PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District 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"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

The District will designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$3,779,013

BRADFORD CENTRAL SCHOOL DISTRICT
STEUBEN AND SCHUYLER COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$3,779,013 Bond Anticipation Notes, 2019
(the "Notes")

Dated: July 31, 2019 **Due: June 26, 2020**

The Notes are general obligations of the Bradford Central School District, Steuben and Schuyler Counties, New York (the "District" or "School District"), 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 "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

At the option of the successful bidder(s), the Notes will be registered in the name of the purchaser in the denominations of $5,000 or multiples thereof, except for a necessary odd denomination as determined by the successful bidder(s). Principal and interest will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, as may be agreed upon, on or about July 31, 2019.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on July 17, 2019 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or 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.

July 11, 2019

THE SCHOOL 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(S), 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.

BRADFORD CENTRAL SCHOOL DISTRICT
STEUBEN AND SCHUYLER COUNTIES, NEW YORK

DISTRICT OFFICIALS

2019-2020 BOARD OF EDUCATION

JO MILLER
President

DANIEL PETERSON
Vice President

ERICA MACHUGA
THOMAS TORPY
BONNIE WOOD

* * * * * * * * * * *

JOHN MARSHALL
Superintendent of Schools

LISA KUHNEL
Business Official

DEBORAH STEPHENS
District Clerk

HOGAN, SARZYNSKI, LYNCH, DEWIND & GREGORY, LLP
School District Counsel

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

BRADFORD CENTRAL SCHOOL DISTRICT
STEUBEN AND SCHUYLER COUNTIES, NEW YORK
Relating To

$3,779,013 Bond Anticipation Notes, 2019

This Official Statement, which includes the cover page, has been prepared by the Bradford Central School District, Steuben and Schuyler Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $3,779,013 principal amount of Bond Anticipation Notes, 2019 (the "Notes").

The factors affecting the School 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 School 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 School 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 School 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 "THE NOTES - Nature of the Obligation" hereunder and "TAX LEVY LIMITATION LAW" herein.

The Notes are to be dated July 31, 2019 and will mature, without option of prior redemption, on June 26, 2020. 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(s), in denominations of $5,000 or integral multiples thereof except for a necessary odd denomination as may be determined by the successful bidder(s) 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(s); or (ii) at the option of the purchaser(s), 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 <u>not</u> subject to redemption prior to maturity.

Purpose of Issue

On December 19, 2017, the qualified voters of the District approved a proposition authorizing a capital project consisting of reconstruction and renovations to the District's existing main school building at a maximum estimated cost of $4,279,013, with such cost being funded with $500,000 from the District's existing Capital Reserve Fund and the balance of such cost, not in excess of $3,779,013, through the issuance of the District's serial bonds and bond anticipation notes. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on January 16, 2018.

The proceeds of the Notes will renew $950,000 bond anticipation notes maturing on August 2, 2019 and provide $2,829,013 new monies for the aforementioned purpose.

Nature of the Obligation

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

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of 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" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its

context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes, if the Purchaser so elects. 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 the Notes, in the aggregate principal amount of such issue, 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.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School 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 discontinued, the following provisions will apply:

The Notes will be registered in the name of the purchaser in denominations of $5,000 or integral multiples thereof except for a necessary odd denomination. 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 by the School District.

THE SCHOOL DISTRICT

General Information

The Bradford Central School District is located in the Towns of Bath, Bradford, Orange, Tyrone, Wayne and Urbana located within Steuben and Schuyler Counties covering approximately 58 square miles. The population of the District is approximately 1,857.

The District is rural and a majority of the residents are employed in factories located in neighboring towns outside of the District. Major employers in the area include Corning Incorporated and Dresser-Rand.

Major highways serving the School District include State Highway 226, which connects the District with, the "Southern Tier Expressway" providing easy access to Corning and Elmira. Bus and rail service are available in Corning, while air transportation is available at the Elmira-Corning Regional Airport and the Corning-Painted Post Airport for business aircraft.

The area is noted for its outdoor recreational opportunities, including hunting, fishing, camping, and boating. Major shopping areas are within a 40 minute drive in the greater Corning-Elmira area. The district is approximately a 20 minute drive away from the one of the State's largest tourist attractions – the Corning Museum of Glass.

The District provides public education for grades Pre-K to 12. Opportunities for higher education are available at nearby Cornell University, Ithaca College, Elmira College, State University of New York at Binghamton, Keuka College, SUNY Alfred, Corning Community College and Alfred University are also within close proximity.

Source: District Officials.

District Population

The current estimated population of the District is 1,857.

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year estimate.

Five Largest Employers

The following are the five larger employers located within or in close proximity to the District.

Name	Type	Estimated # Employees
Corning, Inc.	Manufacturing	5,350
Steuben County – Bath	Government	950
VA Medical Center – Bath	Healthcare	741
Corning-Painted Post School District	Education	740
Dresser Rand – Painted Post	Manufacturing	700

Source: District Officials.

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 and Counties listed below. The figures set below with respect to the Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or Counties are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2013-2017	2000	2006-2010	2013-2017
Towns of:						
Bath	$ 16,939	$ 22,551	$ 24,566	$ 39,625	$ 51,739	$ 53,272
Bradford	14,848	18,521	22,346	39,107	50,625	57,696
Orange	12,409	18,366	26,833	42,500	60,179	53,250
Tyrone	14,842	18,111	20,753	34,444	47,697	54,875
Urbana	19,584	26,728	34,162	43,309	58,417	58,810
Wayne	21,563	32,676	35,588	42,292	63,529	68,750
Counties of:						
Steuben	18,197	23,279	27,731	41,940	52,867	60,563
Schuyler	17,039	22,123	25,285	41,441	54,322	62,778
State of:						
New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2013-2017 American Community Survey data.

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) are the Counties of Steuben and Schuyler. The information set forth below with respect to the Counties and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties or State, are necessarily representative of the District, or vice versa.

	Annual Average						
	2012	2013	2014	2015	2016	2017	2018
Steuben County	9.3%	8.4%	6.9%	6.3%	5.8%	5.7%	4.9%
Schuyler County	9.4%	8.8%	7.0%	6.6%	6.0%	5.8%	5.1%
New York State	8.5%	7.7%	6.3%	5.3%	4.9%	4.7%	4.1%

	2019 Monthly Figures						
	Jan	Feb	Mar	Apr	May	Jun	July
Steuben County	5.5%	5.4%	5.1%	4.2%	4.0%	N/A	N/A
Schuyler County	6.2%	6.1%	5.7%	4.3%	3.6%	N/A	N/A
New York State	4.6%	4.4%	4.1%	3.6%	3.8%	N/A	N/A

Note: Unemployment rates for June and July 2019 are unavailable as of the date of this Official Statement.

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

District Organization

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

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

In early July of each year, the Board meets for the purposes of reorganization. At that time, the Board elects a President and Vice President, District Clerk, District Treasurer and School Business Administrator.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the Superintendent of Schools, the School Business Administrator, District Clerk and the District Treasurer.

Financial Organization

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

Budgetary Procedures and Recent Budget Votes

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 ("Chapter 97"), 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). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2018-19 fiscal year was approved by the qualified voters on May 15, 2018 with a vote of 88 to 46. The budget for the 2018-19 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011.

The budget for the 2019-20 fiscal year was approved by the qualified voters on May 21, 2019 with a vote of 99 to 29. The budget for the 2019-20 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011.

Investment Policy

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

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

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

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

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2019-2020 fiscal year, approximately 68.3% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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.

Potential reductions in Federal aid received by the State.

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

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.

The State's Enacted 2019-2020 Budget continues to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. If federal support is reduced by $850 million or more, the New York State Director of the Budget will develop a plan to make uniform spending reductions by the State. Such plan would take effect automatically unless the State Legislature passes its own plan within 90 days.

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.

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.

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.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. 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 2019-2020 preliminary building aid ratios, the District expects to receive State building aid of approximately 90.1% 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 (2015-2016): The 2015-2016 State budget included a partial reduction in the Gap Elimination Adjustment with $603 million in GEA cuts being restored, and provided an additional $428 million in foundation aid and $268 million in expense base aids which reimbursed school districts for prior year expenses in school construction, transportation, BOCES and special education services.

School district fiscal year (2016-2017): The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District is a part of the Community Schools Grant Initiative (CSGI) and received $75,000 in grant monies from the State.

Gap Elimination Adjustment (GEA). The GEA law was first introduced for the 2010-2011 fiscal year (although it existed in 2009-10 and was called "Deficit Reduction Assessment") as a way to help close the State's then $10 billion budget deficit. Under the legislation, a portion of the funding shortfall at the State level is divided among all school districts throughout the State and reflected as a reduction in school district State aid. The GEA is a negative number, money that is deducted from the aid originally due to the District. The total GEA and Deficit Reduction Assessment reduction in school aid for the District amounted to approximately $1,589,880. The District was forced to deliver programs in new and creative ways, while reducing where necessary based on student-driven needs and increasing taxes accordingly. The District did not lose any additional State aid as a result of the GEA in 2016-2017 fiscal year as the Gap Elimination Adjustment was completely eliminated in the 2016-2017 Enacted State Budget.

School district fiscal year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

School district fiscal year (2018-2019): The State's 2018-19 Enacted Budget includes nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State's 2018-19 Enacted Budget includes an increase of $618 million in Foundation Aid for school districts. Foundation Aid now totals nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase will be distributed using a one year, off formula methodology. The State's 2018-19 Enacted Budget guarantees that all school districts receive an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase will be "set aside" for certain school districts to fund community schools. The State's 2018-19 Enacted Budget fully funds all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19.

School District fiscal year (2019-2020): The 2019-20 Enacted Budget provides for school aid of approximately $27.69 billion, an increase of more than $1 billion in school aid spending from 2018-19. The 2019-20 Enacted Budget will provide additional funding for Foundation Aid, including increased set aside funding for Community Schools. The 2019-20 Enacted Budget also continues initiatives implemented in previous years including funding for the State's prekindergarten programs, the Empire State After School program and the $2 billion Smart Schools Bond Act. The 2019-20 Enacted Budget also contains provisions on the State's first ever collection and reporting of school-level financial data by requiring school districts to dedicate a portion of their Foundation Aid increases to address inequities in their most underfunded, neediest schools.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

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

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the 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.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2013-2014	$ 8,138,404	$ 5,403,824	66.40%
2014-2015	8,196,575	5,469,927	66.73
2015-2016	8,173,808	5,414,242	66.24
2016-2017	8,385,853	5,564,711	66.36
2017-2018	8,548,278	5,686,923	66.53
2018-2019 (Budgeted)	8,722,911	5,999,299	68.78
2019-2020 (Budgeted)	8,653,176	5,912,807	68.33

Source: Audited financial statements for 2013-2014 through and including 2017-2018 and budgets of the District for the 2018-2019 and 2019-2020 fiscal years. This table is not audited

District Facilities

Name	Grades	Capacity	Year Built/Additions
Bradford CSD	PK-12	320	1977, 2001

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2014-15	280	2019-20	270
2015-16	276	2020-21	270
2016-17	292	2021-22	270
2017-18	272	2022-23	270
2018-19	268	2023-24	270

Source: District officials.

Employees

The District employs a total of 66 full-time and part-time employees with representation by the various bargaining units listed below:

Number of Employees	Bargaining Unit	Contract Expiration Date
31	Bradford Teachers' Association	June 30, 2020
20	Bradford Educational Support Personnel	June 30, 2019 [(1)]
6	Teamsters Local Union #529	June 30, 2020
2	Administrative	June 30, 2020
2	Individual Agreements	June 30, 2020
3	Managerial/Confidential	June 30, 2020

[(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 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 vest after ten years of credited service. 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 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.
- 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 will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2018-2019 and 2019-2020 fiscal years are as follows:

Fiscal Year	ERS	TRS
2013-2014	$ 98,505	$ 354,827
2014-2015	83,760	369,718
2015-2016	76,063	316,000
2016-2017	73,034	283,653
2017-2018	74,234	244,179
2018-2019 (Budgeted)	101,000	320,000
2019-2020 (Budgeted)	96,000	267,000

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 offered an early retirement incentive in the 2017-2018 fiscal year. One employee was eligible and elected to participate. The District's net savings over two years amounted to $29,984. The District currently does not have early retirement incentive programs for its employees.

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

A chart of average ERS and TRS rates as a percent of payroll (2015-16 to 2019-20) is shown below:

Fiscal Year	ERS	TRS
2015-16	18.2%	13.26%
2016-17	15.5	11.72
2017-18	15.3	9.80
2018-19	14.9	10.62
2019-20	14.6	8.86*

* Estimated. The final rate will be adopted by the NYSTRS Board at its July 31, 2019 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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

The 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 Employee 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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. 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.

Summary of Changes from the Last Valuation. The District contracted with BPAS, an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending June 30, 2018. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Fiscal Year Ending June 30th:	2018	2019
OPEB Liability Beginning of Year:	$ 9,797,952	$ 9,233,441
Changes for the year:		
Service cost	$ 438,189	$ 372,939
Interest	294,706	336,473
Differences between expected and actual experience	-	(186,816)
Changes of benefit terms	(43,022)	40,605
Changes in assumptions	(967,478)	251,991
Benefit payments	(286,906)	(309,803)
Net Changes	(564,511)	253,398
OPEB Liability End of Year:	$ 9,233,441	$ 9,486,839

Note: The above table is not audited.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

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

The District had contracted with BPAS, an actuarial firm, to calculate its OPEB in accordance with GASB 45. Based on actuarial valuations, the following tables show the components of the District's annual OPEB cost, the amount actuarially contributed to the plan, changes in the District's net OPEB obligation and funding status for the fiscal years ended June 30, 2016 and June 30, 2017:

Annual OPEB Cost and Net OPEB Obligation:	***2016***	***2017***
Annual required contribution (ARC)	$ 989,932	$ 1,126,386
Interest on net OPEB obligation	135,826	164,691
Adjustment to ARC	(196,371)	(238,103)
Annual OPEB cost (expense)	929,387	1,052,974
Contributions made	(207,774)	(231,459)
Increase in net OPEB obligation	721,613	821,515
Net OPEB obligation - beginning of year	3,395,659	4,117,272
Net OPEB obligation - end of year	$ 4,117,272	$ 4,938,787
Percentage of annual OPEB cost contributed	22.36%	21.98%
Funding Status:		
Actuarial Accrued Liability (AAL)	$ 9,850,800	$ 11,210,490
Actuarial Value of Assets	0	0
Unfunded Actuarial Accrued Liability (UAAL)	$ 9,850,800	$ 11,210,490
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	$ 1,052,974	21.98%	$ 4,938,787
2016	929,387	22.36	4,117,272

Note: The above tables are not audited.

The aforementioned liability and ARC were recognized and disclosed in accordance with GASB 45 standards in the District's past audited financial statements.

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.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in two prior legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

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 the publication of the estoppel notice with respect to 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 the "STATUS OF INDEBTEDNESS-Estimated over lapping indebtedness" this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audited financial statement of the District covers the period ending June 30, 2018 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school 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.

Unaudited Results for Fiscal Year Ending June 30, 2019

The District expects to end the fiscal year ending June 30, 2019 with a cumulative unassigned fund balance of $365,065.

As of June 24, 2019, summary unaudited information for the General Fund for the period ending June 30, 2019 is as follows:

Revenues:	$	8,774,152
Expenditures:		8,547,842
Excess (Deficit) Revenues Over Expenditures:	$	226,310
Total General Fund Balance at June 30, 2018:	$	2,530,368
Total Estimated General Fund Balance at June 30, 2019:	$	2,756,678

The audited report for the fiscal year ending June 30, 2019 is expected to be available October 2019.

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on October 7, 2016. The purpose of the audit was to evaluate the District's financial management for the period July 1, 2012 through April 15, 2016.

Key Findings:

- The Board and District officials have not adopted realistic budgets or effectively managed fund balance and, despite the significant amount of accumulated fund balance, continued to raise the tax levy by an average of 2 percent each year or a total of $350,000 over the last three years.
- When unused appropriated fund balance is added back, unrestricted fund balance exceeded the statutory limit by amounts ranging from $1.4 million to $1.9 million or 12.8 to 17.5 percentage points.

Key Recommendations:

- Ensure budgets include realistic appropriations based on actual needs and planned use of fund balance to avoid levying taxes at a level greater than needed.
- Ensure that unrestricted fund balance is in compliance with the statutory limit and develop a plan to use excess fund balance in a manner that benefits District residents.

The District provided a complete response to the State Comptroller's office on September 20, 2016. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the District that are currently in progress or pending release.

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

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 past three fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2017	No Designation	0.0%
2016	No Designation	0.0%
2015	No Designation	0.0%

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein. 2018 data is not available as of the date of this Official Statement.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Towns of:					
Bath	$ 313,900	$ 314,213	$ 314,268	$ 314,518	$ 912,942
Bradford	27,656,892	26,886,168	26,696,766	26,778,786	27,168,891
Orange	57,344,352	58,568,864	66,038,498	66,073,814	66,435,227
Tyrone	36,480,597	36,764,027	39,011,734	38,986,128	40,952,635
Urbana	2,120,700	2,145,700	2,135,745	2,194,280	2,176,375
Wayne	3,562,332	3,621,036	3,629,634	3,638,006	3,571,100
Total Assessed Values	$ 127,478,773	$ 128,300,008	$ 137,826,645	$ 137,985,532	$ 141,217,170
State Equalization Rates					
Towns of:					
Bath	46.00%	45.00%	45.00%	45.00%	100.00%
Bradford	93.00%	83.00%	81.00%	84.00%	77.00%
Orange	100.00%	100.00%	100.00%	100.00%	100.00%
Tyrone	100.00%	100.00%	100.00%	100.00%	100.00%
Urbana	100.00%	100.00%	98.00%	100.00%	100.00%
Wayne	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 129,928,966	$ 134,190,852	$ 144,516,541	$ 143,470,664	$ 149,332,553

Tax Rate per $1,000 (Assessed)

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Towns of:					
Bath	$ 38.26	$ 38.05	$ 35.34	$ 36.28	$ 15.68
Bradford	18.92	20.63	19.63	19.43	20.37
Orange	17.60	17.12	15.90	16.32	15.68
Tyrone	17.60	17.12	15.90	16.32	15.68
Urbana	17.60	17.12	16.23	16.32	15.68
Wayne	17.60	17.12	15.91	16.33	15.69

Tax Collection Procedure

The real property taxes of the District are collected by the School Tax Collector. Such taxes are due in September. The penalty on unpaid taxes is 2% in October. Taxes paid November 1 and after bear a 2% penalty payable to the District and an additional 7% penalty payable to the County. On November 15, the District files a report of any uncollected District taxes with the County. The County thereafter on or before April pays to the District the full amount of its uncollected taxes. Thus, the full amount of the District's real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes to fund the reimbursement of uncollected taxes due to the District.

The District is not responsible for the collection of taxes of any other unit of government.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2015	2016	2017	2018	2019
Total Tax Levy	$ 2,286,597	$ 2,297,959	$ 2,297,959	$ 2,342,037	$ 2,342,037
Amount Uncollected [(1)]	206,583	233,769	196,104	315,856	180,562
% Uncollected	9.03%	10.17%	8.53%	13.49%	7.71%

[(1)] See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2013-2014	$ 8,138,404	$ 2,247,146	27.61%
2014-2015	8,196,575	2,294,895	28.00
2015-2016	8,173,808	2,305,183	28.20
2016-2017	8,385,853	2,304,188	27.48
2017-2018	8,547,278	2,349,696	27.49
2018-2019 (Budgeted)	8,722,911	2,351,037	26.95
2019-2020 (Budgeted)	8,653,176	2,397,878	27.71

Source: Audited financial statements for 2013-2014 through and including 2017-2018, and budgets of the District for the 2018-2019 and 2019-2020 fiscal years. This table is not audited

Larger Taxpayers 2018 for 2018-2019 Tax Roll

Name	Type	Taxable Assessed Valuation
State of New York	Government	$ 10,188,539
NYS Electric & Gas Corp.	Utility	4,479,145
Farm Sanctuary Inc.	Animal Housing	3,417,000
Eric A. Machuga	Real Estate	1,450,400
Edward Machuga	Real Estate	1,080,400
Steuben Rural Electric Coop	Utility	668,763
Rory A. Miller	Real Estate	510,000
Chester W. Wagner	Real Estate	498,000
William Snyder	Real Estate	495,000
Millard J. Knibbs	Real Estate	475,000

The ten larger taxpayers listed above have a total taxable assessed valuation of $23,262,247 which represents 16.47% of the tax base of the District.

The District currently does not have any pending or outstanding tax certioraris that are known to have a material impact on the District.

Source: District Tax Rolls.

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 $88,050 or less in 2020, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR

exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. Homeowners with STAR Adjusted Gross Income of $250,000 have the option The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Bath	$ 71,230	$ 31,990	4/9/2019
Bradford	52,900	23,100	4/9/2019
Orange	68,700	30,000	4/9/2019
Tyrone	68,700	30,000	4/9/2019
Urbana	68,700	30,000	4/9/2019
Wayne	68,700	30,000	4/9/2019

$319,062 of the District's $2,342,037 school tax levy for the 2018-19 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2019.

Source: New York State Department of Taxation and Finance website and School District records.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,620 including County, Town, School District and Fire District taxes.

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.)

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.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution and the Equal Protection and Due Process clauses and the First Amendment of the United States Constitution. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59") included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Credit Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved "government efficiency plan" which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 will vary based on a taxpayer's personal income level and STAR tax savings. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

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; and 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.

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 "The NOTES - Nature of the 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, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases 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.

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.

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.

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 Board of Education, as the finance board of the School 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 School District, pursuant to the Local Finance Law.

Statutory law in the State also permits the School District to issue bond anticipation notes to be issued in anticipation of the issuance of serial bonds, which may be renewed each year, provided annual principal installments are made in the reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance date of such notes and provided that such renewals do not exceed five years beyond the original date of the issuance of such notes. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2015	2016	2017	2018	2019
Bonds	$ 11,155,000	$ 10,120,000	$ 9,025,000	$ 7,935,000	$ 6,830,000
Bond Anticipation Notes	0	0	0	0	950,000
Other Debt	0	0	0	0	0
Total Debt Outstanding	$ 11,155,000	$ 10,120,000	$ 9,025,000	$ 7,935,000	$ 7,780,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 11, 2019

Type of Indebtedness	Maturity		Amount	
Bonds	2019-2034		$ 6,830,000	
Bond Anticipation Notes	August 2, 2019		950,000	(1)
		Total Indebtedness	$ 7,780,000	

(1) To be redeemed with the proceeds of the Notes.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 11, 2019:

Full Valuation of Taxable Real Property			$ 149,332,553
Debt Limit 10% thereof			14,933,255
Inclusions:			
Bonds	$ 6,830,000		
Principal of this Issue	3,779,013		
Total Inclusions		$ 10,609,013	
Exclusions:			
State Building Aid [(1)]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 10,609,013
Net Debt-Contracting Margin			$ 4,324,242
The percent of debt contracting power exhausted is			71.04%

(1) Based on preliminary 2019-2020 building aid estimates, the District anticipates State Building aid of 90.1% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding 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.

Bonded Debt Service

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

Capital Project Plans

On December 19, 2017 the District voters approved a $4,279,013 million capital project consisting of certain renovations, reconstruction, alterations and improvements to the District's existing main school building. The District used $500,000 capital reserve money for the project and may issue up to $3,779,013 of obligations to finance the project. The District issued $950,000 bond anticipation notes on October 3, 2018 representing the first borrowing for the aforementioned project. The proceeds of the Notes will renew $950,000 bond anticipation notes maturing on August 2, 2019 and provide $2,829,013 new monies as the second borrowing against said authorization.

Cash Flow Borrowings

The District has not found it necessary to issues revenue anticipation notes or tax anticipation notes in the past and does not anticipate the need to issue them in the foreseeable future.

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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. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Schuyler	12/31/2017	$ 2,853,745	$ 308,745	$ 2,545,000	7.09%	$ 180,441
Steuben	12/31/2017	6,560,000	-	6,560,000	0.67%	43,952
Towns of:						
Bath	12/31/2017	-	-	-	0.13%	-
Bradford	12/31/2017	-	-	-	76.51%	-
Orange	12/31/2017	125,066	-	125,066	64.00%	80,042
Tyrone	12/31/2017	134,466	134,466	-	20.24%	-
Urbana	12/31/2017	-	-	-	0.73%	-
Wayne	12/31/2017	-	-	-	1.31%	-
					Total:	$ 304,435

[1] Bonds and bond anticipation notes not adjusted to include subsequent bond sales, if any.
[2] Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: State Comptroller's reports for fiscal year ending 2017 for the counties and towns.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 11, 2019:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 10,609,013	$ 5,712.98	7.10%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	10,913,448	5,876.92	7.31%

[a] The estimated population of the District is 1,857. (See "THE SCHOOL DISTRICT - Population" herein.)
[b] The District's full value of taxable real estate for the 2018-19 fiscal year is $149,332,553. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" herein.
[d] Estimated net overlapping indebtedness is $304,435. (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

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.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

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

The Federal Bankruptcy Code allows public bodies, such as the District, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these Local Finance Law provisions do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

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

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any Counties, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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."

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

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 risk.

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

The School 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 in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School 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 SCHOOL DISTRICT - 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 School District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

The School 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 School 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 & Marquardt, 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 personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax. The proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E."

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 insure 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.

Current and 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 & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – E".

LITIGATION

The District currently has a claim against it for the death of a State Trooper killed by former School District Principal, Steven Kiley. The District's litigation attorney does not believe the case has merit, however, in the event that the District was held liable, the District's insurance would provide coverage.

The District has a binding mediation case from 2010. The employee was terminated and filed a grievance for wrongful termination. The mediator, after taking 9 years to consider the matter where the parties couldn't agree, has issue stating the employee committed wrong doing, but the District was not justified in terminating her. The employee is demanding approximately $100,000 in back pay to settle the claim. The District has not agreed to her demand.

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 School District, threatened against or affecting the School District to restrain or enjoin sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School 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 Notice of certain Material Events, the description of which is attached hereto as "APPENDIX – C".

Historical Compliance

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

On December 14, 2017, Moody's Investors Service, Inc. ("Moody's") upgraded the enhanced rating of the District from "A1" to "Aa3". The "Aa3" enhanced rating reflects the additional security provided by the New York State Section 99-B Intercept Program. On March 15, 2018, the District filed a material event notice and a failure to file notice to EMMA as this event information was not filed within the timeline stated in the District's outstanding undertaking agreements.

On August 1, 2014, a material event notice and a failure to file notice was submitted EMMA relating to rating actions reported by Moody's Investors Service, Standard & Poor's Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the District.

RATING

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

Moody's Investors Service has assigned a rating of "A2" underlying and "Aa3" enhanced to certain outstanding general obligation bonds of the District. The rating reflects only the view of Moody's Investors Service and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the bonds may have an adverse effect on the market price of the Notes.

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

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 Bonds 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 as registered bonds in the name of Cede & Co., as nominee of DTC, 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.

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 Bonds.

Trespasz & Marquardt, 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 District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

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

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

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

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 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 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 District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Ms. Lisa Kuhnel, Shared School Business Administrator, 119 South Avenue, 2820 State Route 226, Bradford, New York 14815, telephone (607) 583-4616 x 1226, fax (607) 583-4013, email: lkuhnel@gstboces.org

Additional copies of the Official Statement and Notice of Sale may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com or www.fiscaladvisorsauction.com.

Dated: July 11, 2019

JO MILLER
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2014	2015	2016	2017	2018
ASSETS					
Cash & Cash Equivalents	$ 2,116,985	$ 2,547,649	$ 2,572,985	$ 2,908,260	$ 2,283,490
Receivables	641,227	527,832	502,847	439,312	535,536
Due from Other Funds	99,586	109,071	98,581	73,388	56,242
Due from Other Governments	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid Expenditures	-	-	-	-	25
TOTAL ASSETS	$ 2,857,798	$ 3,184,552	$ 3,174,413	$ 3,420,960	$ 2,875,293
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 107,923	$ 93,727	$ 111,197	$ 96,021	$ 24,994
Accrued Liabilities	165,514	93,495	16,402	16,572	39,178
Due to Other Funds	-	-	-	21,799	-
Due to Fiduciary Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	17,084
Due to Teachers' Retirement System	370,767	396,767	316,000	283,653	244,179
Due to Employees' Retirement System	21,269	19,016	17,170	18,558	19,490
Overpayments	-	-	-	-	-
TOTAL LIABILITIES	665,473	603,005	460,769	436,603	344,925
FUND EQUITY					
Reserved	$ 842,885	$ 810,838	$ 1,283,129	$ 1,653,363	$ 1,656,706
Unreserved:					
Appropriated	642,299	463,356	366,988	477,674	404,133
Unappropriated	707,141	1,307,353	1,063,527	853,320	469,529
TOTAL FUND EQUITY	2,192,325	2,581,547	2,713,644	2,984,357	2,530,368
TOTAL LIABILITIES & FUND EQUITY	$ 2,857,798	$ 3,184,552	$ 3,174,413	$ 3,420,960	$ 2,875,293

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:	2013	2014	2015	2016	2017
REVENUES					
Real Property Taxes & Tax Items	$ 2,167,676	$ 2,247,146	$ 2,294,895	$ 2,305,183	$ 2,304,188
Other Tax Items	-	-	-	-	-
Charges for Services	3,566	2,033	1,368	1,509	41,300
Use of Money & Property	11,341	9,758	8,059	8,152	9,004
Sale of Property and Compensation for Loss	1,306	4,517	156	-	-
Miscellaneous	230,535	233,499	196,558	219,414	265,828
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	5,051,835	5,403,824	5,469,927	5,414,242	5,564,711
Revenues from Federal Sources	268,810	237,627	225,612	225,308	200,822
Total Revenues	$ 7,735,069	$ 8,138,404	$ 8,196,575	$ 8,173,808	$ 8,385,853
Other Sources:					
Interfund Transfers	-	63,720	63,720	-	63,720
Total Revenues and Other Sources	7,735,069	8,202,124	8,260,295	8,173,808	8,449,573
EXPENDITURES					
General Support	$ 905,545	$ 966,312	$ 1,032,038	$ 982,695	$ 984,644
Instruction	3,652,066	3,736,857	3,576,289	3,855,115	3,789,437
Pupil Transportation	325,693	345,919	422,238	354,522	491,129
Community Services	-	-	-	-	-
Employee Benefits	1,240,662	1,377,860	1,366,358	1,405,469	1,438,862
Debt Service	1,231,839	1,475,712	1,439,716	1,405,094	1,439,553
Total Expenditures	$ 7,355,805	$ 7,902,660	$ 7,836,639	$ 8,002,895	$ 8,143,625
Other Uses:					
Interfund Transfers	31,503	37,768	34,434	38,816	35,235
Total Expenditures and Other Uses	7,387,308	7,940,428	7,871,073	8,041,711	8,178,860
Excess (Deficit) Revenues Over Expenditures	347,761	261,696	389,222	132,097	270,713
FUND BALANCE					
Fund Balance - Beginning of Year	1,582,868	1,930,629	2,192,325	2,581,547	2,713,644
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 1,930,629	$ 2,192,325	$ 2,581,547	$ 2,713,644	$ 2,984,357

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

APPENDIX - A2
Bradford CSD

GENERAL FUND

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

Fiscal Years Ending June 30:	2018 Adopted Budget	2018 Final Budget	2018 Actual	2019 Adopted Budget	2020 Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	$ 2,351,037	$ 2,351,037	$ 2,349,696	$ 2,351,037	$ 2,388,878
Other Tax Items	-	-	-	-	9,000
Charges for Services	1,975	1,975	26,978	1,975	-
Use of Money & Property	8,600	8,600	11,185	8,600	8,600
Sale of Property and Compensation for Loss	-	-	141	-	
Miscellaneous	190,000	201,925	263,125	190,000	191,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	5,866,069	5,866,069	5,686,923	5,999,299	5,912,807
Revenues from Federal Sources	183,345	183,345	210,230	172,000	142,891
Total Revenues	$ 8,601,026	$ 8,612,951	$ 8,548,278	$ 8,722,911	$ 8,653,176
Other Sources:					
Interfund Transfers	63,720	63,720	71,283	53,440	53,440
Total Revenues and Other Sources	8,664,746	8,676,671	8,619,561	8,776,351	8,706,616
EXPENDITURES					
General Support	$ 1,159,873	$ 1,222,437	$ 1,069,620	$ 1,206,120	$ 1,222,502
Instruction	4,214,795	4,219,754	3,823,840	4,316,971	4,324,475
Pupil Transportation	412,814	664,465	611,460	439,329	467,754
Community Services	-	-	-	-	-
Employee Benefits	1,793,657	1,793,657	1,536,750	1,860,324	1,828,982
Debt Service	1,397,607	1,397,607	1,397,603	1,377,607	1,245,903
Total Expenditures	$ 8,978,746	$ 9,297,920	$ 8,439,273	$ 9,200,351	$ 9,089,616
Other Uses:					
Interfund Transfers	136,000	636,000	634,277	36,000	37,000
Total Expenditures and Other Uses	9,114,746	9,933,920	9,073,550	9,236,351	9,126,616
Excess (Deficit) Revenues Over Expenditures	(450,000)	(1,257,249)	(453,989)	(460,000)	(420,000)
FUND BALANCE					
Fund Balance - Beginning of Year	450,000	1,257,249	2,984,357	460,000	420,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 2,530,368	$ -	$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2020	$ 985,000	$ 104,367.75	$ 1,089,367.75
2021	1,020,000	90,268.75	1,110,268.75
2022	1,050,000	75,468.25	1,125,468.25
2023	890,000	62,155.25	952,155.25
2024	925,000	50,085.75	975,085.75
2025	810,000	36,822.25	846,822.25
2026	310,000	27,383.75	337,383.75
2027	245,000	21,398.75	266,398.75
2028	80,000	18,393.75	98,393.75
2029	80,000	15,893.75	95,893.75
2030	85,000	13,212.50	98,212.50
2031	80,000	10,531.25	90,531.25
2032	85,000	7,796.88	92,796.88
2033	90,000	4,843.75	94,843.75
2034	95,000	1,662.50	96,662.50
TOTALS	$ 6,830,000	$ 540,284.88	$ 7,370,284.88

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2011 QZAB Bonds Principal	2011 QZAB Bonds Interest	2011 QZAB Bonds Total	2011 QZAB Bonds Principal	2011 QZAB Bonds Interest	2011 QZAB Bonds Total
2020	$ 395,000	$ 19,404.00	$ 414,404.00	$ 160,000	$ 9,920.00	$ 169,920.00
2021	415,000	16,560.00	431,560.00	160,000	8,640.00	168,640.00
2022	440,000	13,572.00	453,572.00	165,000	7,340.00	172,340.00
2023	460,000	10,404.00	470,404.00	165,000	6,020.00	171,020.00
2024	480,000	7,092.00	487,092.00	165,000	4,700.00	169,700.00
2025	505,000	3,636.00	508,636.00	165,000	3,380.00	168,380.00
2026	-	-	-	170,000	2,040.00	172,040.00
2027				170,000	680.00	170,680.00
TOTAL	$ 2,695,000	$ 70,668.00	$ 2,765,668.00	$ 1,320,000	$ 42,720.00	$ 1,362,720.00

Fiscal Year Ending June 30th	2013 Reconstruction Principal	2013 Reconstruction Interest	2013 Reconstruction Total	2015 Refunding Bonds Principal	2015 Refunding Bonds Interest	2015 Refunding Bonds Total
2020	$ 65,000	$ 14,887.50	$ 79,887.50	$ 240,000	$ 42,618.75	$ 282,618.75
2021	65,000	12,937.50	77,937.50	250,000	37,718.75	287,718.75
2022	65,000	10,987.50	75,987.50	250,000	32,406.25	282,406.25
2023	65,000	9,037.50	74,037.50	65,000	28,781.25	93,781.25
2024	70,000	7,087.50	77,087.50	70,000	27,006.25	97,006.25
2025	70,000	4,812.50	74,812.50	70,000	24,993.75	94,993.75
2026	70,000	2,450.00	72,450.00	70,000	22,893.75	92,893.75
2027	-	-	-	75,000	20,718.75	95,718.75
2028	-	-	-	80,000	18,393.75	98,393.75
2029	-	-	-	80,000	15,893.75	95,893.75
2030	-	-	-	85,000	13,212.50	98,212.50
2031	-	-	-	80,000	10,531.25	90,531.25
2032	-	-	-	85,000	7,796.88	92,796.88
2033	-	-	-	90,000	4,843.75	94,843.75
2034	-	-	-	95,000	1,662.50	96,662.50
TOTAL	$ 470,000	$ 62,200.00	$ 532,200.00	$ 1,685,000	$ 309,471.88	$ 1,994,471.88

Fiscal Year Ending June 30th	2012 Reconstruction Principal	2012 Reconstruction Interest	2012 Reconstruction Total
2020	$ 125,000	$ 17,537.50	$ 142,537.50
2021	130,000	14,412.50	144,412.50
2022	130,000	11,162.50	141,162.50
2023	135,000	7,912.50	142,912.50
2024	140,000	4,200.00	144,200.00
TOTAL	$ 660,000	$ 55,225.00	$ 715,225.00

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 securities, 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 securities, or other material events affecting the tax status of the Notes

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

Event (c) 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.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government 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 reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

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

BRADFORD CENTRAL SCHOOL DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2018

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.

BRADFORD CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2018

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

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RAYMOND F. WAGER, CPA, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Bradford Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bradford Central School District, New York, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Bradford Central School District, New York, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As described in Note II to the financial statements, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4–13 and 48–52 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bradford Central School District, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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. Such 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 accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2018 on our consideration of the Bradford Central School District, New York'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 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 Bradford Central School District, New York's internal control over financial reporting and compliance.

Rochester, New York
October 8, 2018

Raymond F. Wager, CPA, PC

WE VALUE YOUR FUTURE

Bradford Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2018. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total assets (what the district owns) exceeded its total liabilities (what the district owes) by $638,161 (net position) an increase of $697,251 from the prior year.

General revenues, which include State and Federal Aid and Property Taxes, accounted for $8,528,078, or 94% of all revenues. Program specific revenues, in the form of Charges for Services and Operating Grants and Contributions, accounted for $556,984, or 6% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of $3,242,555, a decrease of $16,866 in comparison with the prior year.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains four individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the special aid fund, and the capital projects fund which are reported as major funds. Data for the debt service fund and school lunch fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

Major Feature of the District-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, 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 year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-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 the School 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 government-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 District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District’s property tax base and the condition of the school buildings and facilities must also be considered to assess the District’s overall health.

All of the District’s services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District as a Whole

Net Position

The District's combined net position was larger on June 30, 2018 than the year before, increasing to $638,161 as shown in table below.

	Governmental Activities		Total
	2018	2017	Variance
ASSETS:			
Current and Other Assets	$ 3,706,753	$ 3,682,178	$ 24,575
Capital Assets	14,180,412	14,417,002	(236,590)
Total Assets	**$ 17,887,165**	**$ 18,099,180**	**$ (212,015)**
DEFERRED OUTFLOW OF RESOURCES:			
Deferred Outflow of Resources	$ 1,881,420	$ 1,605,183	$ 276,237
LIABILITIES:			
Long-Term Debt Obligations	$ 17,278,762	$ 19,209,167	$ (1,930,405)
Other Liabilities	390,001	458,538	(68,537)
Total Liabilities	**$ 17,668,763**	**$ 19,667,705**	**$ (1,998,942)**
DEFERRED INFLOW OF RESOURCES:			
Deferred Inflow of Resources	$ 1,461,661	$ 95,748	$ 1,365,913
NET POSITION:			
Net Investment in Capital Assets	$ 6,245,412	$ 5,392,002	$ 853,410
Restricted For,			
Retirement Contribution	504,964	504,089	875
Capital Reserves	908,570	890,555	18,015
Other Purposes	315,844	378,969	(63,125)
Unrestricted	(7,336,629)	(7,224,705)	(111,924)
Total Net Position	**$ 638,161**	**$ (59,090)**	**$ 697,251**

The District's financial position is the product of many factors.

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

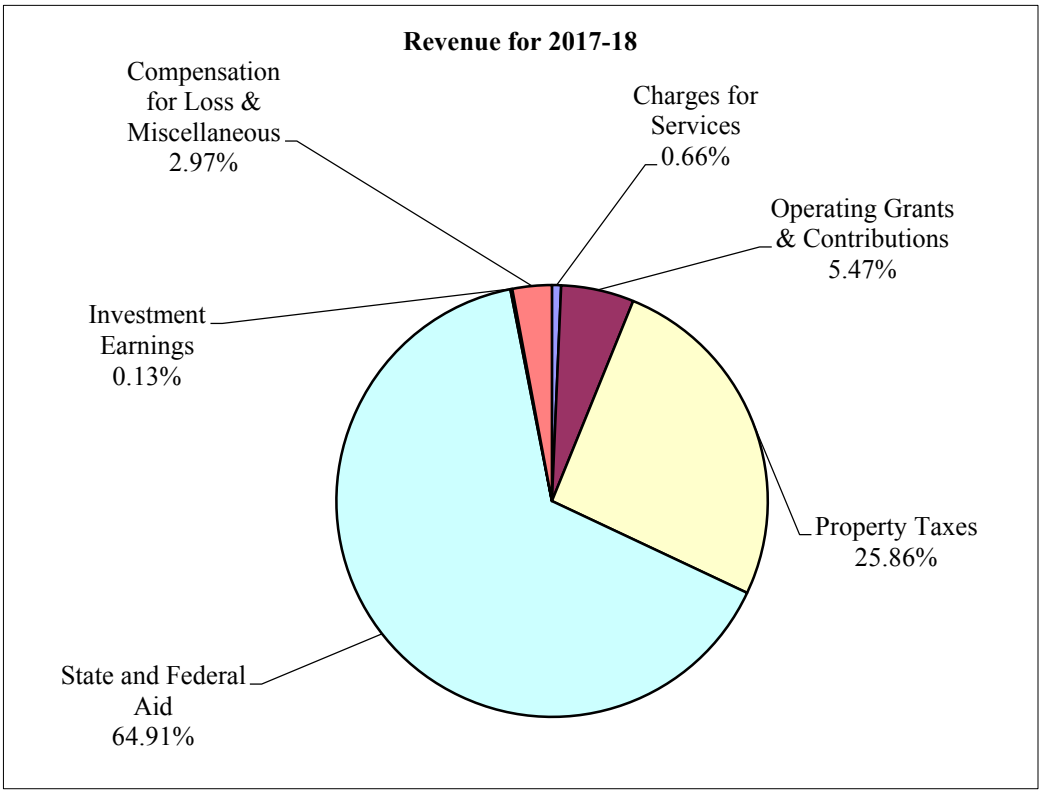
There are three restricted net asset balances: Retirement Contribution, Capital Reserves, and Other Purposes. The remaining balance is unrestricted net position with a deficit of $7,336,629.

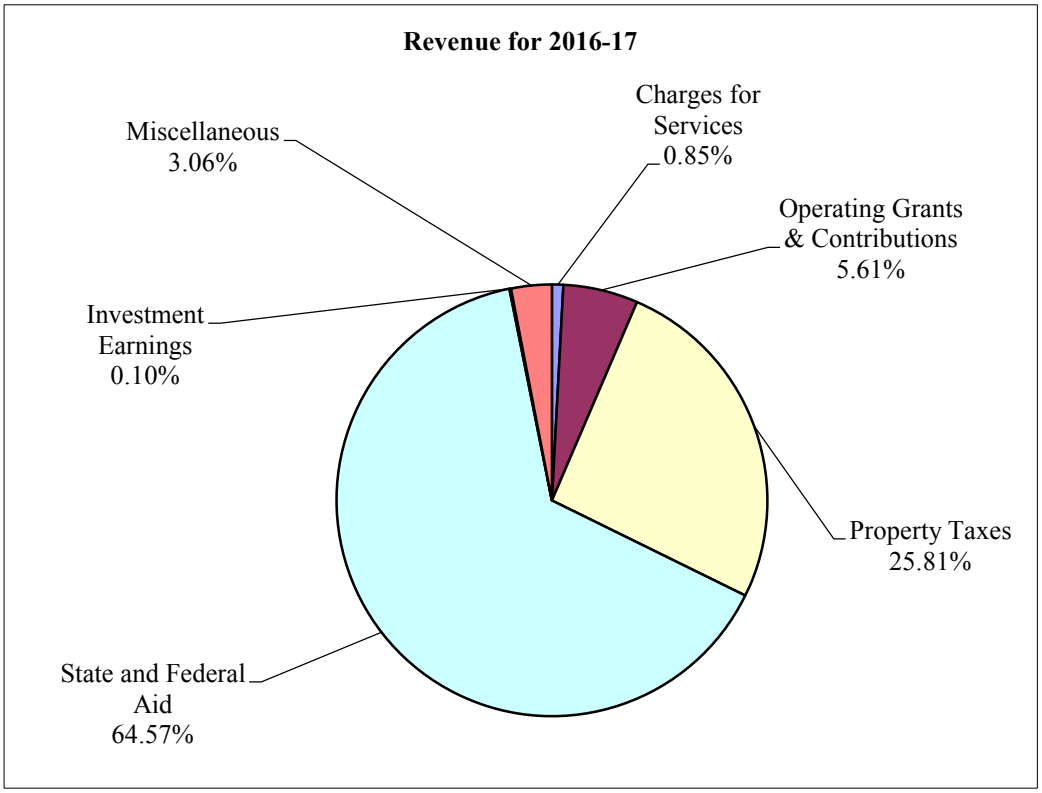
Changes in Net position

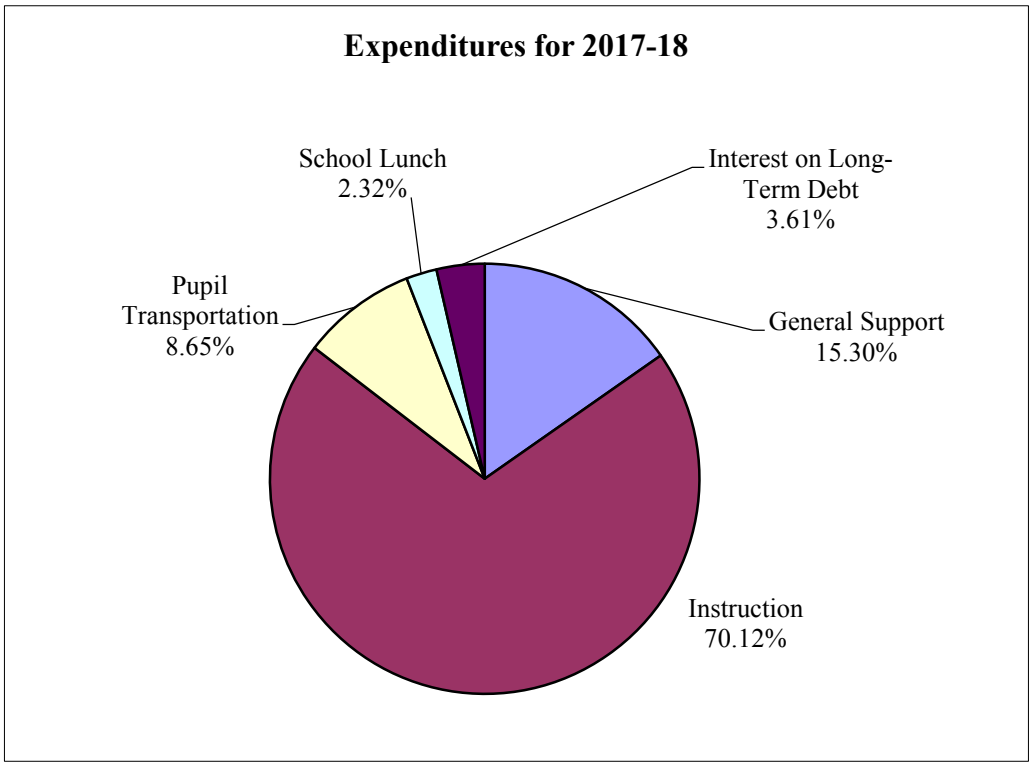
The District's total revenue increased 2% to $9,085,062. State and federal aid, 65%, and property taxes, 26%, accounted for most of the District's revenue. The remaining 9% of the revenue comes from operating grants, charges for services, investment earnings, and miscellaneous revenues.

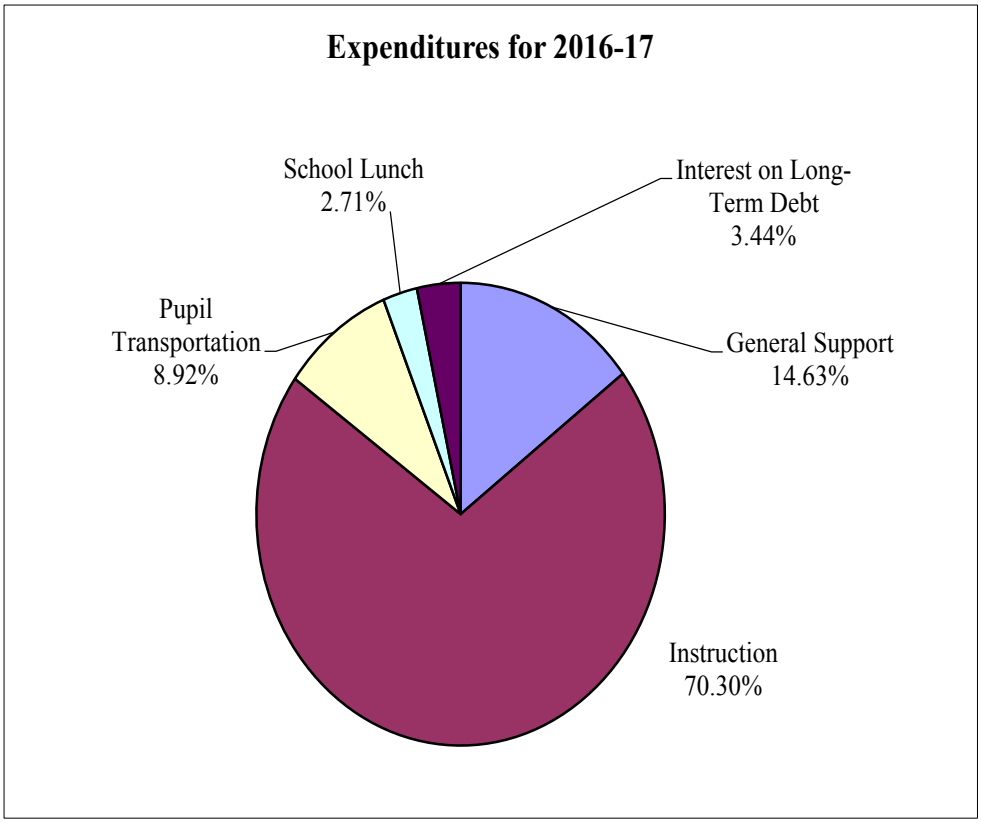
The total cost of all the programs and services decreased 6% to $8,387,811. The District's expenses are predominately related to education and caring for the students (Instruction) 70%. General support, which included expenses associated with the operation, maintenance and administration of the District, accounted for 15% of the total costs. See table below:

	Governmental Activities		Total
	2018	2017	Variance
REVENUES:			
Program -			
Charges for Services	$ 60,301	$ 75,529	$ (15,228)
Operating Grants & Contributions	496,683	500,964	(4,281)
Total Program	$ 556,984	$ 576,493	$ (19,509)
General -			
Property Taxes	$ 2,349,696	$ 2,304,188	$ 45,508
State and Federal Aid	5,897,153	5,765,533	131,620
Investment Earnings	11,609	9,253	2,356
Compensation for Loss	141	-	141
Miscellaneous	269,479	273,535	(4,056)
Total General	$ 8,528,078	$ 8,352,509	$ 175,569
TOTAL REVENUES	**$ 9,085,062**	**$ 8,929,002**	**$ 156,060**
EXPENSES:			
General Support	$ 1,282,920	$ 1,310,272	$ (27,352)
Instruction	5,881,832	6,294,197	(412,365)
Pupil Transportation	725,594	799,092	(73,498)
School Lunch	194,196	242,506	(48,310)
Interest on Long-Term Debt	303,269	307,869	(4,600)
TOTAL EXPENSES	**$ 8,387,811**	**$ 8,953,936**	**$ (566,125)**
INCREASE IN NET POSITION	**$ 697,251**	**$ (24,934)**	**$ 722,185**


Revenue for 2017-18
Compensation for Loss & Miscellaneous 2.97%
Charges for Services 0.66%
Operating Grants & Contributions 5.47%
Investment Earnings 0.13%
Property Taxes 25.86%
State and Federal Aid 64.91%


Revenue for 2016-17
Miscellaneous 3.06%
Charges for Services 0.85%
Operating Grants & Contributions 5.61%
Investment Earnings 0.10%
Property Taxes 25.81%
State and Federal Aid 64.57%


Expenditures for 2017-18
School Lunch
2.32%
Interest on Long-
Term Debt
3.61%
Pupil
Transportation
8.65%
General Support
15.30%
Instruction
70.12%


Expenditures for 2016-17
School Lunch
2.71%
Interest on Long-
Term Debt
3.44%
Pupil
Transportation
8.92%
General Support
14.63%
Instruction
70.30%

Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of $3,242,555 which is less than last year's ending fund balance of $3,259,421.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was $2,530,368. Fund balance for the General Fund decreased by $453,989 compared with the prior year. See table below:

General Fund Balances:	2018	2017	Variance
Nonspendable	$ 72,465	$ 88,241	$ (15,776)
Restricted	1,584,241	1,565,122	19,119
Assigned	404,133	477,674	(73,541)
Unassigned	469,529	853,320	(383,791)
Total General Fund Balances	**$ 2,530,368**	**$ 2,984,357**	**$ (453,989)**

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $582,175. This change is attributable to $27,674 of carryover encumbrances from the 2016-17 school year, $42,576 for security cameras, $11,625 for a donation of Chromebooks, $500,000 for voter approved capital reserve use, and $300 for miscellaneous.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Transfers-Out	$500,000	$500,000 was moved from the District's Capital Building Reserve to the Capital Fund per the December 2017 voter approved capital project proposition.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
State Sources	($179,146)	State aid received was less than anticipated.
Expenditure Items:	**Budget Variance Amended Vs. Actual**	**Explanation for Budget Variance**
Central Services	$88,550	Actual expenditures were less than anticipated.
Programs for Children with Handicapping Conditions	$146,295	Lower than anticipated enrolment reduced costs
Employee Benefits	$256,907	Expenditures lower than anticipated

Capital Asset and Debt Administration

Capital Assets

By the end of the 2017-18 fiscal year, the District had invested $14,180,412 in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	2018	2017
Land	$ 40,000	$ 40,000
Buildings and Improvements	13,440,878	13,850,339
Machinery and Equipment	699,534	526,663
Total	**$ 14,180,412**	**$ 14,417,002**

Long-Term Debt

At year end, the District had $17,278,762 in general obligation bonds and other long-term debt outstanding as follows:

Type	2018	2017
Serial Bonds	$ 7,935,000	$ 9,025,000
Net Pension Liability	57,831	337,333
OPEB	9,233,441	9,797,952
Compensated Absences	52,490	48,882
Total Long-Term Obligations	**$ 17,278,762**	**$ 19,209,167**

Factors Bearing on the District's Future

- Chapter 97 of the Laws of 2011, Part A – Property Tax Cap which established a property tax cap, continues to impact all local governments. Under this law the growth in the property tax levy, the total amount to be raised through property taxes charged on the District's taxable assessed value of property, is capped at two percent, or the rate of inflation, whichever is less, with certain exceptions. This legislation constrains the District's ability to adapt to cost increases in various areas, including numerous State mandates.

- In 2018, GASB 75 required that the District report the full value of post-employment benefit costs on its financial statements. An actuarial study to calculate the total post-employment benefit liability was performed. The District recognized these costs of $9.2M.

- The District's pension contribution for the Employees' Retirement System decreased from 15.3% in 2018 to 14.9% in 2019. The District's pension contribution for the Teachers' Retirement System increased from 9.8% in 2018 to 10.62% in 2019.

- The District is currently engaging in a $4.2M Capital Building Project to address facilities issues identified in the District's most recent Building Condition Survey. This District is using $500,000 from the Capital Reserve and various borrowings to fund this project. Debt service payments are expected to be covered by State Building Aid.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Bradford Central School District
2820 State Route 226
Bradford, New York 14815

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2018

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	2,991,668
Accounts receivable		601,724
Inventories		7,692
Prepaid items		25
Net pension asset		105,644
Capital Assets:		
Land		40,000
Other capital assets (net of depreciation)		14,140,412
TOTAL ASSETS	**$**	**17,887,165**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	**$**	**1,881,420**
LIABILITIES		
Accounts payable	$	29,288
Accrued liabilities		71,230
Unearned revenues		8,523
Due to other governments		17,291
Due to teachers' retirement system		244,179
Due to employees' retirement system		19,490
Long-Term Obligations:		
Due in one year		1,118,123
Due in more than one year		16,160,639
TOTAL LIABILITIES	**$**	**17,668,763**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	**$**	**1,461,661**
NET POSITION		
Net investment in capital assets	$	6,245,412
Restricted For:		
Reserve for employee retirement system		504,964
Capital reserves		908,570
Other purposes		315,844
Unrestricted		(7,336,629)
TOTAL NET POSITION	**$**	**638,161**

(See accompanying notes to financial statements)

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities and Changes in Net Position
For Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government -				
General support	$ 1,282,920	$ -	$ -	$ (1,282,920)
Instruction	5,881,832	26,978	376,023	(5,478,831)
Pupil transportation	725,594	-	-	(725,594)
School lunch	194,196	33,323	120,660	(40,213)
Interest	303,269	-	-	(303,269)
Total Primary Government	**$ 8,387,811**	**$ 60,301**	**$ 496,683**	**$ (7,830,827)**

General Revenues:	
Property taxes	$ 2,349,696
State and federal aid	5,897,153
Investment earnings	11,609
Compensation for loss	141
Miscellaneous	269,479
Total General Revenues	**$ 8,528,078**
Changes in Net Position	$ 697,251
Net Position, Beginning of Year (restated)	(59,090)
Net Position, End of Year	**$ 638,161**

(See accompanying notes to financial statements)

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2018

ASSETS	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,283,490	$ 1	$ 507,596	$ 200,581	$ 2,991,668
Receivables	535,536	56,020	-	10,168	601,724
Inventories	-	-	-	7,692	7,692
Due from other funds	56,242	-	-	33	56,275
Prepaid items	25	-	-	-	25
TOTAL ASSETS	**$ 2,875,293**	**$ 56,021**	**$ 507,596**	**$ 218,474**	**$ 3,657,384**
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	$ 24,994	$ -	$ -	$ 4,294	$ 29,288
Accrued liabilities	39,178	-	-	605	39,783
Due to other funds	-	48,563	7,596	116	56,275
Due to other governments	17,084	-	-	207	17,291
Due to TRS	244,179	-	-	-	244,179
Due to ERS	19,490	-	-	-	19,490
Unearned revenue	-	7,458	-	1,065	8,523
TOTAL LIABILITIES	**$ 344,925**	**$ 56,021**	**$ 7,596**	**$ 6,287**	**$ 414,829**
Fund Balances -					
Nonspendable	$ 72,465	$ -	$ -	$ 7,692	$ 80,157
Restricted	1,584,241	-	-	145,137	1,729,378
Assigned	404,133	-	500,000	59,358	963,491
Unassigned	469,529	-	-	-	469,529
TOTAL FUND BALANCE	**$ 2,530,368**	**$ -**	**$ 500,000**	**$ 212,187**	**$ 3,242,555**
TOTAL LIABILITIES AND FUND BALANCES	**$ 2,875,293**	**$ 56,021**	**$ 507,596**	**$ 218,474**	

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,180,412
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(31,447)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(7,935,000)
OPEB	(9,233,441)
Compensated absences	(52,490)
Net pension asset	105,644
Deferred outflow - pension	1,571,617
Deferred outflow - OPEB	309,803
Net pension liability	(57,831)
Deferred inflow - pension	(494,183)
Deferred inflow - OPEB	(967,478)
Net Position of Governmental Activities	**$ 638,161**

(See accompanying notes to financial statements)

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For Year Ended June 30, 2018

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	$ 2,349,696	$ -	$ -	$ -	$ 2,349,696
Charges for services	26,978	-	-	-	26,978
Use of money and property	11,185	-	-	424	11,609
Sale of property and compensation for loss	141	-	-	-	141
Miscellaneous	263,125	15,000	-	6,354	284,479
State sources	5,686,923	143,320	-	4,052	5,834,295
Federal sources	210,230	217,703	-	116,608	544,541
Sales	-	-	-	33,323	33,323
TOTAL REVENUES	**$ 8,548,278**	**$ 376,023**	**$ -**	**$ 160,761**	**$ 9,085,062**
EXPENDITURES					
General support	$ 1,069,620	$ -	$ -	$ -	$ 1,069,620
Instruction	3,823,840	297,900	-	-	4,121,740
Pupil transportation	611,460	17,032	-	-	628,492
Employee benefits	1,536,750	80,182	-	37,111	1,654,043
Debt service - principal	1,090,000	-	-	-	1,090,000
Debt service - interest	307,603	-	-	-	307,603
Cost of sales	-	-	-	64,009	64,009
Other expenses	-	-	-	73,984	73,984
Capital outlay	-	-	92,437	-	92,437
TOTAL EXPENDITURES	**$ 8,439,273**	**$ 395,114**	**$ 92,437**	**$ 175,104**	**$ 9,101,928**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 109,005	$ (19,091)	$ (92,437)	$ (14,343)	$ (16,866)
OTHER FINANCING SOURCES (USES)					
Transfers - in	$ 71,283	$ 19,091	$ 600,000	$ 15,186	$ 705,560
Transfers - out	(634,277)	-	(7,563)	(63,720)	(705,560)
TOTAL OTHER FINANCING SOURCES (USES)	**$ (562,994)**	**$ 19,091**	**$ 592,437**	**$ (48,534)**	**$ -**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	**$ (453,989)**	**$ -**	**$ 500,000**	**$ (62,877)**	**$ (16,866)**
FUND BALANCE, BEGINNING OF YEAR	2,984,357	-	-	275,064	3,259,421
FUND BALANCE, END OF YEAR	**$ 2,530,368**	**$ -**	**$ 500,000**	**$ 212,187**	**$ 3,242,555**

(See accompanying notes to financial statements)

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

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

For Year Ended June 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		$ (16,866)
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 Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets exceeded depreciation in the current period:		
Capital Outlay	$ 92,437	
Additions to Assets, Net	291,379	
Depreciation	(620,406)	
		(236,590)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:		
Debt Repayments		1,090,000
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		4,334
The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		(93,164)
(Increase) decrease in proportionate share of net pension asset/liability 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		(55,800)
Employees' Retirement System		8,946
In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:		
Compensated Absences		(3,609)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 697,251**

(See accompanying notes to financial statements)

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2018

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	$ 4,821	$ 63,567
TOTAL ASSETS	**$ 4,821**	**$ 63,567**
LIABILITIES		
Accounts payable	$ -	$ 1,361
Extraclassroom activity balances	-	45,228
Other liabilities	-	16,978
TOTAL LIABILITIES	**$ -**	**$ 63,567**
NET POSITION		
Restricted for scholarships	$ 4,821	
TOTAL NET POSITION	**$ 4,821**	

Statement of Changes in Fiduciary Net Position

For Year Ended June 30, 2018

	Private Purpose Trust
ADDITIONS	
Investment earnings	$ -
TOTAL ADDITIONS	**$ -**
DEDUCTIONS	
Other expenses	$ -
TOTAL DEDUCTIONS	**$ -**
CHANGE IN NET POSITION	$ -
NET POSITION, BEGINNING OF YEAR	4,821
NET POSITION, END OF YEAR	**$ 4,821**

(See accompanying notes to financial statements)

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. 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 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 review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office**.** The District accounts for assets held as an agency for various student organizations in an agency fund.

B. Joint Venture

The District is a component of the Greater Southern Tier Board of Cooperative Educational Service (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which 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 also are 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 school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $2,032,277 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $676,382.

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

C. Basis of Presentation

1. Districtwide Statements

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

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.

2. Fund Statements

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

The District reports the following governmental funds:

a. Major Governmental Funds

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

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

b. Nonmajor Governmental - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

c. Fiduciary - 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. 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 benefit 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.

Agency Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

D. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measureable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 15, 2017. Taxes are collected during the period September 1 to October 31, 2017.

Uncollected real property taxes are subsequently enforced by the Counties of Steuben and Schuyler, in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. 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 expenditures and revenues to provide financing or other services.

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

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

H. Estimates

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

I. Cash 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.

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.

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(I.) (Continued)

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of $5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

Class	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 50,000	SL	25-50 Years
Machinery and Equipment	$ 5,000	SL	5-20 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

M. Unearned Revenue

The District reports unearned revenues 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.

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The District may have three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District may have two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

O. Vested Employee Benefits

1. Compensated Absences

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

Certain District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

P. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be 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.

Q. 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, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

R. Equity Classifications

1. District-Wide Statements

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

a. **Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

b. **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.

(I.) (Continued)

On the Statement of Net Position the following balances represent the restricted for other purposes:

	Total
Unemployment Costs	$ 122,242
Insurance	9,689
Tax Certiorari	884
Debt	145,137
Employee Benefits Accrued Liability	37,892
Total Net Position - Restricted for Other Purposes	**$ 315,844**

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications. The reported deficit of $7,336,629 at year end is the result of full implementation of GASB #75 regarding retiree health obligations.

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – 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:

	Total
Inventory in school lunch	$ 7,692
Prepaid items	25
Noncurrent receivables	72,440
Total Nonspendable Fund Balance	**$ 80,157**

b. **Restricted Fund Balances** – 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:

Capital Reserve - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for 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. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

(I.) (Continued)

Name of Reserve	Maximum Funding	Total Funding Provided	Total Year to Date Balance
Bus Replacement	$ 1,000,000	$ 804,000	$ 457,857
Construction	$ 2,000,000	$ 950,000	$ 450,713

Reserve for Debt Service - According to General Municipal Law §6-1, the 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 the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to 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.

Insurance Reserve - According to General Municipal Law §6-n, 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 appropriation, 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.

Retirement Contribution Reserve - According to General Municipal Law §6-r, must be used financing retirement contributions. 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.

Tax Certiorari Reserve - According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

Unemployment Insurance Reserve - According to General Municipal Law §6-m, 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.

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

Restricted fund balances include the following:

General Fund -	
Employee Benefit Accrued Liability	$ 37,892
Insurance	9,689
Retirement Contribution	504,964
Tax Certiorari	884
Unemployment Insurance	122,242
Capital Reserve	908,570
Debt Service Fund -	
Debt Service	145,137
Total Restricted Funds	**$ 1,729,378**

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2018.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year end. The District assignment is based on the functional level of expenditures.

Significant encumbrances for the general fund, management has determined that amounts in excess of $16,000 are considered significant and there no significant encumbrances at year end.

Assigned fund balances include the following:

General Fund - Appropriated	$	390,000
General Fund - Encumbrances		14,133
Capital Fund- Year End Equity		500,000
School Lunch Fund-Year End Equity		59,358
Total Assigned Fund Balance	**$**	**963,491**

e. **Unassigned Fund Balance** – 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 school 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.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds 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 and encumbrances are also excluded from the 4% limitation.

3. Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

S. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2018, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB has issued Statement 85, *Omnibus 2017.*

GASB has issued Statement 86, *Certain Debt Extinguishment Issues*.

(I.) (Continued)

T. Future Changes in Accounting Standards

GASB has issued Statement 83, *Certain Asset Retirement Obligations*, which will be effective for reporting periods beginning after June 15, 2018.

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2018.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, which will be effective for reporting periods beginning after December 15, 2019.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2019

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

II. Restatement of Net Position

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The District's net position has been restated as follows:

	Districtwide Statements Governmental Activities
Net position beginning of year, as previously stated	$ 4,800,075
Increase to OPEB liability	(4,859,165)
Net position beginning of year, as restated	$ (59,090)

III. Changes in Accounting Principles

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The implementation of the statement requires Districts to report Other Postemployment Benefits (OPEB) liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB. See Note II for the financial statement impact of implementation of the Statements.

IV. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2017-18 fiscal year the budget was increased $27,674 for carryover encumbrances, $42,576 for security cameras, $500,000 for voter approved capital reserve transfer, and $11,925 for gifts and donations.

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

Budgets are established and used for individual capital projects 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.

B. 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 reservations 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.

C. Section 1318 of the Real Property Tax Law

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.

V. Cash and Cash Equivalents

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	$ -
Collateralized within Trust department or agent	2,883,004
Total	**$ 2,883,004**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes $1,729,378 within the governmental funds and $4,821 in the fiduciary funds.

VI. Receivables

Receivables at June 30, 2018 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
Description	**General Fund**	**Special Aid Fund**	**School Lunch Fund**	**Total**
Accounts Receivable	$ 31,804	$ 5,049	$ 2,593	$ 39,446
Due From State and Federal	126,834	50,971	7,575	185,380
Due From Other Governments	376,898	-	-	376,898
Total	**$ 535,536**	**$ 56,020**	**$ 10,168**	**$ 601,724**

District management has deemed the amounts to be fully collectible.

VII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2018 were as follows:

	Interfund		Interfund	
	Receivables	**Payables**	**Revenues**	**Expenditures**
General Fund	$ 56,242	$ -	$ 71,283	$ 634,277
Special Aid Fund	-	48,563	19,091	-
School Lunch Fund	-	116	15,186	-
Debt Service Fund	33	-	-	63,720
Capital Fund	-	7,596	600,000	7,563
Total government activities	**$ 56,275**	**$ 56,275**	**$ 705,560**	**$ 705,560**

(VII.) (Continued)

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

VIII. Capital Assets

Capital asset balances and activity were as follows:

Type	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
Governmental Activities:				
Capital assets that are not depreciated -				
Land	$ 40,000	$ -	$ -	$ 40,000
Total Nondepreciable	$ 40,000	$ -	$ -	$ 40,000
Capital assets that are depreciated -				
Buildings and improvements	$ 20,617,150	$ 92,437	$ -	$ 20,709,587
Machinery and equipment	2,200,327	291,379	(158,412)	2,333,294
Total Depreciated Assets	$ 22,817,477	$ 383,816	$ (158,412)	$ 23,042,881
Less accumulated depreciation -				
Buildings and improvements	$ 6,766,811	$ 501,898	$ -	$ 7,268,709
Machinery and equipment	1,673,664	118,508	(158,412)	1,633,760
Total accumulated depreciation	$ 8,440,475	$ 620,406	$ (158,412)	$ 8,902,469
Total capital assets depreciated, net of accumulated depreciation	$ 14,377,002	$ (236,590)	$ -	$ 14,140,412
Total Capital Assets	**$ 14,417,002**	**$ (236,590)**	**$ -**	**$ 14,180,412**

Depreciation expense for the period was charged to functions/programs as follows:

Governmental Activities:	
General government support	$ 43,904
Instruction	356,959
Pupil transportation	202,291
School lunch	17,252
Total Depreciation Expense	**$ 620,406**

IX. Long-Term Debt Obligations

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

Governmental Activities:	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018	Due Within One Year
Bonds and Notes Payable -					
Serial Bonds	$ 9,025,000	$ -	$ 1,090,000	$ 7,935,000	$ 1,105,000
Other Liabilities -					
Net Pension Liability	$ 337,333	$ -	$ 279,502	$ 57,831	$ -
OPEB	9,797,952	-	564,511	9,233,441	-
Compensated Absences	48,882	3,608	-	52,490	13,123
Total Other Liabilities	$ 10,184,167	$ 3,608	$ 844,013	$ 9,343,762	$ 13,123
Total Long-Term Obligations	**$ 19,209,167**	**$ 3,608**	**$ 1,934,013**	**$ 17,278,762**	**$ 1,118,123**

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

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2018
Serial Bonds -				
Refunding Bond	2015	2034	2.00%-3.50%	$ 1,920,000
Construction	2013	2026	2.75%-3.50%	535,000
Refunding Bond	2012	2019	2.00%	140,000
Construction	2012	2027	0.80%	1,480,000
Construction	2012	2024	2.50%-3.00%	785,000
Qualified Zone Academy	2011	2025	5.65%	3,075,000
Total Serial Bonds				**$ 7,935,000**

The following is a summary of debt service requirements:

	Serial Bonds	
Year	Principal	Interest
2019	$ 1,105,000	$ 272,606
2020	985,000	237,230
2021	1,020,000	203,658
2022	1,050,000	168,399
2023	890,000	133,393
2024-28	2,370,000	227,542
2029-33	420,000	52,280
2034	95,000	1,663
Total	**$ 7,935,000**	**$ 1,296,771**

(IX.) (Continued)

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. $495,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2018 was composed of:

Interest paid	$ 307,603
Less: interest accrued in the prior year	(35,781)
Plus: interest accrued in the current year	31,447
Total interest expense	**$ 303,269**

X. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	Deferred Inflows	Deferred Outflows
Pension	$ 494,183	$ 1,571,617
OPEB	967,478	309,803
Total	**$ 1,461,661**	**$ 1,881,420**

XI. Pension Plans

A. General Information

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The 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.

B. Provisions and Administration

A 10 member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (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 TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For 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.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2018:

Contributions	ERS	TRS
2018	$ 74,234	$ 244,179

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2018, 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, 2018 for ERS and June 30, 2017 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 TRS and ERS Systems in reports provided to the District.

(XI.) (Continued)

	ERS	TRS
Measurement date	March 31, 2018	June 30, 2017
Net pension assets/(liability)	$ (57,831)	$ 105,644
District's portion of the Plan's total net pension asset/(liability)	0.0017919%	0.013899%

For the year ended June 30, 2018, the District recognized pension expenses of $69,917 for ERS and $266,154 for TRS. At June 30, 2018 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expended and actual experience	$ 20,627	$ 86,919	$ 17,045	$ 41,189
Changes of assumptions	38,347	1,074,945	-	-
Net difference between projected and actual earnings on pension plan investments	83,995	-	165,799	248,821
Changes in proportion and differences between the District's contributions and proportionate share of contributions	5,166	28,561	14,109	7,220
Subtotal	$ 148,135	$ 1,190,425	$ 196,953	$ 297,230
District's contributions subsequent to the measurement date	19,490	213,568	-	-
Grand Total	**$ 167,625**	**$ 1,403,993**	**$ 196,953**	**$ 297,230**

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	ERS	TRS
2018	$ -	$ 28,233
2019	8,685	288,183
2020	6,762	207,305
2021	(43,545)	54,309
2022	(20,720)	206,713
Thereafter	-	108,450
Total	**$ (48,818)**	**$ 893,193**

E. Actuarial Assumptions

The total pension 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 liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2018	June 30, 2017
Actuarial valuation date	April 1, 2017	June 30, 2016
Interest rate	7.00%	7.25%
Salary scale	3.80%	4.01% - 10.91%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.50%
COLA's	1.30%	1.50%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale AA.

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

Long Term Expected Rate of Return

	ERS	TRS
Measurement date	March 31, 2018	June 30, 2017
Asset Type -		
Domestic equity	4.55%	5.90%
International equity	6.35%	7.40%
Private equity	7.50%	0.00%
Real estate	5.55%	4.30%
Absolute return strategies *	3.75%	0.00%
Opportunistic portfolios	5.68%	0.00%
Real assets	5.29%	0.00%
Bonds and mortgages	1.31%	2.80%
Cash	-0.25%	0.00%
Inflation-indexed bonds	1.25%	0.00%
Alternative investments	0.00%	9.00%
Domestic fixed income securities	0.00%	1.60%
Global fixed income securities	0.00%	1.30%
Short-term	0.00%	0.60%

The real rate of return is net of the long-term inflation assumption of 2.5%

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

F. Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7% for ERS and 7.25% 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-percentagepoint lower (6% for ERS and 6.25% for TRS) or 1-percentagepoint higher (8% for ERS and 8.25% for TRS) than the current rate :

ERS	1% Decrease (6%)	Current Assumption (7%)	1% Increase (8%)
Employer's proportionate share of the net pension asset (liability)	$ (437,567)	$ (57,831)	$ 263,410

TRS	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension asset (liability)	$ (1,819,927)	$ 105,644	$ 1,718,214

(XI.) (Continued)

H. 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)	
	ERS	TRS
Measurement date	March 31, 2018	June 30, 2017
Employers' total pension liability	$ 183,400,590	$ 114,708,261
Plan net position	180,173,145	115,468,360
Employers' net pension asset/(liability)	$ (3,227,445)	$ 760,099
Ratio of plan net position to the employers' total pension asset/(liability)	98.24%	100.66%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2018 represent the projected employer contribution for the period of April 1, 2018 through June 30, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2018 amounted to $19,490

For TRS, employer and employee contributions for the fiscal year ended June 30, 2018 are paid to the System in September, October and November 2018 through a state aid intercept. Accrued retirement contributions as of June 30, 2018 represent employee and employer contributions for the fiscal year ended June 30, 2018 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, 2018 amounted to $244,179.

XII. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The District provides healthcare and life insurance 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.

(XII.) (Continued)

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	30
Active Employees	50
Total	**80**

B. Total OPEB Liability

The District's total OPEB liability of $9,233,441 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	2.75%
Discount Rate	3.56%
Healthcare Cost Trend Rates	Initial rate of 7.25% decreasing to an ultimate rate of 3.886% for 2075 and later years
Retirees' Share of Benefit-Related Costs	Varies between 10% and 50% depending on contract

The discount rate was based on the Bond Buyer General Obligation 20-year AA Municipal Bond index.

Mortality rates were based on the sex-distinct RP-2014 Mortality Tables adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with Scale MP-2017.

C. Changes in the Total OPEB Liability

Balance at June 30, 2017	$	9,797,952
Changes for the Year -		
Service cost	$	438,189
Interest		294,706
Changes of benefit terms		(43,022)
Changes in assumptions or other inputs		(967,478)
Benefit payments		(286,906)
Net Changes	$	(564,511)
Balance at June 30, 2018	**$**	**9,233,441**

(XII.) (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.92 percent in 2017 to3.56% percent in 2018.

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 (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB Liability	$ 10,801,630	$ 9,233,441	$ 7,980,486

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (6.25% Decreasing to 2.886%)	Healthcare Cost Trend Rates (7.25% Decreasing to 3.886%)	1% Increase (8.25% Decreasing to 4.886%
Total OPEB Liability	$ 7,522,547	$ 9,233,441	$ 11,541,560

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

For the year ended June 30, 2018, the District recognized OPEB expense of $689,873. At June 30, 2018, 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	$ -	$ 967,478
Benefit Payments subseqequent to the measurement date	309,803	-
Total	**$ 309,803**	**$ 967,478**

(XII.) (Continued)

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

Year		
2019	$	114,902
2020		114,902
2021		114,902
2022		114,902
2023		114,902
Thereafter		392,968
Total	**$**	**967,478**

XIII. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

B. Health Plan

The District incurs costs related to the Genesee Valley Area Health Care Plan (Plan) sponsored by the Genesee Valley Board of Cooperative Educational Services (BOCES) and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plan may be offered to any component district of the BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than 60 days prior to the end of the Plan year. Plan members include twenty-four districts with the Bradford Central School District bearing an equal proportionate share of the Plan's assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement, signed by all participants, all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

(XIII.) (Continued)

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2018, the District incurred premiums or contribution expenditures totaling $1,091,261.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2017, revealed that the Plan is fully funded.

C. Workers' Compensation

The District is a member of the Greater Southern Tier BOCES Self Insured Workers' Compensation Plan (the Plan). Current membership of the Plan includes participants from various municipal entities. The Plan is administered by the Greater Southern Tier BOCES and utilizes a third party administrator who is responsible for processing claims, estimating liabilities and providing actuarial services. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

The Plan purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2018, the District incurred premiums or contribution expenditures totaling $41,303.

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgement expenditures of this program for the 2017-18 fiscal year totaled $0. The balance of the fund at June 30, 2018 was $122,242 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2018, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XIV. Commitments and Contingencies

A. Litigation

Management is not aware of any pending litigation as of the balance sheet date.

B. Grants

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

C. Rental of District Property

The District rents property to BOCES. The total rental income received for the 2017-18 fiscal year totaled $6,000.

Required Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Changes in District's Total OPEB Liability and Related Ratio

(Unaudited)

For Year Ended June 30, 2018

TOTAL OPEB LIABILITY		
		2018
Service cost	$	438,189
Interest		294,706
Changes in benefit terms		(43,022)
Changes of assumptions or other inputs		(967,478)
Benefit payments		(286,906)
Net Change in Total OPEB Liability	**$**	**(564,511)**
Total OPEB Liability - Beginning (restated)	**$**	**9,797,952**
Total OPEB Liability - Ending	**$**	**9,233,441**
Covered Employee Payroll	$	2,951,018
Total OPEB Liability as a Percentage of Covered Employee Payroll		312.89%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability

(Unaudited)

For Year Ended June 30, 2018

NYSERS Pension Plan

	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.0018%	0.0020%	0.0019%	0.0019%
Proportionate share of the net pension liability (assets)	$ 57,831	$ 185,045	$ 301,647	$ 62,850
Covered-employee payroll	$ 502,453	$ 471,835	$ 442,268	$ 461,368
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	11.510%	39.218%	68.205%	13.623%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.0139%	0.0142%	0.0141%	0.0014%
Proportionate share of the net pension liability (assets)	$ (105,644)	$ 152,288	$ (1,461,635)	$ (1,608,150)
Covered-employee payroll	$ 2,279,630	$ 2,202,481	$ 2,194,089	$ 2,113,809
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-4.634%	6.914%	-66.617%	-76.078%
Plan fiduciary net position as a percentage of the total pension liability	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementatio until 10 years of historical data is present.

Required Supplementary Information
BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
(Unaudited)
For Year Ended June 30, 2018

NYSERS Pension Plan

	2018	2017	2016	2015
Contractually required contributions	$ 74,234	$ 73,034	$ 76,063	$ 85,075
Contributions in relation to the contractually required contribution	(74,234)	(73,034)	(76,063)	(85,075)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 502,453	$ 471,835	$ 442,268	$ 461,368
Contributions as a percentage of covered-employee payroll	14.77%	15.48%	17.20%	18.44%

NYSTRS Pension Plan

	2018	2017	2016	2015
Contractually required contributions	$ 244,179	$ 283,653	$ 316,000	$ 396,767
Contributions in relation to the contractually required contribution	(244,179)	(283,653)	(316,000)	(396,767)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,279,630	$ 2,202,481	$ 2,194,089	$ 2,113,809
Contributions as a percentage of covered-employee payroll	10.71%	12.88%	14.40%	18.77%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Basis) and Actual - General Fund

(Unaudited)

For Year Ended June 30, 2018

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	$ 1,969,577	$ 2,004,518	$ 2,003,132	$ (1,386)
Real property tax items	381,460	346,519	346,564	45
Charges for services	1,975	1,975	26,978	25,003
Use of money and property	8,600	8,600	11,185	2,585
Sale of property and compensation for loss	-	-	141	141
Miscellaneous	190,000	201,925	263,125	61,200
State Sources -				
Basic formula	5,101,618	5,101,618	4,427,040	(674,578)
Lottery aid	-	-	557,324	557,324
BOCES	738,566	738,566	676,382	(62,184)
Textbooks	15,553	15,553	15,728	175
All Other Aid -				
Computer software	8,651	8,651	8,749	98
Library loan	1,681	1,681	1,700	19
Federal Sources	183,345	183,345	210,230	26,885
TOTAL REVENUES	$ 8,601,026	$ 8,612,951	$ 8,548,278	$ (64,673)
Other Sources -				
Transfer - in	$ 63,720	$ 63,720	$ 71,283	$ 7,563
TOTAL REVENUES AND OTHER SOURCES	$ 8,664,746	$ 8,676,671	$ 8,619,561	$ (57,110)
Appropriated reserves	$ 237,000	$ 737,000		
Appropriated fund balance	$ 450,000	$ 492,575		
Prior year encumbrances	$ 27,674	$ 27,674		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	**$ 9,379,420**	**$ 9,933,920**		

Required Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Basis) and Actual - General Fund

(Unaudited)

For Year Ended June 30, 2018

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support -					
Board of education	$ 57,650	$ 52,965	$ 48,973	$ -	$ 3,992
Central administration	154,680	149,855	142,450	48	7,357
Finance	270,750	271,693	267,292	-	4,401
Staff	73,500	70,824	38,663	2,500	29,661
Central services	486,091	538,666	443,112	7,004	88,550
Special items	138,000	138,434	129,130	-	9,304
Instructional -					
Instruction, administration and improvement	394,619	393,619	353,614	-	40,005
Teaching - regular school	1,702,012	1,668,170	1,517,683	4,581	145,906
Programs for children with handicapping conditions	1,166,114	1,145,212	998,917	-	146,295
Occupational education	205,513	206,219	206,219	-	-
Teaching - special schools	500	23,000	19,780	-	3,220
Instructional media	424,918	439,039	414,614	-	24,425
Pupil services	323,153	344,495	313,013	-	31,482
Pupil Transportation	654,656	664,465	611,460	-	53,005
Employee Benefits	1,793,657	1,793,657	1,536,750	-	256,907
Debt service - principal	1,090,000	1,090,000	1,090,000	-	-
Debt service - interest	307,607	307,607	307,603	-	4
TOTAL EXPENDITURES	$ 9,243,420	$ 9,297,920	$ 8,439,273	$ 14,133	$ 844,514
Other Uses -					
Transfers - out	$ 136,000	$ 636,000	$ 634,277	$ -	$ 1,723
TOTAL EXPENDITURES AND OTHER USES	$ 9,379,420	$ 9,933,920	$ 9,073,550	$ 14,133	$ 846,237
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	**$ -**	**$ -**	**$ (453,989)**		
FUND BALANCE, BEGINNING OF YEAR	2,984,357	2,984,357	2,984,357		
FUND BALANCE, END OF YEAR	**$ 2,984,357**	**$ 2,984,357**	**$ 2,530,368**		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Change From Adopted Budget To Final Budget And The Real Property Tax Limit

For Year Ended June 30, 2018

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		$ 9,351,746
Prior year's encumbrances		27,674
Original Budget		$ 9,379,420
Budget revisions - Voter Approved Capital Project Transfer		500,000
Budget revisions - Security Cameras		42,576
Budget revisions -Donation for Chromebooks		11,624
Budget revisions - Miscellaneous		300
FINAL BUDGET		**$ 9,933,920**

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2018-19 voter approved expenditure budget		$ 9,236,351
Unrestricted fund balance:		
Assigned fund balance	$ 404,133	
Unassigned fund balance	469,529	
Total Unrestricted fund balance	$ 873,662	
Less adjustments:		
Appropriated fund balance	$ 390,000	
Encumbrances included in assigned fund balance	14,133	
Total adjustments	$ 404,133	
General fund fund balance subject to Section 1318 of Real Property Tax Law		469,529
ACTUAL PERCENTAGE		**5.08%**

Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Combined Balance Sheet - Nonmajor Governmental Funds

June 30, 2018

	Special Revenue Fund		
	School Lunch Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 55,477	$ 145,104	$ 200,581
Receivables	10,168	-	10,168
Inventories	7,692	-	7,692
Due from other funds	-	33	33
TOTAL ASSETS	**$ 73,337**	**$ 145,137**	**$ 218,474**
LIABILITIES AND FUND BALANCES			
Liabilities -			
Accounts payable	$ 4,294	$ -	$ 4,294
Accrued liabilities	605	-	605
Due to other funds	116	-	116
Due to other governments	207	-	207
Unearned revenue	1,065	-	1,065
TOTAL LIABILITIES	**$ 6,287**	**$ -**	**$ 6,287**
Fund Balances -			
Nonspendable	$ 7,692	$ -	$ 7,692
Restricted	-	145,137	145,137
Assigned	59,358	-	59,358
TOTAL FUND BALANCE	**$ 67,050**	**$ 145,137**	**$ 212,187**
TOTAL LIABILITIES AND FUND BALANCES	**$ 73,337**	**$ 145,137**	**$ 218,474**

Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Combined Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For Year Ended June 30, 2018

	Special Revenue Fund School Lunch Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Use of money and property	$ 58	$ 366	$ 424
Miscellaneous	6,354	-	6,354
State sources	4,052	-	4,052
Federal sources	116,608	-	116,608
Sales	33,323	-	33,323
TOTAL REVENUES	**$ 160,395**	**$ 366**	**$ 160,761**
EXPENDITURES			
Employee benefits	$ 37,111	$ -	$ 37,111
Cost of sales	64,009	-	64,009
Other expenses	73,984	-	73,984
TOTAL EXPENDITURES	**$ 175,104**	**$ -**	**$ 175,104**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (14,709)	$ 366	$ (14,343)
OTHER FINANCING SOURCES (USES)			
Transfers - in	$ 15,186	$ -	$ 15,186
Transfers - out	-	(63,720)	(63,720)
TOTAL OTHER FINANCING SOURCES (USES)	**$ 15,186**	**$ (63,720)**	**$ (48,534)**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	**$ 477**	**$ (63,354)**	**$ (62,877)**
FUND BALANCE, BEGINNING OF YEAR	66,573	208,491	275,064
FUND BALANCE, END OF YEAR	**$ 67,050**	**$ 145,137**	**$ 212,187**

Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Net Investment in Capital Assets

For Year Ended June 30, 2018

Capital assets, net		$ 14,180,412
Deduct:		
Short-term portion of bonds payable	$ 1,105,000	
Long-term portion of bonds payable	6,830,000	
		7,935,000
Net Investment in Capital Assets		**$ 6,245,412**

Supplementary Information

BRADFORD CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Year Ended June 30, 2018

Grantor / Pass - Through Agency Federal Award Cluster / Program	CFDA Number	Grantor Number	Pass-Through Agency Number	Total Expenditures
U.S. Department of Education:				
Direct Programs:				
REAP	84.358	N/A	N/A	$ 18,128
Extended School Day	N/A	N/A	N/A	35,446
Total Direct Programs				$ 53,574
Indirect Programs:				
Passed Through NYS Education Department -				
Special Education Cluster IDEA -				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-18-0857	$ 66,811
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-18-0857	1,474
Total Special Education Cluster IDEA				$ 68,285
Title IIA - Supporting Effective Instruction State Grant	84.367	N/A	0147-18-2855	13,654
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-18-2855	82,190
Total Indirect Programs				$ 164,129
Total U.S. Department of Education				**$ 217,703**
U.S. Department of Agriculture:				
Indirect Programs:				
Passed Through NYS Education Department -				
Child Nutrition Cluster -				
National School Lunch Program	10.555	N/A	N/A	$ 68,790
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	N/A	8,019
National School Snack Program	10.555	N/A	N/A	2,505
National School Breakfast Program	10.553	N/A	N/A	37,294
Total Child Nutrition Cluster				$ 116,608
Total U.S. Department of Agriculture				**$ 116,608**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$ 334,311**

(See Independent Auditors' Report)

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*

Independent Auditors' Report

To the Board of Education
Bradford Central School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bradford Central School District, New York, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Bradford Central School District, New York's basic financial statements, and have issued our report thereon dated October 8, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bradford Central School District, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bradford Central School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bradford Central School District, New York'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Raymond F. Wager, CPA, P.C.

Rochester, New York
October 8, 2018

WE VALUE YOUR FUTURE

Bradford Central School District, New York

Schedule of Findings and Responses

For The Year Ended June 30, 2018

I. Summary of the Auditors' Results

Financial Statements

a)	Type of auditor's report issued	Unmodified
b)	Internal control over financial reporting	
	1. Material weaknesses identified	No
	2. Significant deficiency(ies) identified	No
c)	Noncompliance material to financial statements noted	No

II. Financial Statement Findings

There were no current year findings and there were no prior year findings.

FORM OF OPINION OF BOND COUNSEL

July 31, 2019

Bradford Central School District
2820 State Route 226
Bradford, New York 14815

Re: Bradford Central School District, Steuben and Schuyler Counties, New York
$3,779,013 Bond Anticipation Notes, 2019 CUSIP No:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $3,779,013 Bond Anticipation Notes, 2019 (the "Notes"), of the Bradford Central School District, Steuben and Schuyler Counties, State of New York (the "District"). The Notes are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a Bond Resolution of the District's Board of Education and a Certificate of Determination dated on or before July 31, 2019 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 a specific preference item for purposes of the federal individual alternative minimum tax. 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 & Marquardt, LLP