnel Association	June 30, 2028
83	Beaver River Teachers' Association	June 30, 2030
11	Managerial/Confidential	N/A – No Contract
3	Administrators – Principals	June 30, 2029
1	Administrator – Superintendent	June 30, 2026 ⁽¹⁾

⁽¹⁾ Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State’s 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2025-26 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 243,933	\$ 506,676
2021-2022	244,530	568,168
2022-2023	186,246	601,352
2023-2024	233,652	604,954
2024-2025	313,709	668,776
2025-2026 (Budgeted)	400,434	638,628

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

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

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2026-27) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24*

* Estimated. Final contribution rate expected to be adopted at the July 29, 2026 TRS Retirement Board meeting.

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows 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 are 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 since established a TRS reserve fund.

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

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The following table outlines the changes to the Total OPEB Liability during the 2023-24 and 2024-25 fiscal years, by source.

	2023	2024
Balance beginning at July 1:	<u>\$ 39,513,761</u>	<u>\$ 39,009,950</u>
<u>Changes for the year:</u>		
Service cost	795,330	876,087
Interest	1,556,016	1,566,900
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	(1,628,430)	2,258,238
Benefit payments	<u>(1,226,727)</u>	<u>(1,398,869)</u>
Net Changes	<u>\$ (503,811)</u>	<u>\$ 3,302,356</u>
Balance ending at June 30:	<u><u>\$ 39,009,950</u></u>	<u><u>\$ 42,312,306</u></u>

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability, see "APPENDIX - E" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and is attached hereto as "APPENDIX – E". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached in the appendices to the Official Statement.

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

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website. State Comptroller's audit reports of the District which have been published in the last five years are summarized below:

The State Comptroller's office released an audit report of the District on October 22, 2021. The purpose of the audit was to determine whether District officials ensured that real property taxes and retiree health insurance contributions were properly collected, recorded and deposited for the period July 1, 2019 through December 31, 2020. The audit period was extended to March 8, 2021 to review uncollected property taxes.

Key Findings:

- The real property tax collections and retiree health insurance contributions we reviewed were properly collected, recorded and deposited. However, District officials did not adequately segregate the duties of or establish adequate compensating controls over a senior account clerk/tax collector (clerk) who is responsible for receiving, recording, depositing and reporting all money collected for real property taxes and retiree health insurance contributions.
- Although our testing did not identify discrepancies, when officials do not provide oversight of employees who handle funds, there is an increased risk that errors or irregularities could occur and not be detected in a timely manner.

Key Recommendations:

- Adequately segregate the duties of or establish adequate compensating controls over the clerk.

A copy of the complete report including the District's response to State Comptroller's findings and recommendations can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, and the website is not incorporated herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the 2020-21 through 2024-25 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	0.0
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Other Information

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

The District is in compliance with the procedure for validation of the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Croghan	\$ 174,809,840	\$ 175,910,627	\$ 176,325,789	\$ 179,702,347	\$ 181,338,301
New Bremen	179,625,876	179,602,679	179,928,373	180,520,844	180,953,463
Watson	<u>57,700,773</u>	<u>58,079,901</u>	<u>58,097,881</u>	<u>58,205,636</u>	<u>58,390,211</u>
Total Assessed Values	<u>\$ 412,136,489</u>	<u>\$ 413,593,207</u>	<u>\$ 414,352,043</u>	<u>\$ 414,352,043</u>	<u>\$ 414,352,043</u>
State Equalization Rates					
Towns of:					
Croghan	54.00%	52.00%	47.50%	46.50%	44.00%
New Bremen	100.00%	97.50%	85.00%	77.00%	74.50%
Watson	<u>100.00%</u>	<u>92.00%</u>	<u>81.00%</u>	<u>75.50%</u>	<u>71.00%</u>
Total Taxable Full Valuation	<u>\$ 561,048,575</u>	<u>\$ 585,627,870</u>	<u>\$ 654,618,405</u>	<u>\$ 697,992,872</u>	<u>\$ 737,262,790</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Croghan	\$ 18.55	\$ 18.83	\$ 18.81	\$ 18.37	\$ 18.75
New Bremen	10.02	10.04	10.51	11.10	11.08
Watson	10.02	10.64	11.03	11.32	11.62

Source: District officials.

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the Treasurer of the County of Lewis for collection. The School District receives this amount from said County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Taxes unpaid after October 31, are re-levied at an additional 7% penalty with the County and other local municipal taxes which are due on January 1 and, therefore, such taxes may not be paid between October 31 and January 1.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 5,620,494	\$ 5,732,904	\$ 5,847,562	\$ 5,964,513	\$ 6,083,804
Amount Uncollected ⁽¹⁾	290,077	273,485	690,143	344,070	355,127
% Uncollected	5.16%	5.16%	11.80%	5.77%	5.84%

⁽¹⁾ See "Tax Collection Procedures" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the School District for each of the below completed fiscal years and 2025-26 budgeted figures comprised of Real Property Taxes and Tax items.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 16,829,098	\$ 5,572,465	33.11%
2021-2022	17,397,134	5,698,492	32.76
2022-2023	18,188,973	5,799,747	31.89
2023-2024	20,312,051	5,863,304	28.87
2024-2025	21,091,124	6,055,412	28.71
2025-2026 (Budgeted)	21,386,985 ⁽²⁾	6,083,804	28.45

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$1,868,714 of appropriated fund balance.

Source: Audited financial statements for the 2020-21 through 2024-25 fiscal years and adopted budget (unaudited) for the 2025-26 fiscal year. This table is not audited.

Ten Larger Taxpayers – 2025 Assessment Roll for 2025-26 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
Iroquois Gas Transmission	Utility	\$ 90,433,454
Erie Boulevard Hydropower	Hydro-Dams	45,907,839
National Grid	Utility	46,372,696
Beaver Falls LLC	Power Plant	7,727,228
Village of Lowville	Municipal Water	6,993,507
Jackson Timberland	Land Trust	6,787,390
St. Lawrence Gas	Utility	4,774,111
Citizens Telecom	Communications	3,965,120
Daniel Lyndaker	Timberland	3,296,536
Algonquin Power LLC	Utility	3,046,819

The larger taxpayers listed above have a total taxable full valuation of \$219,304,700 which represents 29.7% of the tax base of the District.

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

Source: District officials.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

\$476,225 of the District’s \$5,964,513 school tax levy for the 2024-25 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

\$449,665 of the District’s \$6,083,804 school tax levy for the 2025-26 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2026.

Additional Tax Information

Real property located in the District is assessed by the Towns.

Residents who qualify can received a Basic or Enhanced (Senior) exemption under the NYS School Tax Relief (STAR) Program.

STAR exemptions apply only to school district taxes. The exemptions do not apply to property taxes for other purposes.

Total assessed valuation of the District is estimated to be categorized as follows:

Residential	50%
Agricultural	6%
Commercial/Industrial	3%
Public/Community Service	30%
Forest/Recreation	11%

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

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 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

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 are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can 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 levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

See "State Aid" for a discussion of the *New Yorkers for Students' Educational Rights v. State of New York* case which includes a challenge to the supermajority requirements regarding school district property tax increases.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

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 and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under “NATURE OF OBLIGATION,” the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See “TAX LEVY LIMITATION LAW” herein).

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

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

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure in connection with the bond resolution under which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

In general, Statutory Law in New York 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 of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein, and “Details of Outstanding Indebtedness” 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, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 17,123,398	\$ 16,525,572	\$ 15,305,000	\$ 14,110,000	\$ 12,930,000
Bond Anticipation Notes	11,394,000	0	0	0	0
Lease Liabilities ⁽¹⁾	<u>133,485</u>	<u>88,858</u>	<u>95,283</u>	<u>32,208</u>	<u>13,006</u>
Total Debt Outstanding	<u>\$ 28,650,883</u>	<u>\$ 16,614,430</u>	<u>\$ 15,400,283</u>	<u>\$ 14,142,208</u>	<u>\$ 12,943,006</u>

⁽¹⁾ Such obligations are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District. (See "Other Obligations" herein.)

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of February 25, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2050	\$ 12,810,000
<u>Bond Anticipation Notes</u>	--	<u>0</u>
	Total Indebtedness	<u>\$ 12,810,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 25, 2026:

Full Valuation of Taxable Real Property	\$	737,262,790
Debt Limit 10% thereof		73,726,279
<u>Inclusions:</u>		
Bonds	\$	12,810,000
Bond Anticipation Notes (BANs):		<u>0</u>
Total Inclusions prior to issuance of the Notes		<u>12,810,000</u>
Less: BANs being redeemed from appropriations		0
Add: New money proceeds of the Notes		<u>2,000,000</u>
Total Net Inclusions after issuance of the Notes	\$	14,810,000
<u>Exclusions:</u>		
State Building Aid ⁽¹⁾	\$	<u>0</u>
Total Exclusions	\$	<u>0</u>
Total Net Indebtedness <u>after issuance of the Notes</u>	\$	<u>14,810,000</u>
Net Debt-Contracting Margin	\$	<u>58,916,279</u>
The percent of debt contracting power exhausted is		20.09%

⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on 2026-27 preliminary Building Aid Ratios, the School District anticipates State Building aid of 82.1% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its serial bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Note: The above debt statement summary does not include lease purchase obligations outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The District has not issued tax or revenue anticipation notes or budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Other Obligations

The District has entered into various lease obligations for copiers. The total payments remaining on such obligations are as follows.

<u>Fiscal Year ended June 30th:</u>	<u>Lease Payments</u>
2026	\$ <u>13,931</u>
Total lease payments:	\$ <u><u>13,931</u></u>

Source: Audited financial statements of the District. Table itself is not audited.

The obligations noted in this section are subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

Capital Project Plans

On February 5, 2025 the qualified voters of the District approved the following propositions authorizing the District to undertake various capital improvements outlined below:

- Proposition I. The reconstruction, renovation, and construction of improvements and upgrades to the District’s K-12 School, including, but not limited to, interior and exterior renovations and improvements, mechanical upgrades, swimming pool structural renovations, site improvements, pavement, parking lot and sidewalk improvements, tennis court improvements and original furnishings, fixtures and equipment, architectural fees, and all other costs incidental to such work at a total estimated cost not to exceed \$14,000,000 (the “Proposition I Project”);
- Proposition II. Improvements and upgrades to the swimming pool, including upgrades to the ventilation system, gutters and piping and increasing the pool depth to diving regulation at a total estimated cost not to exceed \$4,320,000, (the “Proposition II Project”); and
- Proposition III. Reconstruct and renovate the swimming pool locker rooms at a total estimated cost not to exceed \$2,912,000, (the “Proposition III Project”, and together with the Proposition I Project and Proposition II Project, the “2025 Capital Project”).

The estimated total cost of the 2025 Capital Project is \$21,232,000 and the plan of financing includes, for the project described in Proposition I, utilizing up to \$1,600,000 from the District’s Capital Reserve fund approved by District voters in 2020, \$500,000 from the District’s Capital Reserve fund approved by District voters in 2024, \$500,000 available funds of the District and for the balance of the project described in Proposition I and the projects described in Propositions II and III, the issuance of serial bonds or bond anticipation notes in the aggregate principal amount not to exceed \$18,632,000.

The proceeds of the Notes will provide new money for the 2025 Capital Project.

There are no other capital projects authorized as of the date of this Official Statement.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated indebtedness (consisting of bonds and bond anticipation notes) of the respective municipalities is outlined in the table below:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Lewis	6/29/2025	\$ 50,750,000 ⁽³⁾	\$ -	\$ 50,750,000	23.65%	\$12,002,375
Town of:						
Croghan	12/31/2024	317,142 ⁽⁴⁾	- ⁽⁵⁾	317,142	87.47%	277,404
New Bremen	12/31/2024	33,752 ⁽⁴⁾	- ⁽⁵⁾	33,752	97.02%	32,746
Watson	12/31/2024	4,088,000 ⁽⁴⁾	- ⁽⁵⁾	4,088,000	27.67%	1,131,150
Village of:						
Croghan	5/31/2024	- ⁽⁴⁾	-	-	100.00%	-
Total:						<u>\$13,443,675</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- (5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of February 25, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 14,810,000	\$ 2,606.01	2.00%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	28,253,675	4,971.61	3.83

- (a) The 2024 estimated population of the District is 5,683. (See "THE SCHOOL DISTRICT - Population" herein.)
- (b) The District's full value of taxable real estate for 2025-26 tax roll is \$737,262,790. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$13,443,675. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. 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.

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

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received

and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

No Past Due Debt. No principal of or interest on District indebtedness is currently past due. To the best knowledge of current District officers, the District has not defaulted on the payment of the principal of and interest on any indebtedness in the past five years.

MARKET AND RISK FACTORS

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

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

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In some years, the District has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “THE DISTRICT - State Aid”).

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District’s financial condition. These factors may have an effect on the market price of the Notes.

The District’s credit rating could be affected by circumstances beyond the District’s control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District’s credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes

is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the District and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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. There can be no assurances that any security and operational control measures implemented by the District 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.

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes 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. The proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel to the District. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the financial information in this Official Statement.

LITIGATION

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

The District is subject to a claim under the Child Victims Act; this matter is not anticipated to have a material impact on the District's financial status.

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an undertaking to provide material event notices, a description of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry only form, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. Subject to the approval of the District and the applicable rating agency, the purchaser of the Notes may have a rating completed after the sale at the expense of the purchaser, including any fees to be incurred by the District, such as a rating action that may result in the filing of a material event notification to EMMA and/or the provision of a supplement to the final Official Statement.

The District does not have an issuer rating or underlying bond rating with any rating agency as of the date of this Official Statement.

MISCELLANEOUS

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

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

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

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

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the information in this Official Statement.

Concurrently with the delivery of the Notes, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the School District, as to which no representation can be made.

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

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

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

The District contact information is as follows: Ronald Rockwood, Business Manager, PO Box 179, 9508 Artz Road, Beaver Falls, New York 13305-0179, Phone: (315) 346-1211, Email: rrockwood@brcsd.org.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the District.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

Dated: February 25, 2026

HOLLY AUCTER
**President of the Board of Education
and Chief Fiscal Officer**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 4,645,564	\$ 3,807,690	\$ 4,969,795	\$ 4,229,002	\$ 4,723,034
Restricted Cash	1,276,043	2,354,651	2,847,089	5,734,875	4,423,183
Due from Other Funds	205,743	301,276	1,967,783	1,126,612	287,723
State and Federal Aid Receivable	632,768	1,091,348	806,404	540,110	621,773
Due from Fiduciary Funds	500	500	-	-	-
Due From Other Governments	6,771	-	-	-	-
Other Receivables	58,310	2,314	4,085	4,771	4,538
Prepaid	11,778	24,573	11,778	11,778	46,778
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 6,837,477</u>	<u>\$ 7,582,352</u>	<u>\$ 10,606,934</u>	<u>\$ 11,647,148</u>	<u>\$ 10,107,029</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 4,134	\$ 21,090	\$ 4,194	\$ -	\$ 8,579
Accrued Liabilities	221,385	196,036	240,052	273,310	286,674
Due to Other Funds	23,152	-	2,362,488	1,514,446	977,580
Due to Teacher's Retirement Sys.	525,214	613,431	664,311	681,880	750,674
Due to Employee's Retirement Sys.	82,595	68,988	85,031	98,309	105,860
Deferred State Aid	-	-	-	-	-
Overpayments	290	1,464	1,464	1,464	1,464
Unearned Revenues	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>856,770</u>	<u>901,009</u>	<u>3,357,540</u>	<u>2,569,409</u>	<u>2,130,831</u>
 <u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ 24,573	\$ 11,778	\$ 11,778	\$ 46,778
Restricted	1,287,821	2,354,651	2,847,089	5,734,875	4,423,183
Assigned	1,005,621	1,524,994	1,043,419	1,649,224	1,868,714
Unassigned	3,687,265	2,777,125	3,347,108	1,681,862	1,637,523
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	<u>5,980,707</u>	<u>6,681,343</u>	<u>7,249,394</u>	<u>9,077,739</u>	<u>7,976,198</u>
 TOTAL LIABILITIES & FUND EQUITY	 <u>\$ 6,837,477</u>	 <u>\$ 7,582,352</u>	 <u>\$ 10,606,934</u>	 <u>\$ 11,647,148</u>	 <u>\$ 10,107,029</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
Real Property Taxes	\$ 4,939,190	\$ 5,075,435	\$ 5,200,075	\$ 5,348,410	\$ 5,554,372
Other Tax Items	633,275	623,057	599,672	514,894	501,040
Charges for Services	18,130	23,435	27,072	58,988	72,291
Use of Money & Property	4,108	11,266	271,373	479,012	460,923
Sale of Property and Compensation for Loss	3,536	12,930	28,894	8,862	2,838
Miscellaneous	219,168	137,592	279,774	202,733	249,205
Interfund Revenues	-	11,723	-	-	-
Revenues from State Sources	10,693,252	11,501,696	11,771,880	13,688,839	14,249,040
Revenues from Federal Sources	318,439	-	10,233	10,313	1,415
Total Revenues	<u>\$ 16,829,098</u>	<u>\$ 17,397,134</u>	<u>\$ 18,188,973</u>	<u>\$ 20,312,051</u>	<u>\$ 21,091,124</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>50,000</u>	<u>50,000</u>
Total Revenues and Other Sources	<u>16,829,098</u>	<u>17,397,134</u>	<u>18,218,973</u>	<u>20,362,051</u>	<u>21,141,124</u>
EXPENDITURES					
General Support	\$ 2,375,812	\$ 2,218,839	\$ 2,474,335	\$ 2,513,848	\$ 2,681,001
Instruction	7,422,874	7,806,781	8,091,314	8,577,839	9,825,234
Pupil Transportation	700,966	840,043	1,082,733	1,421,094	1,309,850
Community Services	-	-	-	-	-
Employee Benefits	3,703,815	3,704,896	3,861,851	3,971,733	4,313,288
Debt Service	1,182,815	1,975,939	1,993,714	1,919,009	1,810,628
Total Expenditures	<u>\$ 15,386,282</u>	<u>\$ 16,546,498</u>	<u>\$ 17,503,947</u>	<u>\$ 18,403,523</u>	<u>\$ 19,940,001</u>
Other Uses:					
Interfund Transfers	<u>148,032</u>	<u>150,000</u>	<u>146,975</u>	<u>130,183</u>	<u>2,302,664</u>
Total Expenditures and Other Uses	<u>15,534,314</u>	<u>16,696,498</u>	<u>17,650,922</u>	<u>18,533,706</u>	<u>22,242,665</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,294,784</u>	<u>700,636</u>	<u>568,051</u>	<u>1,828,345</u>	<u>(1,101,541)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,685,923	5,980,707	6,681,343	7,249,394	9,077,739
Changes in Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,980,707</u>	<u>\$ 6,681,343</u>	<u>\$ 7,249,394</u>	<u>\$ 9,077,739</u>	<u>\$ 7,976,198</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2025			2026
	Adopted <u>Budget</u>	Final <u>Budget</u>	Audited <u>Actual</u>	Adopted <u>Budget</u>
REVENUES				
Real Property Taxes	\$ 5,964,513	\$ 5,964,513	\$ 5,554,372	\$ 6,083,804
Other Tax Items	2,500	2,500	501,040	15,878
Charges for Services	9,000	9,000	72,291	9,000
Use of Money & Property	201,000	201,000	460,923	151,000
Sale of Property and Compensation for Loss	1,000	1,000	2,838	500
Miscellaneous	145,000	145,000	249,205	244,999
Interfund Revenue	-	-	-	-
Revenues from State Sources	14,112,863	14,112,863	14,249,040	14,871,804
Revenues from Federal Sources	10,000	10,000	1,415	10,000
Total Revenues	<u>\$ 20,445,876</u>	<u>\$ 20,445,876</u>	<u>\$ 21,091,124</u>	<u>\$ 21,386,985</u>
Other Sources:				
Interfund Transfers	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Revenues and Other Sources	<u>20,495,876</u>	<u>20,495,876</u>	<u>21,141,124</u>	<u>21,386,985</u>
EXPENDITURES				
General Support	\$ 2,847,949	\$ 3,085,649	\$ 2,681,001	\$ 2,821,926
Instruction	10,896,998	10,652,203	9,825,234	11,359,549
Pupil Transportation	1,503,612	1,510,707	1,309,850	1,632,112
Community Services	-	-	-	-
Employee Benefits	4,930,944	4,930,944	4,313,288	5,129,786
Debt Service	<u>1,790,597</u>	<u>1,790,597</u>	<u>1,810,628</u>	<u>1,737,326</u>
Total Expenditures	<u>\$ 21,970,100</u>	<u>\$ 21,970,100</u>	<u>\$ 19,940,001</u>	<u>\$ 22,680,699</u>
Other Uses:				
Interfund Transfers	<u>175,000</u>	<u>2,374,293</u>	<u>2,302,664</u>	<u>575,000</u>
Total Expenditures and Other Uses	<u>22,145,100</u>	<u>24,344,393</u>	<u>22,242,665</u>	<u>23,255,699</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,649,224)</u>	<u>(3,848,517)</u>	<u>(1,101,541)</u>	<u>(1,868,714)</u>
FUND BALANCE				
Fund Balance - Beginning of Year	1,649,224	3,848,517	9,077,739	1,868,714
Changes in Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,976,198</u>	<u>\$ -</u>

Source: 2024-25 audited financial report and 2025-26 adopted budget (unaudited) of the District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 1,175,000	\$ 562,325	\$ 1,737,325
2027	1,165,000	511,363	1,676,363
2028	1,010,000	458,350	1,468,350
2029	1,060,000	407,850	1,467,850
2030	1,120,000	354,850	1,474,850
2031	1,035,000	298,850	1,333,850
2032	1,065,000	247,100	1,312,100
2033	710,000	193,850	903,850
2034	610,000	158,350	768,350
2035	635,000	133,950	768,950
2036	665,000	108,550	773,550
2037	155,000	81,950	236,950
2038	165,000	75,750	240,750
2039	165,000	70,800	235,800
2040	170,000	65,850	235,850
2041	175,000	60,750	235,750
2042	180,000	55,500	235,500
2043	185,000	50,100	235,100
2044	195,000	44,550	239,550
2045	200,000	38,700	238,700
2046	205,000	32,700	237,700
2047	215,000	26,550	241,550
2048	220,000	20,100	240,100
2049	220,000	13,500	233,500
2050	230,000	6,900	236,900
TOTALS	\$ 12,930,000	\$ 4,079,088	\$ 17,009,088

Note: The table above does not include any energy performance contract, capital lease or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 DASNY			2018 DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 140,000	\$ 8,913	\$ 148,913	\$ 500,000	\$ 196,000	\$ 696,000
2027	145,000	4,713	149,713	530,000	171,000	701,000
2028	-	-	-	555,000	144,500	699,500
2029	-	-	-	580,000	116,750	696,750
2030	-	-	-	615,000	87,750	702,750
2031	-	-	-	505,000	57,000	562,000
2032	-	-	-	505,000	31,750	536,750
2033	-	-	-	130,000	6,500	136,500
TOTALS	\$ 285,000	\$ 13,625	\$ 298,625	\$ 3,920,000	\$ 811,250	\$ 4,731,250

Fiscal Year Ending June 30th	2020 Serial Bonds			2021 Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 60,000	\$ 413	\$ 60,413	\$ 60,000	\$ 900	\$ 60,900
2027	-	-	-	60,000	300	60,300
TOTALS	\$ 60,000	\$ 412.50	\$ 60,412.50	\$ 120,000	\$ 1,200.00	\$ 121,200.00

Fiscal Year Ending June 30th	2021 DASNY		
	Principal	Interest	Total
2026	\$ 415,000	\$ 356,100	\$ 771,100
2027	430,000	335,350	765,350
2028	455,000	313,850	768,850
2029	480,000	291,100	771,100
2030	505,000	267,100	772,100
2031	530,000	241,850	771,850
2032	560,000	215,350	775,350
2033	580,000	187,350	767,350
2034	610,000	158,350	768,350
2035	635,000	133,950	768,950
2036	665,000	108,550	773,550
2037	155,000	81,950	236,950
2038	165,000	75,750	240,750
2039	165,000	70,800	235,800
2040	170,000	65,850	235,850
2041	175,000	60,750	235,750
2042	180,000	55,500	235,500
2043	185,000	50,100	235,100
2044	195,000	44,550	239,550
2045	200,000	38,700	238,700
2046	205,000	32,700	237,700
2047	215,000	26,550	241,550
2048	220,000	20,100	240,100
2049	220,000	13,500	233,500
2050	230,000	6,900	236,900
TOTALS	\$ 8,545,000	\$ 3,252,600	\$ 11,797,600

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed material event notices, if any, on or before the date specified.

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

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

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser at closing.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

FORM OF OPINION OF BOND COUNSEL

March 5, 2026

Beaver River Central School District
PO Box 179
9508 Artz Road
Beaver Falls, NY 13305-0179

Re: Beaver River Central School District
\$2,000,000 Bond Anticipation Notes, 2026 Series A, CUSIP No.: _____

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$2,000,000 Bond Anticipation Notes, 2026 Series A (the "Notes") of the Beaver River Central School District, County of Lewis, State of New York (the "District"). The Notes are dated March 5, 2026 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before March 5, 2026 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes 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. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ LAW OFFICES, LLP

BEAVER RIVER CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

BEAVER RIVER CENTRAL
SCHOOL DISTRICT

FINANCIAL STATEMENTS
June 30, 2025

Table of Contents

BEAVER RIVER CENTRAL SCHOOL DISTRICT

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
AUDITED BASIC FINANCIAL STATEMENTS	19
STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	19
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES	20
BALANCE SHEET – GOVERNMENTAL FUNDS	21
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	22
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	23
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	24
STATEMENT OF FIDUCIARY NET POSITION	26
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	27
NOTES TO AUDITED BASIC FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	78
SCHEDULE OF CHANGES IN THE DISTRICT’S TOTAL OPEB LIABILITY AND RELATED RATIOS	78
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND	79
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN	80
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – NYSLRS PENSION PLAN	81
SUPPLEMENTARY INFORMATION	82
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND	82
SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES	83

COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS _____	84
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS _____	85
NET INVESTMENT IN CAPITAL ASSETS _____	86
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 <i>GOVERNMENT AUDITING STANDARDS</i>	87
SCHEDULE OF FINDINGS AND RESPONSES _____	89
EXTRA CLASSROOM ACTIVITY FUNDS _____	91
INDEPENDENT AUDITOR’S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS _____	92
EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS _____	94
EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT _____	95

INDEPENDENT AUDITOR'S REPORT

BOARD OF EDUCATION BEAVER RIVER CENTRAL SCHOOL DISTRICT

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 Beaver River Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Beaver River Central School 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 Beaver River Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Beaver River 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-18), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 78), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (page 79), Schedule of District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 80), and Schedule of District's Contributions – NYSLRS Pension Plan (page 81) 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.

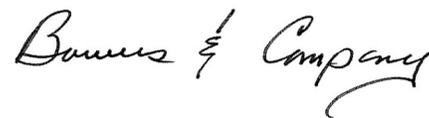
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beaver River Central School District's basic financial statements. The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 82-86), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 82-86) 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 September 30, 2025, on our consideration of the Beaver River 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 Beaver River 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 Beaver River Central School District’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in dark ink and is positioned to the right of the main text block.

Watertown, New York
September 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

INTRODUCTION

The following is a discussion and analysis of the Beaver River Central School District of Beaver Falls, New York's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the financial statement, which immediately follows this section.

FINANCIAL HIGHLIGHTS

The District-wide financial position remained relatively stable, with combined total net position deficit of \$13.5 million as of June 30, 2025 compared to \$14.2 million as of June 30, 2024. Total revenues decreased 0.02%, or \$5 thousand, and total expenses decreased 3.25%, or \$749 thousand at the District-wide level.

The 2024-25 decrease in revenues was most significantly impacted in two specific areas. The District saw a significant decrease in grant funding following the completion of the stimulus funding, but most of that loss was offset by an increase in State Aid and local property taxes.

The decrease in expenses is directly related to salaries and benefits. While there was a significant decrease in OPEB, TRS and ERS expenses, much of that was offset by the increase in Instruction and General Support expenses.

Additional Information on this District presentation is as follows:

- Overall student enrollment decreased from 872 in 2023-24 to 863 in 2024-25.
- The District's Full Property Values increased approximately 6.6% over the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three (3) 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 District.

- The first two (2) statements are *District-wide* financial statements that both provide *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements. The fund financial statements concentrate on the 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 District acts solely as a *trustee* or *agent* for the benefit of others.

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

BEAVER RIVER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS – Continued

Table A-1 summarizes the major features of the District’s financial statements, including the portion of the 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.

Table A-1	Major Features of the District-Wide and Fund Financial Statement		
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or acts as an agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments or scholarships in a trust
Required Financial Statements	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures, and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, 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	Additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS – Continued

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. 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 District's net position and how they have changed. Net position, the difference between the District's assets and liabilities – is one way to measure the financial health or position of the District.

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

In the District-wide financial statements, the District's activities are shown as Governmental activities: Most of the 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 District's funds, focusing on its most significant or "major" funds – not the 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 District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as Federal Grants).

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS – Continued

Fund Financial Statements – Continued

The District has two (2) kinds of funds:

- 1.) **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (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 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 fund statements explain the relationship (or differences) between them.
- 2.) **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the property taxes collected on behalf of other governments. The 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 District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations and does not have administrative control over funds that are not under specific trust arrangements.

The term "fund balance" refers to the particular fund's equity (Assets – Liabilities) in a similar manner to the way the term "net position" is used in the district-wide financial statements presentation.

Highlights of some of the District's larger funds are as follows:

General Fund – The General Fund had \$10.11 million in assets consisting primarily of cash (\$9.15 million) and aid monies due (\$622 thousand) from NYS. Liabilities (\$2.13 million) consisted primarily of obligations due to the Teachers' Retirement System and Employees' Retirement System (\$751 thousand) and monies due (\$978 thousand) to other funds. 68% of the District's revenues came from State and Federal sources and 26% from Real Property taxes. At June 30, 2025, the District showed an excess of revenues over expenditures in its General Fund of \$1.15 million and total fund balance of \$7.98 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

OVERVIEW OF FINANCIAL STATEMENTS – Continued

Fund Financial Statements – Continued

Highlights of some of the District's larger funds are as follows – Continued:

Special Aid Fund – The Special Aid fund had approximately \$280 thousand in assets at June 30, 2025, which consisted entirely of amounts due from State and Federal Aid and monies borrowed from the General Fund. Liabilities of approximately \$280 thousand consisted primarily of monies owed to the General Fund. During 2024-2025, revenues in the Special Aid Fund decreased by approximately \$931 thousand (52.3%) from the prior year.

School Food Service Fund – The School Food Service Fund had \$268 thousand in assets at June 30, 2025, consisting of cash, inventory, and State and Federal aid receivable. The School Food Service Fund had an excess of expenditures over revenues of approximately \$19 thousand and total fund balance of \$253 thousand.

Capital Projects Fund – Campus-Wide – The Capital Projects Fund – Campus-Wide had \$1.5 million in assets at June 30, 2025, consisting of cash. The Capital Projects Fund – Campus-Wide had a net increase in fund balance of \$1.3 million.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Net Position may serve over time as a useful indicator of a government's financial position. The beginning deficit Net Position was restated due to the District's implementation of GASB Statement No. 101, *Compensated Absences*, as explained in Note 15 of the financial statements. Our analysis below focuses on the Net Position (**Table A-2**) and Changes in Net Position (**Table A-3**) of the District's governmental activities. The District's combined net position deficit decreased from \$14.2 million to \$13.5 million. This represents a \$702 thousand decrease in the statement of net position for the year. The overall deficit is largely due to the District's other postemployment benefit ("OPEB") liability. As of June 30, 2025, the OPEB liability was \$42.31 million compared to \$39.01 million reported at the close of the prior fiscal year. See Note 12 for additional OPEB information.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

REPORTING THE SCHOOL DISTRICT AS A WHOLE – Continued

Table A-2 summarizes the District’s Net Position. The complete Statement of Net Position can be found in the District’s basic financial statements.

Table A-2: Condensed Statement of Net Position-Governmental Activities

**Condensed Statement of Net Position
Comparison 2023-2024 and 2024-2025**

	Fiscal Year 2024 (Restated)	Fiscal Year 2025	Percent Change
Assets			
Current and Other Assets	\$ 11,523,680	\$ 12,039,087	4.47%
Capital Assets, Net	35,007,890	35,234,536	0.65%
Net Pension Assets – Proportionate Share	-	983,947	0.00%
Total Assets	<u>\$ 46,531,570</u>	<u>\$ 48,257,570</u>	<u>3.71%</u>
Deferred Outflows of Resources	<u>\$ 6,870,354</u>	<u>\$ 7,085,559</u>	<u>3.13%</u>
Liabilities			
Current Liabilities	\$ 1,111,699	\$ 1,347,990	21.25%
Long-Term Liabilities	55,762,456	57,724,210	3.52%
Net Pension Liability – Proportionate Share	1,451,480	1,320,170	-9.05%
Total Liabilities	<u>\$ 58,325,635</u>	<u>\$ 60,392,370</u>	<u>3.54%</u>
Deferred Inflows of Resources	<u>\$ 9,265,166</u>	<u>\$ 8,438,033</u>	<u>-8.93%</u>
Net Position			
Net Investment in Capital Assets	\$ 18,641,083	\$ 20,202,775	8.38%
Restricted	6,862,321	6,909,208	0.68%
Unrestricted (Deficit)	<u>(39,692,281)</u>	<u>(40,599,257)</u>	<u>-2.29%</u>
Total Net Position	<u>\$ (14,188,877)</u>	<u>\$(13,487,274)</u>	<u>4.94%</u>

In addition to assets, the *Statement of Net Position* reports 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. Included in deferred outflows of resources in the current year is \$3.00 million related to the District’s participation in the NYS TRS and ERS pension systems and \$4.09 million related to the District’s OPEB Plan.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

REPORTING THE SCHOOL DISTRICT AS A WHOLE – Continued

In addition to liabilities, the *Statement of Net Position* or balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Included in deferred inflows of resources in the current year is \$1.33 million related to the District's participation in the NYS TRS and ERS pension systems and \$7.11 million related to the District's OPEB Plan.

Table A-3: Changes in Net Position from Operating Results District-Wide

**Condensed Statement of Activities
Comparison 2023-2024 and 2024-2025**

	Fiscal Year 2024 (Restated)	Fiscal Year 2025	Percent Change
Revenues			
Program Revenues			
Charges for Services	\$ 205,650	\$ 185,592	-9.75%
Operating and Capital Grants	2,413,500	1,605,058	-33.50%
General Revenues			
Property Taxes	5,863,304	6,055,412	3.28%
State Formula Aid	13,688,839	14,249,040	4.09%
Medicaid Reimbursements	10,313	1,415	-86.28%
Use of Money and Property	526,631	543,525	3.21%
Gain (Loss) on Disposition of Property	(11,696)	17,280	-247.74%
Other	312,882	346,940	10.89%
Total Revenues	<u>\$ 23,009,423</u>	<u>\$ 23,004,262</u>	<u>-0.02%</u>
Expenses			
General Support	\$ 4,277,417	\$ 4,123,828	-3.59%
Instruction	15,604,347	15,239,699	-2.34%
Pupil Transportation	1,773,772	1,616,356	-8.87%
Debt Service - Interest	521,967	472,779	-9.42%
School Food Service Program	873,938	849,997	-2.74%
Total Expenses	<u>\$ 23,051,441</u>	<u>\$ 22,302,659</u>	<u>-3.25%</u>
Increase (Decrease) in Net Position	<u>\$ (42,018)</u>	<u>\$ 701,603</u>	<u>1769.77%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

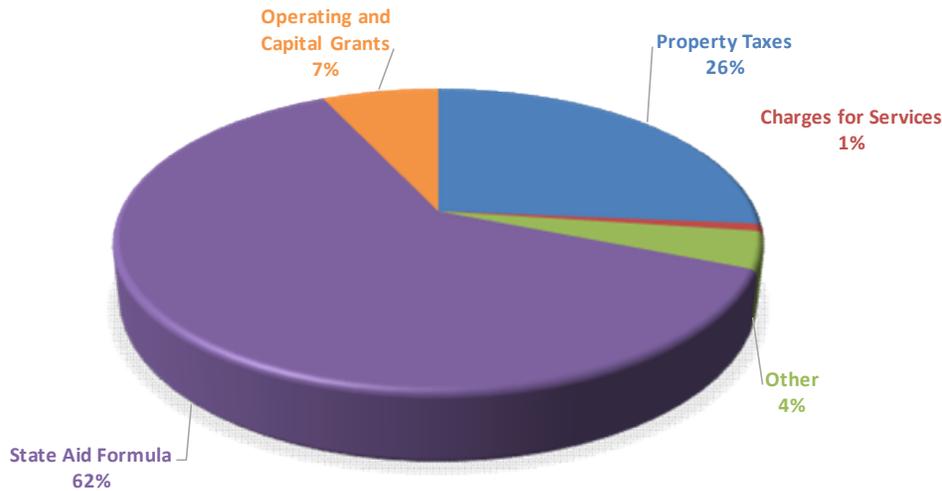
REPORTING THE SCHOOL DISTRICT AS A WHOLE – Continued

The District's total revenues decreased approximately 0.02% (*Table A-3*), while the total costs of all programs and services decreased by approximately 3.25%.

The District's total fiscal year 2025 revenues totaled \$23 million. Property taxes and state formula aid accounted for most of the District's revenue by contributing 26 cents and 62 cents respectively, of every dollar raised (*See Table A-4*). The remainder came from fees charged for services, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$22.30 million for fiscal year 2025. Out of this total, 79 percent are predominately related to instruction, school food service and transporting students (*See Table A-5*). General support and other District business activities account for the remaining 21 percent of total costs.

Table A-4: Sources of Revenues for Fiscal Year 2025

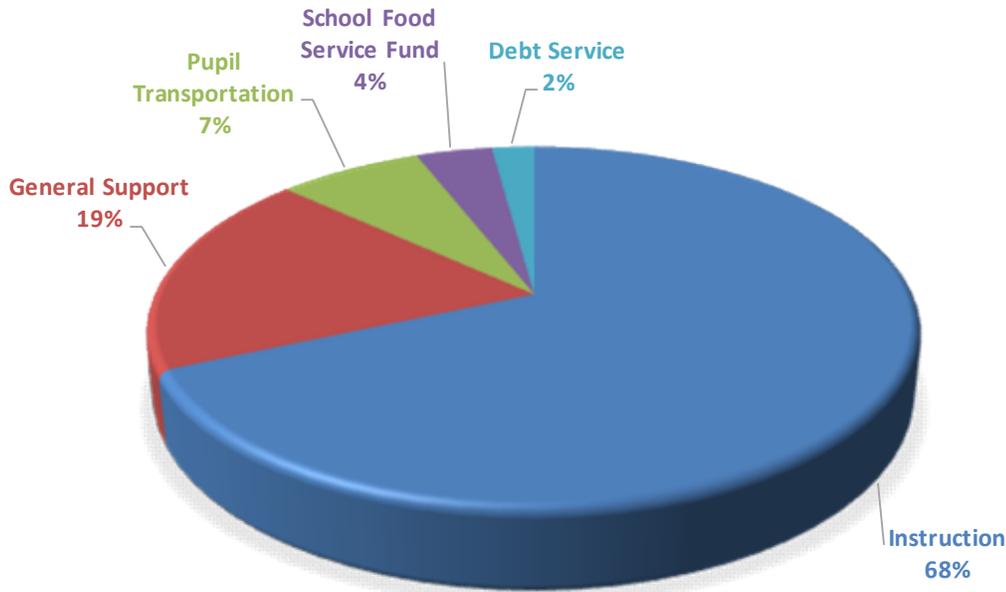


MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

REPORTING THE SCHOOL DISTRICT AS A WHOLE – Continued

Table A-5: Expenses for Fiscal Year 2025



GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the budget several times. These budget transfers fall into three (3) categories:

- Budget transfers and supplemental appropriations approved shortly after the beginning of the year to reflect the actual beginning account balances (correcting the estimate amounts in the budget adopted May 2024).
- Changes made to accounts for significant events.
- Increases in appropriations preventing budget overruns.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS – Continued

Significant variances between budget and actual are as follows:

Revenues:

- Overall revenues received in 2024-25 were 3.2% higher than budgeted, which is almost entirely a result of elevated earnings in interest-bearing accounts.
- The New York State imposed Tax Levy Limit calculation for 2024-25 led to voter approval which allowed for a 2% annual increase in the local Tax Levy.
- Actual overall State Educational Aid revenues were slightly over budget by approximately \$136 thousand.

Expenditures:

- General Support was \$405 thousand less than budget due to fewer expenses in Central Services and Finance.
- Instruction was \$827 thousand less than budget due to shifting salaries and benefits to special aid to be reimbursed with grant funding.
- Pupil transportation was \$201 thousand less than budget due to lower than expected personnel costs.
- Employee benefits were \$618 thousand less than budget due to lower than anticipated increases in health insurance premiums and retirement system contributions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2025, the District had invested \$57.9 million in a broad range of capital assets, including land, improvements, buildings, furniture, equipment, vehicles, and intangible lease assets - equipment.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION – Continued

Capital Assets – Continued

Table A-6: Capital Assets at Year End

Category	Fiscal Year 2024	Fiscal Year 2025	Percent Change
Land	\$ 124,334	\$ 124,334	0.00%
Construction in Progress	650	867,955	133431.54%
Buildings & Improvements	50,958,518	51,083,284	0.24%
Furniture & Equipment	5,503,261	5,756,213	4.60%
Intangible Lease Assets - Equipment	215,787	78,969	-63.40%
Total	\$ 56,802,550	\$ 57,910,755	1.95%

Long-term Debt

At year-end, the District had \$59.0 million in general obligation and other long-term debt outstanding versus \$57.2 million last year, an increase of 3.2%. The fiscal year 2024 compensated absences were restated due to the District's implementation of GASB Statement No. 101, *Compensated Absences*, as explained in Note 15 of the financial statements. More detailed information about the District's long-term liabilities is presented in the Notes to the Financial Statements.

Table A-7: Outstanding Long-Term Debt

Category	Fiscal Year 2024 (Restated)	Fiscal Year 2025	Percent Change
General Obligation Bonds	\$ 16,334,599	\$ 15,018,755	-8.06%
Other Long-Term Liabilities	40,879,337	44,025,625	7.70%
Total	\$ 57,213,936	\$ 59,044,380	3.20%

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION – Continued

Long-term Debt – Continued

The District's general obligation bond rating continues to carry a rating of *Aa3* (Moody's) and *AA-* (S&P). The state limits the amount of general obligation debt that Non-City School Districts can issue up to 10% of the full value of all taxable property within the District's geographic limits. The District's outstanding general obligation debt is below the \$56 million state-imposed limit.

More detailed information about the District's outstanding debt is presented in the Note 8 of the Financial Statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District was re-classified as a "High-Needs" district, which was reflected in an increase in the base State Formula Aid starting in 2013-14 and balance forward.
- The District tax increase for 2024-25 was 2.0%, based on the calculations under the State of New York's Tax Levy Limit calculation. The District has maintained a consistent property tax increase of 2.0% since 2012-13, with the exception of 2019-20, when the increase was 1.0%.
- The 2025-26 General Fund budget contains an 5.04% increase over the 2024-25 budget, which includes the outright purchase of three new buses for student transportation, a voter approved transfer of funds to the capital fund for a capital project, and the increasing cost of health care coverage for School Related Personnel.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances of the District's accountability with the money it receives. If you have any questions about this report or need additional financial information, contact:

Beaver River Central School
Attn: District Treasurer
PO Box 179
9508 Artz Road
Beaver Falls, New York 13305
(315) 346-1211

BEAVER RIVER CENTRAL SCHOOL DISTRICT

AUDITED BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES

June 30, 2025

ASSETS		
Cash and Cash Equivalents		
Unrestricted	\$	4,899,288
Restricted		6,094,637
Receivables		
State and Federal Aid		957,813
Other		4,539
Inventories		36,032
Prepaid Expenses		46,778
Net Pension Asset – Proportionate Share		983,947
Capital Assets, Net		<u>35,234,536</u>
TOTAL ASSETS	\$	<u>48,257,570</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	\$	2,997,550
Other Postemployment Benefits		<u>4,088,009</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	<u>7,085,559</u>
LIABILITIES		
Payables		
Accounts Payable	\$	171,588
Accrued Liabilities		294,644
Accrued Interest on Bonds Payable		23,760
Due to Teachers' Retirement System		750,674
Due to Employees' Retirement System		105,860
Unearned Credits		
Overpayments and Collections in Advance		1,464
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		1,455,844
Lease Liability		13,006
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premium		13,562,911
Compensated Absences Payable		380,143
Other Postemployment Benefits Payable		42,312,306
Net Pension Liability – Proportionate Share		<u>1,320,170</u>
TOTAL LIABILITIES	\$	<u>60,392,370</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	\$	1,329,359
Other Postemployment Benefits		<u>7,108,674</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	\$	<u>8,438,033</u>
NET POSITION		
Net Investment in Capital Assets	\$	20,202,775
Restricted for:		
Debt Service		1,065,272
Other Legal Restriction		5,843,936
Unrestricted (Deficit)		<u>(40,599,257)</u>
TOTAL NET POSITION	\$	<u>(13,487,274)</u>

See notes to audited basic financial statements.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2025

		<u>Program Revenues</u>		Net (Expenses)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenues and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Position</u>
FUNCTIONS/PROGRAMS				
General Support	\$ 4,123,828	\$ -	\$ -	\$ (4,123,828)
Instruction	15,239,699	72,291	849,804	(14,317,604)
Pupil Transportation	1,616,356	-	-	(1,616,356)
Debt Service - Interest	472,779	-	-	(472,779)
School Food Service Program	849,997	113,301	755,254	18,558
Total Functions and Programs	<u>\$ 22,302,659</u>	<u>\$ 185,592</u>	<u>\$ 1,605,058</u>	<u>(20,512,009)</u>
GENERAL REVENUES				
Real Property Taxes				5,554,372
Other Tax Items				501,040
Use of Money and Property				543,525
Sale of Property and				
Compensation for Loss				2,838
Gain on Disposition of Property				17,280
State Sources				14,249,040
Medicaid Reimbursements				1,415
Miscellaneous				344,102
Total General Revenues				<u>21,213,612</u>
Change in Net Position				701,603
Net Position – Beginning of Year, As Restated				<u>(14,188,877)</u>
Net Position – End of Year				<u>\$ (13,487,274)</u>

See notes to audited basic financial statements.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2025

	<u>General</u>	<u>Capital - Campus - Wide</u>	<u>Special Aid</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents					
Unrestricted	\$ 4,723,034	\$ -	\$ -	\$ 176,254	\$ 4,899,288
Restricted	4,423,183	1,494,371	-	177,083	6,094,637
Receivables					
Due From Other Funds	287,723	-	-	977,580	1,265,303
State and Federal Aid	621,773	-	280,064	55,976	957,813
Other	4,538	-	-	1	4,539
Inventories	-	-	-	36,032	36,032
Prepaid Expenditures	46,778	-	-	-	46,778
TOTAL ASSETS	<u>\$ 10,107,029</u>	<u>\$ 1,494,371</u>	<u>\$ 280,064</u>	<u>\$ 1,422,926</u>	<u>\$ 13,304,390</u>
LIABILITIES					
Payables					
Accounts Payable	\$ 8,579	\$ 163,009	\$ -	\$ -	\$ 171,588
Accrued Liabilities	286,674	-	-	7,970	294,644
Due to Other Funds	977,580	-	280,064	7,659	1,265,303
Due to Teachers' Retirement System	750,674	-	-	-	750,674
Due to Employees' Retirement System	105,860	-	-	-	105,860
Unearned Credits					
Overpayments and Collections in Advance	1,464	-	-	-	1,464
Total Liabilities	<u>2,130,831</u>	<u>163,009</u>	<u>280,064</u>	<u>15,629</u>	<u>2,589,533</u>
FUND BALANCES					
Nonspendable	46,778	-	-	36,032	82,810
Restricted	4,423,183	1,331,362	-	1,154,663	6,909,208
Assigned	1,868,714	-	-	216,602	2,085,316
Unassigned	1,637,523	-	-	-	1,637,523
Total Fund Balances	<u>7,976,198</u>	<u>1,331,362</u>	<u>-</u>	<u>1,407,297</u>	<u>10,714,857</u>
TOTAL LIABILITIES					
AND FUND BALANCES	<u>\$ 10,107,029</u>	<u>\$ 1,494,371</u>	<u>\$ 280,064</u>	<u>\$ 1,422,926</u>	<u>\$ 13,304,390</u>

See notes to audited basic financial statements.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2025

Total Fund Balance - Governmental Funds \$ 10,714,857

Amounts reported for governmental activities in the Statement of Net Position are different because:

Proportionate share of long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.

Net Pension Asset - Proportionate Share - TRS	\$ (983,947)	
Net Pension Liability - Proportionate Share - ERS	<u>1,320,170</u>	(336,223)

Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Other Postemployment Benefits	\$ 7,108,674	
Pensions	<u>1,329,359</u>	(8,438,033)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Other Postemployment Benefits	\$ 4,088,009	
Pensions	<u>2,997,550</u>	7,085,559

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:

The Cost of Capital Assets is	\$ 57,910,755	
Accumulated Depreciation and Amortization is	<u>(22,676,219)</u>	35,234,536

Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities, at year end, consist of:

Bonds Payable	\$ 12,930,000	
Lease Liability	13,006	
Accrued Interest Payable	23,760	
Compensated Absences Payable	380,143	
Other Postemployment Benefits Payable	42,312,306	
Premium on Bond Issue	<u>2,088,755</u>	<u>(57,747,970)</u>

Total Net Position - Governmental Activities \$ (13,487,274)

BEAVER RIVER CENTRAL SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS**

Year Ended June 30, 2025

	<u>General</u>	<u>Capital - Campus- Wide</u>	<u>Special Aid</u>	<u>Non- Major Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Real Property Taxes	\$ 5,554,372	\$ -	\$ -	\$ -	\$ 5,554,372
Other Tax Items	501,040	-	-	-	501,040
Charges for Services	72,291	-	-	-	72,291
Use of Money and Property	460,923	22	-	82,580	543,525
Sale of Property and Compensation for Loss	2,838	-	-	-	2,838
State Sources	14,249,040	-	216,773	296,459	14,762,272
Medicaid Reimbursement	1,415	-	-	-	1,415
Federal Sources	-	-	633,031	412,218	1,045,249
Surplus Food	-	-	-	46,577	46,577
Sales – School Food Service	-	-	-	113,301	113,301
Miscellaneous	249,205	-	-	94,897	344,102
Total Revenues	<u>21,091,124</u>	<u>22</u>	<u>849,804</u>	<u>1,046,032</u>	<u>22,986,982</u>
EXPENDITURES					
General Support	2,681,001	-	-	375,459	3,056,460
Instruction	9,825,234	-	784,414	-	10,609,648
Pupil Transportation	1,309,850	-	70,027	-	1,379,877
Employee Benefits	4,313,288	-	8,443	84,916	4,406,647
Debt Service:					
Principal	1,199,203	-	-	-	1,199,203
Interest	611,425	-	-	-	611,425
Food Service Program:					
Cost of Sales	-	-	-	389,622	389,622
Other Expenditures	-	-	-	100,193	100,193
Capital Outlay	-	867,955	-	89,639	957,594
Total Expenditures	<u>19,940,001</u>	<u>867,955</u>	<u>862,884</u>	<u>1,039,829</u>	<u>22,710,669</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,151,123</u>	<u>(867,933)</u>	<u>(13,080)</u>	<u>6,203</u>	<u>276,313</u>
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers In	50,000	2,199,295	13,080	90,289	2,352,664
Operating Transfers (Out)	<u>(2,302,664)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(2,352,664)</u>
Total Other Financing Sources and (Uses)	<u>(2,252,664)</u>	<u>2,199,295</u>	<u>13,080</u>	<u>40,289</u>	<u>-</u>
Net Change in Fund Balances	<u>(1,101,541)</u>	<u>1,331,362</u>	<u>-</u>	<u>46,492</u>	<u>276,313</u>
Fund Balances – Beginning of Year	<u>9,077,739</u>	<u>-</u>	<u>-</u>	<u>1,360,805</u>	<u>10,438,544</u>
Fund Balances – End of Year	<u>\$ 7,976,198</u>	<u>\$ 1,331,362</u>	<u>\$ -</u>	<u>\$ 1,407,297</u>	<u>\$ 10,714,857</u>

See notes to audited basic financial statements.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 276,313

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position assets with an initial, individual cost of more than \$5,000 are capitalized and in the Statement of Activities, the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays and the gain on disposal of capital assets exceeded depreciation and amortization in the current period.

Capital Outlays	\$ 1,504,146	
Gain on Disposals	17,280	
Depreciation and Amortization Expense	(1,294,780)	226,646

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt payments made in the current period for bonds and lease liabilities. 1,199,203

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased by the net decrease in accrued interest on bonds and amortization of premium on bond issue. 138,646

In the Statement of Activities, certain operating expenses--compensated absences (vacations and certain sick pay) and special termination benefits (early retirement) --are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 5,556

BEAVER RIVER CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF
ACTIVITIES - CONTINUED**

Year Ended June 30, 2025

On the Statement of Activities, the actual and projected long-term expenditures for post employment benefits and related deferred outflows/inflows are reported whereas on the governmental funds only the actual expenditures are recorded for postemployment benefits.

(1,341,351)

(Increases) decreases in proportionate share of net pension asset (liability) and related deferred outflows/inflows reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	\$ 153,530	
Employees' Retirement System	<u>43,060</u>	<u>196,590</u>
Change in Net Position of Governmental Activities		<u><u>\$ 701,603</u></u>

BEAVER RIVER CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

	Custodial	Private Purpose Trusts
ASSETS		
Cash and Cash Equivalents		
Restricted	\$ -	\$ 45
Total Assets	<u>\$ -</u>	<u>\$ 45</u>
LIABILITIES		
Due to Other Funds	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Restricted	<u>\$ -</u>	<u>\$ 45</u>

See notes to audited basic financial statements.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2025

	Custodial	Private Purpose Trusts
ADDITIONS		
Gifts and Contributions	\$ -	\$ 33,000
Interest Earnings	-	1
Taxes Collected for Other Governments (Library Levy)	80,000	-
Total Additions	<u>80,000</u>	<u>33,001</u>
DEDUCTIONS		
Scholarships and Awards	-	26,283
Payment of Tax to Other Governments (Library Levy)	80,000	-
Total Deductions	<u>80,000</u>	<u>26,283</u>
Change in Net Position	-	6,718
Net Position – Beginning of Year	-	<u>(6,673)</u>
Net Position – End of Year	<u>\$ -</u>	<u>\$ 45</u>

See notes to audited basic financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Beaver River 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:

Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (Board) consisting of seven 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 the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity is based on criteria set forth by GASB. 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. 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.

Extra Classroom Activities Fund

The Extra Classroom Activities Fund of the District represent the funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activities Funds are independent of the District with respect to its financial transactions and the designation of student management.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Reporting Entity – Continued

Extra Classroom Activities Fund – Continued

Separate audited financial statements (cash basis) of the Extra Classroom Activities Fund can be found at the District’s business office. The District accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.

Joint Venture

The District is one of 18 component school districts in the Jefferson-Lewis-Hamilton-Herkimer-Oneida Counties Board of Cooperative Educational Services (BOCES). A 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 §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 §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §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, §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 \$2,966,501 for BOCES administrative and program costs.

The District’s share of BOCES aid amounted to \$1,128,531. This represents state aid distributions of \$981,304 and 2024 fund balance returned to schools of \$147,227.

Financial statements for the BOCES are available from the BOCES administrative office.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation

District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal transactions. Governmental activities are generally 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 program 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.

Fund Statements

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

General Fund: This is the District's primary operating fund. It accounts for all financial transactions except those required to be accounted for in another fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation – 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, extra classroom activity funds which the District has administrative involvement 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.

Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for specific educational programs.

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Extra Classroom Activity Funds: Used to account for funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extra classroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of, or the right-to-use capital facilities and other capital and intangible assets. 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 accumulations 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 fiduciary funds:

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation – Continued

There are two classes of fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Custodial Funds: These funds are limited to assets that are being held for individuals, private organizations, or other governments that are not held in a trust. Assets are held by the District as agent for property taxes collected on behalf of other governments.

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 unmature portion of long-term debt and other certain other liabilities the District would not expect to liquidate currently with expendable available resources (e.g. compensated absences for employees still in 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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include real property taxes, State Aid, grants and donations.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus and Basis of Accounting – Continued

On an accrual basis, revenue from real 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 collectible within 90 days after the end of the fiscal year as it matched the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease liabilities, subscription liabilities, claims and judgments, compensated absences, workers' compensation, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset, intangible lease asset, and intangible subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases and subscriptions with terms greater than one year are reported as other financing sources.

Real Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2024, and became a lien on August 12, 2024. Taxes are collected during the period September 1, 2024 to October 31, 2024.

Uncollected real property taxes are subsequently enforced by the County of Lewis, 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.

Restricted Resources

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

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.

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 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

Estimates

The preparation of financial statements in conformity with GAAP 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 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, pension costs, OPEB, workers' compensation liabilities, potential contingent liabilities, useful lives of capital assets, intangible lease assets, and intangible subscription assets.

Cash and Cash Equivalents

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 the date of acquisition.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents - Continued

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.

Certain cash balances are restricted by various legal or contractual obligations, such as legal reserves or debt agreements.

Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories and Prepaid Items

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of donated by the U.S. Department of Agriculture, at the Government’s assigned 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.

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

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 and Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A prepaid item was recorded in the General Fund in the amount of \$11,778, which represents the District’s contribution to the School and Municipal Energy Cooperative of WNY (“SMEC”). Contributions made by member districts are recorded by SMEC as a current liability, and members are allocated a share of the organization’s net assets based on each participant share of premiums paid for that year. Also, \$35,000 was recorded in the General Fund for the down payments specific to lease obligations.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Other Assets

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.

Capital Assets and Intangible Lease Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to July 1, 2002, 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Land and construction in progress 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
Site Improvements	\$ 25,000	SL	50 Years
Buildings	50,000	SL	50 Years
Building Improvements	25,000	SL	20 Years
Furniture and Equipment	5,000	SL	5 - 20 Years

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of \$5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the lease term (3-5 years) consistent with the decrease in the related lease liability or using the straight-line method if there is no corresponding lease liability.

The District does not possess any infrastructure.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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. The District has three items that qualify for reporting in this category. First is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension 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 second item is the District's contributions to the New York State Teachers' and Employees' pension systems and to Other Postemployment Benefit (OPEB) plan subsequent to the measurement date. The third item is related to OPEB reported in the District-wide Statements of Net Position. This represents the effect of the net changes of assumptions and other inputs.

In addition to liabilities, the Statement of Net Position or Balance Sheet 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 or fund balance 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. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item 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.

Unearned Revenue

The District reports unearned revenue on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Employee Benefits – 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.

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.

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 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 estimated liability for time off 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 unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teacher's Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Other Benefits – Continued

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage to eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide statements, the cost of post-employment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with the criteria set forth by GASB.

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 or no 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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 a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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.

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) and intangible lease and subscription assets (present value of future payments remaining on the term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, improvements of, and the right-to-use those assets, net of any unexpended proceeds.

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Statements

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

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Food Service Fund of \$36,032 and the prepaid expenditures of \$46,778 recorded in the General Fund.

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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Debt Service

According to General Municipal Law §6-1, 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 School District property or capital improvement. These monies are accounted for in the Debt Service Fund.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, all expenditures made from the employee benefit accrued liability reserve 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Insurance

According to General Municipal Law §6-n, all expenditures made from the insurance reserve 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.

Retirement Contributions

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.

Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund 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. This reserve is accounted for in the General Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Workers' Compensation

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.

Unemployment Insurance

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance reserve 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.

Capital

According to Education Law §3651, all 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 amounts, 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Scholarships and Awards Fund

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. These monies are accounted for in the Scholarships and Awards Fund.

Extra Classroom Activities Fund

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. These monies are accounted for in the Extra Classroom Activities Fund.

Repairs

According to General Municipal Law §6-d, all expenditures made from the repairs reserve must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Restricted fund balance includes the following at June 30, 2025:

General Fund	
Insurance	\$ 102,069
Repairs	48,611
Unemployment Insurance	286,356
Employee Benefit Accrued Liability	269,215
Retirement Contributions - NYSERS	1,060,330
Retirement Contributions - NYSTRS	560,109
Workers' Compensation	368,391
Capital Reserve - 2024	601,533
Capital Reserve - Bus Purchases	1,126,569
Extra Classroom Activities Fund	85,198
Scholarships and Awards Fund	4,193
Capital Projects Fund - Campus - Wide	1,331,362
Debt Service Fund	1,065,272
	<hr/>
Total Restricted Funds	\$ 6,909,208
	<hr/> <hr/>

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2025.

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. Any remaining fund balance in other funds is considered assigned.

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 and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

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.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

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 statement issued by GASB:

GASB has issued 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.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ended 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ended June 30, 2026. The 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 addresses certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ended 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 the pronouncements may have on its financial statements and will implement them as applicable and when material.

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

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

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 long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND DISTRICT-WIDE
STATEMENTS – Continued**

Statement of Revenues, Expenditures, and Changes in Fund Balances 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 five 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 current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement and the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the acquisition of capital items or financing of intangible lease assets in the governmental fund statements and depreciation or amortization expense on those items as recorded in the Statement of Activities.

3. Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Pension Differences:

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District’s proportionate share of the collective pension expense of the plan.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN FUND STATEMENTS AND DISTRICT-WIDE
STATEMENTS – Continued**

**Statement of Revenues, Expenditures, and Changes in Fund Balances vs. Statement of
Activities - Continued**

5. OPEB Differences:

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

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 a unified model for the recognition and measurement of compensated absences. See Note 15 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 fund 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

**NOTE 4 – STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY – Continued**

Budgets – Continued

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year may be increased by the amount of encumbrances carried forward from the prior year. 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 can be funded 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) and appropriations of fund balances. 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. The following supplemental appropriation occurred during the year: voter and board approved transfer of \$2,199,293 of capital reserve monies to be used in the campus-wide capital project.

Budgets are adopted annually on a basis consistent with GAAP.

Budgets are established and used for individual capital project fund 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.

Special Revenue Funds have not been included in the comparison because they do not have a legally authorized (appropriated) budget.

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.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

**NOTE 4 – STEWARDSHIP, COMPLIANCE, AND
ACCOUNTABILITY – Continued**

Other

The District’s unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District’s budget for the upcoming school year. The District is committed to adjusting the District’s unrestricted Fund Balance to comply with the real property tax law statutory limits and do so in a manner that benefits District taxpayers; such as use surplus funds as a financing source, funding one-time expenditures, and/or funding needed reserves. Additionally, recent collective bargaining has resulted in increased health benefits as well as salary increases.

During the year ended June 30, 2025, the General Fund had an excess of actual expenditures over budget for instruction – debt service by \$20,031.

**NOTE 5 – CASH AND CASH EQUIVALENTS – CUSTODIAL
CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE,
AND FOREIGN CURRENCY RISKS**

Cash

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District’s investment policies, as discussed previously in these Notes.

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	<u>\$ -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u>\$ 2,376,358</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 5 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS – Continued

Cash – Continued

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 \$4,423,183 restricted for various fund balance reserves in the General Fund, \$1,494,371 restricted for the voter-approved capital project in the Campus-Wide Capital Projects Fund, \$85,198 restricted for extra classroom in the Extra Classroom Activity Funds, \$3,093 restricted for scholarships and awards in the Scholarships and Awards Fund, and \$88,792 restricted for debt service payments in the Debt Service Fund within the governmental funds.

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, but not in the District's name.

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.

This District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

Investment Pool – NYCLASS

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General municipal Law Article 5-G, §119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2025, the District held \$8,251,100 in the General Fund through the cooperative classified as unrestricted and restricted cash.

The above amount represents the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NY Class.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 6 – CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS

In accordance with the provisions of GASB Statement No 87, *Leases*, the District has recognized an intangible lease asset and a lease liability for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various items and other equipment.

Capital asset and intangible lease asset balances and activity for the year ended June 30 are as follows:

Governmental Activities	Beginning Balance	Additions	Retirements / Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	\$ 124,334	\$ -	\$ -	\$ 124,334
Construction-in-Progress	650	957,594	(90,289)	867,955
Total Nondepreciable Assets	<u>124,984</u>	<u>957,594</u>	<u>(90,289)</u>	<u>992,289</u>
Other Capital Assets:				
Buildings & Improvements	50,958,518	34,477	90,289	51,083,284
Furniture and Equipment	5,503,261	578,575	(325,623)	5,756,213
Intangible Lease Assets - Equipment	215,787	-	(136,818)	78,969
Total Other Capital Assets	<u>56,677,566</u>	<u>613,052</u>	<u>(372,152)</u>	<u>56,918,466</u>
Less Accumulated Depreciation:				
Buildings & Improvements	17,914,342	899,756	-	18,814,098
Furniture and Equipment	3,703,959	372,016	(276,403)	3,799,572
Less Accumulated Amortization:				
Intangible Lease Assets - Equipment	176,359	23,008	(136,818)	62,549
Total Accumulated Depreciation and Amortization	<u>21,794,660</u>	<u>1,294,780</u>	<u>(413,221)</u>	<u>22,676,219</u>
Total Other Capital Assets, Net	<u>34,882,906</u>	<u>(681,728)</u>	<u>41,069</u>	<u>34,242,247</u>
Capital Assets, Net	<u>\$ 35,007,890</u>	<u>\$ 275,866</u>	<u>\$ (49,220)</u>	<u>\$ 35,234,536</u>

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

General Support	\$ 922,764
Instruction	55,857
Pupil Transportation	316,159
Total Depreciation and Amortization Expense	<u>\$ 1,294,780</u>

NOTE 7 – SHORT-TERM DEBT OBLIGATIONS

There were no short-term debt financing transactions during the year-ended June 30, 2025.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 8 – LONG-TERM DEBT OBLIGATIONS

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

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.

Lease Liabilities

The District enters into agreements to lease office equipment. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

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

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and Notes Payable					
General Obligation Debt					
Serial Bonds	\$ 14,110,000	\$ -	\$ 1,180,000	\$ 12,930,000	\$ 1,320,000
Premium on Bonds	2,224,599	-	135,844	2,088,755	135,844
Total Bonds & Notes Payable	16,334,599	-	1,315,844	15,018,755	1,455,844
Other Liabilities					
Compensated Absences					
Payable, As Restated	385,699	-	5,556	380,143	-
Other Postemployment					
Benefits Liability	39,009,950	3,302,356	-	42,312,306	-
Net Pension Liability -					
Proportionate Share	1,451,480	-	131,310	1,320,170	-
Lease Liability	32,208	-	19,202	13,006	13,006
Total Other Liabilities	40,879,337	3,302,356	156,068	44,025,625	13,006
Total Governmental Activities	\$ 57,213,936	\$ 3,302,356	\$ 1,471,912	\$ 59,044,380	\$ 1,468,850

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 8 – LONG-TERM DEBT OBLIGATIONS – Continued

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences, postemployment benefits, and lease obligations.

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Serial Bond	06/15/12	06/15/27	3.0 - 5.0	\$ 285,000
Serial Bond	06/07/18	06/15/33	5.0	3,920,000
Serial Bond	10/10/20	10/01/25	1.25 - 1.375	60,000
Serial Bond	06/16/21	06/15/50	3.0 - 4.0	8,545,000
Serial Bond	10/01/21	10/01/26	1.00	120,000
				<u>\$ 12,930,000</u>

The following is a summary of debt service requirements for serial bonds payable at year-end June 30:

	Principal	Interest	Total
2026	\$ 1,175,000	\$ 562,325	\$ 1,737,325
2027	1,165,000	511,363	1,676,363
2028	1,010,000	458,350	1,468,350
2029	1,060,000	407,850	1,467,850
2030	1,120,000	354,850	1,474,850
2031-2035	4,055,000	1,032,100	5,087,100
2036-2040	1,320,000	402,900	1,722,900
2041-2045	935,000	249,600	1,184,600
2046-2049	<u>1,090,000</u>	<u>99,750</u>	<u>1,189,750</u>
Total	<u>\$ 12,930,000</u>	<u>\$ 4,079,088</u>	<u>\$ 17,009,088</u>

Existing lease obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Copiers - RIC	6/29/2022	12/1/2025	4.257%	\$ 13,006
				<u>\$ 13,006</u>

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 8 – LONG-TERM DEBT OBLIGATIONS – Continued

The following is a summary of debt service requirements for lease liabilities at year-end June 30:

	Principal	Interest	Total
2026	<u>\$ 13,006</u>	<u>\$ 925</u>	<u>\$ 13,931</u>
Total	<u>\$ 13,006</u>	<u>\$ 925</u>	<u>\$ 13,931</u>

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 611,425
Less: Interest Accrued in the Prior Year	(26,562)
Plus: Interest Accrued in the Current Year	23,760
Less: Amortization of Bond Premium	<u>(135,844)</u>
Total Interest on Long-Term Debt	<u>\$ 472,779</u>

NOTE 9 – PENSION PLANS

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple employer public employee defined benefit retirement systems. The Systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

Teachers' Retirement System (TRS) Plan Description

The TRS is administered by the New York State Teacher's Retirement Board. The TRS 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 (NYSRSSL). 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 the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by the enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Annual Comprehensive Financial Report which can be found on the System's website at www.nystrs.org.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

Employees’ Retirement System (ERS) Plan Description

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

TRS Benefits Provided

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor’s approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

TRS Benefits Provided – Continued

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

TRS Benefits Provided – Continued

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tiers 1-6 are now vested after 5 years of credited service. Prior to April 9, 2022, Tier 5 and 6 members must attain 10 years of state service credit to be vested. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior Service and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

TRS Benefits Provided – Continued

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2024 and 2023 is 1.8% and 2.5%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

ERS Benefits Provided

Benefits

The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

Tiers 3, 4, and 5

Eligibility: Tier 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent of the average of the previous 4 years.

Vested Benefits

All Members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regard less of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

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% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers’ Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions for the ERS’ fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. (The District chose to prepay the required contributions by December 15, 2024 and received an overall discount of \$2,502).

The District’s share of the required contributions, based on covered payroll paid for the current and two preceding years, were:

	NYSTRS	NYSERS
2024-2025	\$ 614,562	\$ 347,993
2023-2024	628,647	283,276
2022-2023	568,847	229,713

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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 March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	March 31, 2025	June 30, 2024
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (1,320,170)	\$ 983,947
District's Portion (%) of the Plan's Total Net Pension Liability	0.0076997%	0.032978%
Change in Proportion (%) Since the Prior Measurement Date	0.0004109%	-0.000100%

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the year ended June 30, 2025, the District recognized pension expense (credit) of (\$43,060) for ERS and (\$153,530) for TRS. 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>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 327,675	\$ 1,059,530	\$ 15,457	\$ -
Changes of Assumptions	55,365	588,600	-	99,008
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	103,577	-	-	1,093,249
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	85,675	6,080	19,055	102,590
District's Contributions Subsequent to the Measurement Date	105,860	665,188	-	-
Total	\$ 678,152	\$ 2,319,398	\$ 34,512	\$ 1,294,847

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

	ERS	TRS
2026	\$ 253,085	\$ (532,267)
2027	362,603	1,177,152
2028	(97,385)	(223,317)
2029	19,477	(237,961)
2030	-	125,858
Thereafter	-	49,898

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

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.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2025	June 30, 2024
Actuarial Valuation Date	April 1, 2024	June 30, 2023
Interest Rate	5.9%	6.95%
Salary Scale	4.3%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

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

For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the assumptions were computed by the TRS' Office of the Actuary and adopted by the TRS' Retirement Board in October 2021. The actuarial assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS' annual Actuarial Valuation Report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

Actuarial Assumptions – Continued

For TRS 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* and generally accepted accounting principles. 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.

For ERS, 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.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date Asset Type	ERS	TRS
	March 31, 2025	June 30, 2024
Domestic Equity	3.54%	6.60%
International Equity	6.57%	7.40%
Private Equity	7.25%	10.00%
Global Equity		6.90%
Real Estate	4.95%	6.30%
Opportunistic / Absolute Return Strategies Portfolio	5.25%	
Credit	5.40%	
Real Assets	5.55%	
Fixed Income	2.00%	
Cash	0.25%	0.50%
Private Debt		5.90%
Real Estate Debt		3.90%
Domestic Fixed Income Securities		2.60%
Global Bonds		2.50%
High-Yield Bonds		4.80%

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

Discount Rate

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

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

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

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ (3,820,738)	\$ (1,320,170)	\$ 767,806

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ (4,544,907)	\$ 983,947	\$ 5,633,861

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – PENSION PLANS – Continued

Pension Plan Fiduciary Net Position

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

	(In Thousands)		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Measurement Date	March 31, 2025	June 30, 2024	
Employer's Total Pension Asset (Liability)	\$ (247,600,239)	\$ (142,837,827)	\$ (390,438,066)
Plan Net Position	<u>230,454,512</u>	<u>145,821,435</u>	<u>376,275,947</u>
Employer's Net Pension Asset (Liability)	<u>\$ (17,145,727)</u>	<u>\$ 2,983,608</u>	<u>\$ (14,162,119)</u>
Ratio of Plan Net Position to the			
Employer's Total Pension Asset (Liability)	93.08%	102.09%	

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$105,860. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$750,674.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund balances at June 30, 2025 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 287,723	\$ 977,580	\$ 50,000	\$ 2,302,664
Special Aid	-	280,064	13,080	-
School Food Service	-	7,659	-	-
Debt Service	976,480	-	-	50,000
Scholarships and Awards	1,100	-	-	-
Capital Projects - Campus-Wide	-	-	2,199,295	-
Capital Projects - Mini Projects	-	-	90,289	-
Total Governmental Funds	<u>\$ 1,265,303</u>	<u>\$ 1,265,303</u>	<u>\$ 2,352,664</u>	<u>\$ 2,352,664</u>

The District typically transfers resources between funds for the purpose of mitigating the effects of transient cash flow issues. The General Fund advanced funds to the Capital Projects – Mini Projects Fund for board approved capital outlay project and to the Capital Projects – Campus-Wide Fund for the voter approved capital project. The Debt Service Fund advanced funds to the General Fund to offset debt payments.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 11 – FUND BALANCE EQUITY

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2025:

Fund Balances	General	Capital - Campus - Wide	Non-Major Funds	Total Governmental Funds
Non-Spendable				
Prepaid Expenditures	\$ 46,778	\$ -	\$ -	\$ 46,778
School Food Service Inventory	-	-	36,032	36,032
Restricted				
Retirement Contributions - NYSERS	1,060,330	-	-	1,060,330
Retirement Contributions - NYSTRS	560,109	-	-	560,109
Workers' Compensation	368,391	-	-	368,391
Unemployment Insurance	286,356	-	-	286,356
Debt Service Fund	-	-	1,065,272	1,065,272
Insurance	102,069	-	-	102,069
Employee Benefit				
Accrued Liability	269,215	-	-	269,215
Repairs	48,611	-	-	48,611
Capital Reserve - 2014	601,533	-	-	601,533
Capital Reserve - Bus Purchase	1,126,569	-	-	1,126,569
Capital Projects - Campus-Wide Fund	-	1,331,362	-	1,331,362
Extra Classroom Activities Fund	-	-	85,198	85,198
Scholarships and Awards Fund	-	-	4,193	4,193
Assigned				
Designated for Next Fiscal				
Year	1,868,714	-	-	1,868,714
School Food Service Fund	-	-	216,602	216,602
Unassigned				
General Fund	1,637,523	-	-	1,637,523
Total Governmental				
Fund Balance	<u>\$ 7,976,198</u>	<u>\$ 1,331,362</u>	<u>\$ 1,407,297</u>	<u>\$ 10,714,857</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time 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.

Benefits Provided – The District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	117
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>203</u>
Total Covered Employees	<u><u>320</u></u>

The District participates in the Jefferson-Lewis Et. Al. Employees’ Healthcare Plan (the Plan). The Plan allows eligible District employees and spouses to continue health coverage upon retirement. The Plan does issue a publicly available financial report.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2025 the District recognized \$1,222,219 for its share of insurance premiums for currently enrolled retirees.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS – Continued

General Information about the OPEB Plan – Continued

Eligible teachers and administrators are those who are at least age 55 with 10 years of service. Employees must also be eligible to retire under the ERS or TRS:

- Surviving spouses are permitted to continue coverage after the death of the retiree but are responsible for paying 100% of the plan premium.
- Participants retired prior to July 1, 2009 pay 10% of the individual premium for single contract and 20% of the family premium for a dual contract. Participants retired after July 1, 2009 pay 25% for all coverage tiers.
- Medicare Part B premiums are not reimbursed.
- Retiree medical and prescription drug benefits are provided through the Provider Choice POS Plan and the Traditional Plan.
 - The Provider Choice POS Plan is a self-insured POS plan offered through the Plan.
 - The Traditional Plan is a self-insured indemnity plan offered through the Plan.

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2025 which indicates that the total liability for other postemployment benefits is \$42,312,306 which is reflected in the Statement of Net Position. The OPEB liability was measured as of June 30, 2024 and was determined by actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions

Measurement Date	06/30/24
Rate of Compensation Increase	3.00%
Discount Rate	4.09%
Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.00%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.50%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2036
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (in Years)	8.711

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS – Continued

Total OPEB Liability – Continued

The discount rate was based on the average of the Fidelity General Obligation 20-year AA, and S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2024.

Mortality rates were based on the Society of Actuaries Pub-2010 Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 – June 30, 2024. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Changes in the Total OPEB Liability

Balance at June 30, 2024	\$ 39,009,950
Changes for the Year	
Service Cost	876,087
Interest	1,566,900
Changes of Assumptions or Other Inputs	2,258,238
Benefit Payments	<u>(1,398,869)</u>
Net Changes	<u>3,302,356</u>
Balance at June 30, 2025	<u><u>\$ 42,312,306</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate 4.00 percent as of June 30, 2023 to 4.09 percent as of June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09 percent) or 1 percentage point higher (5.09 percent) than the current discount rate:

	1% Decrease <u>(3.09%)</u>	Discount Rate <u>(4.09%)</u>	1% Increase <u>(5.09%)</u>
Total OPEB Liability	<u>\$ 50,431,061</u>	<u>\$ 42,312,306</u>	<u>\$ 36,082,165</u>

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS – Continued

Changes in the Total OPEB Liability – Continued

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 (trend decreasing to 3.50 percent) or 1 percentage point higher (trend decreasing to 5.50 percent) than the current healthcare cost trend rate:

	1% Decrease (Trend Less 1% Decreasing to 3.50%)	Healthcare Cost Trend Rates (Trend Decreasing to 4.50%)	1% Increase (Trend Plus 1% Decreasing to 5.50%)
Total OPEB Liability	<u>\$ 35,702,619</u>	<u>\$ 42,312,306</u>	<u>\$ 51,021,145</u>

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 \$1,341,351. 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
Changes of Assumptions or Other Inputs	\$ 2,671,856	\$ 7,108,674
Benefit Payments Subsequent to the Measurement Date	<u>1,416,153</u>	<u>-</u>
	<u>\$ 4,088,009</u>	<u>\$ 7,108,674</u>

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – POSTEMPLOYMENT (HEALTH INSURANCE)

BENEFITS – Continued

**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,

2026	\$ (379,035)
2027	(968,967)
2028	(1,010,430)
2029	(1,010,430)
2030	(1,010,430)
Thereafter	<u>(57,526)</u>
	<u>\$ (4,436,818)</u>

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.

Pooled Non-Risk-Retained

The District participates in the Jefferson-Lewis Et. Al. School Employees' Healthcare 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 sixteen 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 \$750,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$750,000 limit and the District has essentially transferred all related risk to the pool.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2025

NOTE 13 – RISK MANAGEMENT – Continued

Pooled Non-Risk-Retained – Continued

The District participates in the Black River Valley School 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 District's share of the liability for unbilled and open claims is \$0.

NOTE 14 – CONTINGENCIES AND COMMITMENTS

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 – RESTATEMENT OF NET POSITION

Due to the District's implementation of GASB Statement No. 101, *Compensated Absences*, a one-time prior period adjustment of \$112,649 must be made to the beginning net position to reflect the transition to GASB 101. The beginning net position has been restated to decrease Compensated Absences Payable on the Statement of Net Position as required by GASB 101. The following details the change in the District's beginning of year Net Position:

Net Position Beginning of Year, as Previously Stated	\$ (14,301,526)
Decrease in Compensated Absences Payable	<u>112,649</u>
Net Position Beginning of Year, as Restated	<u><u>\$ (14,188,877)</u></u>

BEAVER RIVER CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS**

Ended June 30, 2025

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 876,087	\$ 795,330	\$ 829,144	\$ 1,089,263	\$ 934,289	\$ 931,616	\$ 844,664	\$ 991,977
Interest	1,566,900	1,556,016	1,758,970	896,540	961,135	1,107,142	1,093,046	965,283
Difference between Expected and Actual Experience	-	-	-	-	-	-	5,366,920	-
Changes in Assumptions or Other Inputs	2,258,238	(1,628,430)	(9,096,472)	3,003,228	2,827,847	3,279,921	(905,322)	(3,313,129)
Benefit Payments	(1,398,869)	(1,226,727)	(1,269,834)	(1,187,472)	(1,247,329)	(1,127,049)	(870,710)	(831,138)
Net Change in Total OPEB Liability	<u>3,302,356</u>	<u>(503,811)</u>	<u>(7,778,192)</u>	<u>3,801,559</u>	<u>3,475,942</u>	<u>4,191,630</u>	<u>5,528,598</u>	<u>(2,187,007)</u>
Total OPEB Liability – Beginning	<u>39,009,950</u>	<u>39,513,761</u>	<u>47,291,953</u>	<u>43,490,394</u>	<u>40,014,452</u>	<u>35,822,822</u>	<u>30,294,224</u>	<u>32,481,231</u>
Total OPEB Liability – Ending	<u>\$ 42,312,306</u>	<u>\$ 39,009,950</u>	<u>\$ 39,513,761</u>	<u>\$ 47,291,953</u>	<u>\$ 43,490,394</u>	<u>\$ 40,014,452</u>	<u>\$ 35,822,822</u>	<u>\$ 30,294,224</u>
Covered Payroll	\$ 8,539,205	\$ 7,990,526	\$ 7,990,526	\$ 5,195,472	\$ 5,195,472	\$ 6,790,015	\$ 6,790,015	\$ 7,076,576
Total OPEB Liability as a Percentage of Covered Payroll	495.51%	488.20%	494.51%	910.25%	837.08%	589.31%	527.58%	428.09%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
– BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND**

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
REVENUES					
Local Sources					
Real Property Taxes	\$ 5,964,513	\$ 5,964,513	\$ 5,554,372		\$ (410,141)
Other Tax Items	2,500	2,500	501,040		498,540
Charges for Services	9,000	9,000	72,291		63,291
Use of Money and Property	201,000	201,000	460,923		259,923
Sale of Property and Compensation for Loss	1,000	1,000	2,838		1,838
Miscellaneous	145,000	145,000	249,205		104,205
Total Local Sources	<u>6,323,013</u>	<u>6,323,013</u>	<u>6,840,669</u>		<u>517,656</u>
State Sources	14,112,863	14,112,863	14,249,040		136,177
Medicaid Reimbursements	10,000	10,000	1,415		(8,585)
Total Revenues	<u>20,445,876</u>	<u>20,445,876</u>	<u>21,091,124</u>		<u>645,248</u>
OTHER FINANCING SOURCES					
Transfers From Other Funds	50,000	50,000	50,000		-
Total Revenues and Other Financing Sources	<u>20,495,876</u>	<u>20,495,876</u>	<u>\$ 21,141,124</u>		<u>\$ 645,248</u>
APPROPRIATED FUND BALANCE					
Prior Years' Surplus	1,645,019	3,844,312			
Prior Years' Encumbrances	4,205	4,205			
Total Appropriated Fund Balance	<u>1,649,224</u>	<u>3,848,517</u>			
Total Revenues, Other Sources and Appropriated Fund Balance	<u>\$ 22,145,100</u>	<u>\$ 24,344,393</u>			
EXPENDITURES					
General Support					
Board of Education	\$ 29,601	\$ 40,701	\$ 30,814	\$ -	\$ 9,887
Central Administration	217,854	225,054	218,072	-	6,982
Finance	295,732	316,132	282,570	-	33,562
Staff	110,147	130,547	61,396	-	69,151
Central Services	1,765,377	1,851,477	1,579,183	-	272,294
Special Items	429,238	521,738	508,966	-	12,772
Total General Support	<u>2,847,949</u>	<u>3,085,649</u>	<u>2,681,001</u>	<u>-</u>	<u>404,648</u>
Instruction					
Instruction, Administration and Improvement	535,209	584,909	573,842	-	11,067
Teaching - Regular School	5,830,479	5,426,979	5,170,256	-	256,723
Programs for Children with Handicapping Conditions	2,096,482	2,063,887	1,786,144	-	277,743
Occupational Education	766,915	769,215	755,440	-	13,775
Teaching - Special School	12,426	12,526	10,867	-	1,659
Instructional Media	483,558	523,758	474,623	-	49,135
Pupil Services	1,171,929	1,270,929	1,054,062	-	216,867
Total Instruction	<u>10,896,998</u>	<u>10,652,203</u>	<u>9,825,234</u>	<u>-</u>	<u>826,969</u>
Pupil Transportation	1,503,612	1,510,707	1,309,850	-	200,857
Employee Benefits	4,930,944	4,930,944	4,313,288	-	617,656
Debt Service	1,790,597	1,790,597	1,810,628	-	(20,031)
Total Expenditures	<u>21,970,100</u>	<u>21,970,100</u>	<u>19,940,001</u>	<u>-</u>	<u>2,030,099</u>
OTHER FINANCING USES					
Operating Transfers to Other Funds	175,000	2,374,293	2,302,664	-	71,629
Total Expenditures and Other Financing Uses	<u>\$ 22,145,100</u>	<u>\$ 24,344,393</u>	<u>22,242,665</u>	<u>\$ -</u>	<u>\$ 2,101,728</u>
Net Change in Fund Balance			(1,101,541)		
Fund Balances - Beginning of Year			9,077,739		
Fund Balances - End of Year			<u>\$ 7,976,198</u>		

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.

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN

LAST TEN FISCAL YEARS

Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Teachers' Retirement System (TRS)										
District's Proportion of the Net Pension Asset (Liability)	0.032978%	0.033078%	0.032766%	0.030319%	0.030156%	0.029824%	0.029963%	0.030990%	0.030475%	0.029934%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ 983,947	\$ (378,280)	\$ (628,742)	\$ 5,254,072	\$ (833,290)	\$ 774,842	\$ 541,801	\$ 235,556	\$ (326,935)	\$ 3,109,169
District's Covered Payroll	\$ 6,352,300	\$ 5,992,570	\$ 5,797,639	\$ 5,165,142	\$ 5,115,832	\$ 4,965,849	\$ 4,919,402	\$ 4,953,058	\$ 4,787,260	\$ 4,520,191
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	<u>-15.49%</u>	<u>6.31%</u>	<u>10.84%</u>	<u>101.72%</u>	<u>16.29%</u>	<u>15.60%</u>	<u>11.01%</u>	<u>4.76%</u>	<u>6.83%</u>	<u>68.78%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Employees' Retirement System (ERS)										
District's Proportion of the Net Pension Asset (Liability)	0.0076997%	0.0072888%	0.0069900%	0.0059642%	0.0061781%	0.0065777%	0.0065035%	0.0068416%	0.0061726%	0.0065266%
District's Proportionate Share of the Net Pension Asset (Liability)	\$(1,320,170)	\$(1,073,200)	\$(1,498,938)	\$ 487,549	\$ (6,152)	\$(1,741,804)	\$ (427,617)	\$ (220,807)	\$ (579,994)	\$(1,047,537)
District's Covered Payroll	\$ 2,411,589	\$ 2,248,894	\$ 2,041,887	\$ 1,930,448	\$ 2,054,735	\$ 1,980,755	\$ 1,926,796	\$ 1,961,723	\$ 1,848,826	\$ 1,731,710
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	<u>54.74%</u>	<u>47.72%</u>	<u>73.41%</u>	<u>25.26%</u>	<u>0.30%</u>	<u>87.94%</u>	<u>22.19%</u>	<u>11.26%</u>	<u>31.37%</u>	<u>60.49%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – NYSLRS PENSION PLAN

LAST TEN FISCAL YEARS

Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Teachers' Retirement System (TRS)										
Contractually Required Contribution	\$ 614,562	\$ 628,647	\$ 568,847	\$ 490,431	\$ 453,492	\$ 528,684	\$ 478,295	\$ 575,561	\$ 623,556	\$ 788,230
Contribution	<u>614,562</u>	<u>628,647</u>	<u>568,847</u>	<u>490,431</u>	<u>453,492</u>	<u>528,684</u>	<u>478,295</u>	<u>575,561</u>	<u>623,556</u>	<u>788,230</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
District's Covered Payroll	\$ 6,352,300	\$ 5,992,570	\$ 5,797,639	\$ 5,165,142	\$ 5,115,832	\$ 4,965,849	\$ 4,919,402	\$ 4,953,058	\$ 4,787,260	\$ 4,520,191
Contributions as a Percentage of Covered Payroll	9.67%	10.49%	9.81%	9.50%	8.86%	10.65%	9.72%	11.62%	13.03%	17.44%
Employees' Retirement System (ERS)										
Contractually Required Contribution	\$ 347,993	\$ 283,276	\$ 229,713	\$ 301,066	\$ 286,139	\$ 278,668	\$ 272,212	\$ 284,785	\$ 272,426	\$ 291,497
Contribution	<u>347,993</u>	<u>283,276</u>	<u>229,713</u>	<u>301,066</u>	<u>286,139</u>	<u>278,668</u>	<u>272,212</u>	<u>284,785</u>	<u>272,426</u>	<u>291,497</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
District's Covered Payroll	\$ 2,411,589	\$ 2,248,894	\$ 2,041,887	\$ 1,930,448	\$ 2,054,735	\$ 1,980,755	\$ 1,926,796	\$ 1,961,723	\$ 1,848,826	\$ 1,731,710
Contributions as a Percentage of Covered Payroll	14.43%	12.60%	11.25%	15.60%	13.93%	14.07%	14.13%	14.52%	14.74%	16.83%

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE
REAL PROPERTY TAX LIMIT – GENERAL FUND**

June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 22,140,895
Add: Prior Year's Encumbrances	<u>4,205</u>
Original Budget	22,145,100
Budget Revision	<u>2,199,293</u>
Final Budget	<u><u>\$ 24,344,393</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 Voter Approved Expenditure Budget	<u><u>\$ 23,255,699</u></u>
Maximum Allowed 4% of 2025-2026 Budget	<u><u>\$ 930,228</u></u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,868,714
Unassigned Fund Balance	<u>1,637,523</u>
Total Unrestricted Fund Balance	<u><u>3,506,237</u></u>
Less:	
Appropriated Fund Balance	1,868,714
Encumbrances Included in Assigned Fund Balance	<u>-</u>
Total Adjustments	<u><u>1,868,714</u></u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,637,523</u></u>
Actual Percentage	<u><u>7.04%</u></u>

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2025

Project Title	Expenditures					Methods of Financing					Fund Balance 6/30/2025
	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	BANS Redeemed From Appropriations	Proceeds Of Obligations	Local Sources	Total	
Renovations and Improvements	\$ 21,232,000	\$ 21,232,000	\$ -	\$ 867,955	\$ 867,955	\$ 20,364,045	\$ -	\$ -	\$ 2,199,317	\$ 2,199,317	\$ 1,331,362
Renovations and Improvements	100,000	100,000	650	89,639	90,289	9,711	-	-	90,289	90,289	-
Totals	<u>\$ 21,332,000</u>	<u>\$ 21,332,000</u>	<u>\$ 650</u>	<u>\$ 957,594</u>	<u>\$ 958,244</u>	<u>\$ 20,373,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,289,606</u>	<u>\$ 2,289,606</u>	<u>\$ 1,331,362</u>

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2025

	<u>Debt Service</u>	<u>School Food Service</u>	<u>Extra Classroom Activity</u>	<u>Scholarships and Awards</u>	<u>Capital Projects - Mini Projects</u>	<u>Total Non-Major Funds</u>
ASSETS						
Cash and Cash Equivalents						
Unrestricted	\$ -	\$ 176,254	\$ -	\$ -	\$ -	\$ 176,254
Restricted	88,792	-	85,198	3,093	-	177,083
Receivables						
Due From Other Funds	976,480	-	-	1,100	-	977,580
State and Federal Aid	-	55,976	-	-	-	55,976
Other	-	1	-	-	-	1
Inventories	-	36,032	-	-	-	36,032
TOTAL ASSETS	<u>\$ 1,065,272</u>	<u>\$ 268,263</u>	<u>\$ 85,198</u>	<u>\$ 4,193</u>	<u>\$ -</u>	<u>\$ 1,422,926</u>
LIABILITIES						
Payables						
Accrued Liabilities	\$ -	\$ 7,970	\$ -	\$ -	\$ -	\$ 7,970
Due to Other Funds	-	7,659	-	-	-	7,659
Total Liabilities	<u>-</u>	<u>15,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,629</u>
FUND BALANCES						
Nonspendable	-	36,032	-	-	-	36,032
Restricted	1,065,272	-	85,198	4,193	-	1,154,663
Assigned	-	216,602	-	-	-	216,602
Total Fund Balances	<u>1,065,272</u>	<u>252,634</u>	<u>85,198</u>	<u>4,193</u>	<u>-</u>	<u>1,407,297</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,065,272</u>	<u>\$ 268,263</u>	<u>\$ 85,198</u>	<u>\$ 4,193</u>	<u>\$ -</u>	<u>\$ 1,422,926</u>

See paragraph on supplementary schedules included in independent auditor's report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2025

	<u>Debt Service</u>	<u>School Food Service</u>	<u>Extra Classroom Activity</u>	<u>Scholarships and Awards</u>	<u>Capital Projects - Mini Projects</u>	<u>Total Non-Major Funds</u>
REVENUES						
Use of Money and Property	\$ 82,513	\$ 67	\$ -	\$ -	\$ -	\$ 82,580
State Sources	-	296,459	-	-	-	296,459
Federal Sources	-	412,218	-	-	-	412,218
Surplus Food	-	46,577	-	-	-	46,577
Sales – School Food Service	-	113,301	-	-	-	113,301
Miscellaneous	-	-	91,734	3,163	-	94,897
Total Revenues	<u>82,513</u>	<u>868,622</u>	<u>91,734</u>	<u>3,163</u>	<u>-</u>	<u>1,046,032</u>
EXPENDITURES						
General Support	-	375,459	-	-	-	375,459
Employee Benefits	-	84,916	-	-	-	84,916
Food Service Program:						
Cost of Sales	-	389,622	-	-	-	389,622
Other Expenditures	-	-	97,018	3,175	-	100,193
Capital Outlay	-	-	-	-	89,639	89,639
Total Expenditures	<u>-</u>	<u>849,997</u>	<u>97,018</u>	<u>3,175</u>	<u>89,639</u>	<u>1,039,829</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>82,513</u>	<u>18,625</u>	<u>(5,284)</u>	<u>(12)</u>	<u>(89,639)</u>	<u>6,203</u>
OTHER FINANCING SOURCES AND (USES)						
Operating Transfers In	-	-	-	-	90,289	90,289
Operating Transfers (Out)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Total Other Financing Sources and (Uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,289</u>	<u>40,289</u>
Net Change in Fund Balances	<u>32,513</u>	<u>18,625</u>	<u>(5,284)</u>	<u>(12)</u>	<u>650</u>	<u>46,492</u>
Fund Balances (Deficit) – Beginning of Year	1,032,759	234,009	90,482	4,205	(650)	1,360,805
Fund Balances – End of Year	<u>\$ 1,065,272</u>	<u>\$ 252,634</u>	<u>\$ 85,198</u>	<u>\$ 4,193</u>	<u>\$ -</u>	<u>\$ 1,407,297</u>

See paragraph on supplementary schedules included in independent auditor’s report.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS

Year Ended June 30, 2025

Capital Assets, Net		\$ 35,234,536
Deduct:		
Premium on Bonds Payable	\$ 2,088,755	
Short-Term Portion of Bonds Payable	1,320,000	
Long-Term Portion of Bonds Payable	11,610,000	
Short-Term Portion of Lease Liability	<u>13,006</u>	<u>15,031,761</u>
Net Investment in Capital Assets		<u><u>\$ 20,202,775</u></u>

See paragraph on supplementary schedules included in independent auditor's report.

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

**BOARD OF EDUCATION
BEAVER RIVER CENTRAL SCHOOL DISTRICT**

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

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beaver River 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 Beaver River Central School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Beaver River 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

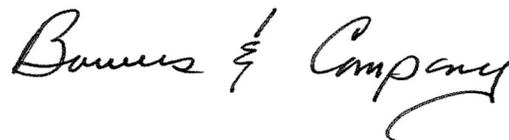
As part of obtaining reasonable assurance about whether Beaver River Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2025-001.

Beaver River Central School District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the Beaver River Central School District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Beaver River Central School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the date and location information.

Watertown, New York
September 30, 2025

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2025

NOTE A - FINDINGS – FINANCIAL STATEMENT AUDIT

Finding Control Number: 2025-001

Instances of Noncompliance with Laws or Regulations

Surplus Unexpended Funds in Excess of 4% Limitation

Criteria

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserves for tax reduction and insurance recoveries, the District can retain to no more than 4% of the subsequent year's budgeted appropriations. Amounts appropriated for the subsequent year, encumbrances, nonspendable and restricted balances are also excluded for the 4% limitation.

Condition

The District exceeded the 4% limitation of unexpended surplus funds within the General Fund by \$707,295 during the fiscal year.

Context

During our audit test of compliance - §1318 Real Property Tax, it was noted that the unassigned fund balances of \$1,637,523 had exceeded maximum allowed unexpended balance of \$930,228 for the fiscal year ended.

Effect

As a result, the District was not in compliance with the unexpended surplus funds limitation requirements of the Real Property Tax Law §1318 for the fiscal year ended June 30, 2025.

Cause

The District understands the requirements relating to §1318 Real Property Tax law and due to the uncertainty of primary revenue sources maintains fund balance levels deemed appropriate in accordance with their long range fund balance plan.

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2025

NOTE A - FINDINGS – FINANCIAL STATEMENT AUDIT – Continued

Finding Control Number: 2025-001 – Continued

Recommendation

We recognize the District has developed and implemented a long range written reserve plan. The District also monitors the fund balance on a regular basis. We recommend school officials continue to review fund balance throughout the year to address compliance with the Real Property Tax Law §1318.

Views of Responsible Officials and Planned Corrective Actions

The District plans to implement a series of activities to reduce the unrestricted Fund Balance to levels within the statutory limits by; continuing to fund specific reserve accounts to the level approved by District voters and continue to replace borrowing for the purchase of transportation assets. In addition, voters have approved the transfer of funds to the Campus – Wide Capital Projects Fund for use in the ongoing Capital Project.

EXTRA CLASSROOM ACTIVITY FUNDS

INDEPENDENT AUDITOR’S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS

BOARD OF EDUCATION BEAVER RIVER CENTRAL SCHOOL DISTRICT

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Beaver River Central School District for the year ended June 30, 2025 and the related note to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Beaver River Central School District for the year then ended June 30, 2025, in accordance with cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Beaver River Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This 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 that 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; this includes 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 statement that are free from material misstatement, whether due to fraud or error.

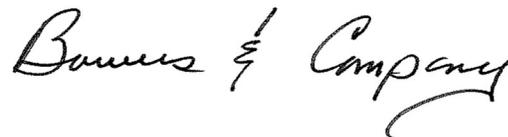
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 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 auditing standards generally accepted in the United States of America and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, 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 Beaver River Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Beaver River 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.

A handwritten signature in black ink that reads "Bowers & Company". The signature is written in a cursive, flowing style.

Watertown, New York
September 30, 2025

BEAVER RIVER CENTRAL SCHOOL DISTRICT

EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2025

Class of:	Cash Balances 7/1/2024	Cash Receipts	Cash Disbursements	Cash Balances 6/30/2025
2023	\$ 1,322	\$ -	\$ 1,322	\$ -
2025	22,177	14,059	35,677	559
2026	11,823	16,707	5,198	23,332
2027	4,999	4,022	93	8,928
2028	-	4,429	2,086	2,343
Art Club	767	-	-	767
Band	2,036	1,907	2,348	1,595
Beaverian	425	5,942	6,130	237
Common Ground	-	1,150	307	843
Elementary Student Council	9,762	6,811	8,828	7,745
Family, Career and Community				
Leaders of America	68	-	68	-
Future Farmers of America	10,335	15,616	11,367	14,584
Future Teachers of America	686	435	423	698
Students Against Destructive Decisions	119	-	119	-
High School Student Council	6,281	4,122	1,456	8,947
Middle School Student Council	6,611	-	4,215	2,396
Music Theater Production	4,608	3,980	3,442	5,146
National Honor Society	6,215	1,906	2,671	5,450
Spanish Club	907	-	-	907
Drama Club	588	9,218	9,557	249
Youth Advisory Council	600	-	350	250
New York State Sales Tax	153	1,430	1,361	222
Total	\$ 90,482	\$ 91,734	\$ 97,018	\$ 85,198

See note to financial statement.

BEAVER RIVER CENTRAL SCHOOL DISTRICT

EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT

June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The Extra Classroom Activity Funds of the Beaver River Central School District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management.

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