

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS
2023 REPORTING PACKAGE

	<u>Section</u>
Bolivar-Richburg Central School's Audited Financial Statements	1
Bolivar-Richburg Central School's Management Letter	2
Extraclassroom Activity Fund Audited Financial Statement.....	3
Extraclassroom Activity Fund Management Letter	4
Letter to those Charged with Governance	5

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

***FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION***

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report		1-3
Management's Discussion and Analysis		4-10
Government-wide Financial Statements		
Statement of Net Position	1	11
Statement of Activities	2	12
Fund Financial Statements		
Combined Balance Sheet - Governmental Funds	3	13
Combined Statement of Revenue, Expenditures and Changes in Fund Equity - Governmental Funds	4	14
Statement of Fiduciary Net Position	5	15
Statement of Changes in Fiduciary Net Position	6	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	7	17
Reconciliation of Governmental Funds Revenue, Expenditures and Changes in Fund Equity to the Statement of Activities	8	18
Notes to Financial Statements		19-38
Supplementary Information		
Combining Schedule of Revenue, Expenditures and Changes In Fund Equity - Budget and Actual - Governmental Funds	SS1&SS1A	39-40
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit	SS2	41
Schedule of Projects Expenditures - Capital Projects Fund	SS3	42
Budget Comparison Statement for State and Other Grant Programs - Special Aid and Food Service Funds	SS4A	43
Notes to the Schedule of Expenditures of Federal Awards	SS4B	44
Schedule of Expenditures of Federal Awards	SS4C	44
Schedule of Net Investment in Capital and Right-to-Use Assets	SS5	45
Schedule of Changes in the District's Net OPEB Liability and Related Ratios	SS6	46
Schedule of District's Contributions – OPEB	SS7	47
Schedule of District Contributions - New York State Teachers' Retirement System (NYSTRS) and New York State and Local Employees' Retirement System (NYSLERS)	SS8	48
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability - New York State Teachers' Retirement System (NYSTRS) and District's Proportionate Share of Net Pension Liability - New York State and Local Employees' Retirement System (NYSLERS)	SS9	49
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"		50-51
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>		52-53
Schedule of Findings and Questioned Costs		54-56
Schedule of Prior Audit Findings		57

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of *Bolivar-Richburg Central School District* as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise *Bolivar-Richburg Central School District's* basic financial statements as listed in the table of contents. We have also audited the fiduciary fund types of the *Bolivar-Richburg Central School District* as of June 30, 2023, as displayed in the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the *Bolivar-Richburg Central School District* as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Report on Summarized Comparative Information

We have previously audited the *Bolivar-Richburg Central School District's* June 30, 2022 financial statements, and our report dated October 13, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2023, on our consideration of the ***Bolivar-Richburg Central School District's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ***Bolivar-Richburg Central School District's*** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering ***Bolivar-Richburg Central School District's*** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 18, 2023**

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Page 4

I. Discussion and Analysis

The following is a discussion and analysis of the *Bolivar-Richburg Central School District's* financial performance for the year ended June 30, 2023. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which follows this section.

II. Financial Highlights

The following items are the financial highlights experienced by the *Bolivar-Richburg Central School District* during the fiscal year ended June 30, 2023:

- Overall net position of the District from operations decreased during the current year in the amount of \$579,000 as compared to an increase of \$992,000 during the prior fiscal year.
- The District's total revenue increased 7% from \$20,962,000 during June 30, 2022 to \$22,429,000 during June 30, 2023. This increase was primarily the result of an increase in State aid, along with increases in Pandemic-related grant funding.
- The District's total expenses increased 15% from \$19,970,000 during the year ended June 30, 2022 to \$23,008,000 during the year ended June 30, 2023. This increase was mostly related to an increase in pension expense related to actuarial updates, contractual expenses and BOCES expenses.
- The District's had capital outlays during the current year in the amount of \$2,871,000, which primarily related to costs associated with the District's capital outlay project, 2021 capital improvement project, purchase of transportation vehicles and purchase of equipment, including right-to-use assets.

III. Overview of the Financial Statements

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

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

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

1. Statement of Net Position

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

2. Statement of Activities

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

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

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

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Page 5

**III. Overview of the Financial Statements
(continued)**

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

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

The District has two kinds of funds:

1. Governmental Funds

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

**III. Overview of the Financial Statements
(continued)**

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

1. Governmental Funds (continued)

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

2. Fiduciary Funds

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

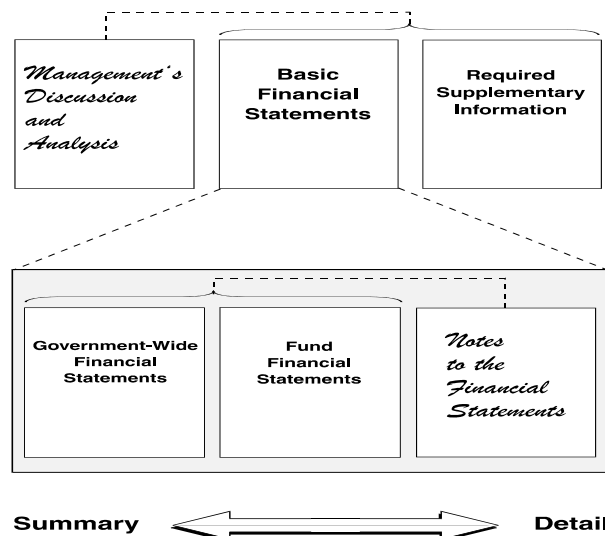
Figure A-1 - Major Features of the District-Wide Statements and Fund Financial Statements

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

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Page 6

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



IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately \$38,219,000. The components of net position include: net investment in capital and right-to-use assets, of \$23,594,000; restricted net position of \$8,860,000; and unrestricted net position of \$5,765,000 as of June 30, 2023.

Changes in Net Position

The District's total government-wide revenue increased by approximately 7% to \$22,429,000. Approximately 12%, 12% and 72% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 4% comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

The total cost of all programs and services of the District increased 15% to \$23,008,000. The District's expenses cover a range of services, with 71% related to instruction and 17% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

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

Governmental Activities

Revenue of the District's governmental activities increased 7%, while total expenses increased 15%. The District's total net position decreased approximately \$579,000 from operations during the fiscal year ended June 30, 2023.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$22,429,000 for the fiscal year ended June 30, 2023. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 12% of the District's total revenue for governmental activities had no change during the year ended June 30, 2023.
- The District's most significant revenue is state sources which represent \$16,074,000 or 72% of total governmental revenue. The District's state sources increased approximately 4% which was primarily related to an increase in State aid and BOCES aid.
- During the year ended June 30, 2023, the District saw an increase in program revenue in the amount of \$352,000 which primarily resulted from an increase in operating grants and contributions in the amount of \$343,000. This increase was primarily due to Pandemic related Federal grants, along with an increase in the number of meals served in the food service program during the current year.

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Page 7

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

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$23,008,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support increased by approximately \$499,000 or 14% which was primarily due to increases in pension expense related to actuarial updates, contractual expenses and BOCES services.
- The District's instruction costs increased by approximately \$2,281,000 or 16%. This increase was the result of increases in pension expense related to actuarial updates, salaries and BOCES expenses.
- Debt service of the District decreased approximately \$26,000 during the year ended June 30, 2023 related to a decrease in interest expense.
- Transportation costs of the District increased approximately \$126,000 during the year ended June 30, 2023 primarily due to increases in pension expense related to actuarial updates and salaries.
- The District's cost of sales (food service fund) totaled \$684,000 during the current year as compared to \$526,000 during the fiscal year ended June 30, 2022. This increase was primarily due to increases in food costs and salaries.
- The District received approximately \$2,775,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$20.2 million) were financed by real property taxes and state aid.

Figure A-3 – Condensed Statement of Net Position

<i>Bolivar-Richburg Central School District</i> Condensed Statement of Net Position (in thousands of dollars)			
	Governmental Activities and Total District-wide		
	2023	2022	% Change
Assets			
Current and other assets	\$ 15,130	\$ 23,159	-35%
Capital and right-to-use assets	29,915	29,570	1%
Total assets	45,045	52,729	-15%
Deferred outflows of resources			
Deferred outflows pensions, refunding, and OPEB	4,848	4,759	2%
Total deferred outflows of resources and assets	\$ 49,893	\$ 57,488	-13%
Liabilities			
Other liabilities	\$ 1,343	\$ 1,394	-4%
Long-term debt outstanding	9,835	8,597	14%
Total liabilities	11,178	9,991	12%
Deferred inflows of resources			
Deferred inflows related to pensions and OPEB	496	8,699	-94%
Total deferred inflows of resources and liabilities	11,674	18,690	-38%
Net Position			
Net investment in capital and right-to-use assets	23,594	24,102	-2%
Restricted	8,860	9,234	-4%
Unrestricted	5,765	5,462	6%
Total net position	38,219	38,798	-1%
Total liabilities, deferred inflows of resources and net position	\$ 49,893	\$ 57,488	-13%

Figure A-4 – Changes in Net Position

<i>Bolivar-Richburg Central School District</i> Changes in Net Position from Operating Results (in thousands of Dollars)			
	Governmental Activities and Total District-wide		
	2023	2022	% Change
Revenue			
Program revenue			
Charges for services	\$ 73	\$ 64	13%
Operating grants and contributions	2,702	2,359	15%
General revenue			
Real property taxes	2,721	2,720	0%
Use of money & property	178	18	889%
Sale of property & comp for loss	34	(137)	-125%
State sources	16,074	15,464	4%
Federal sources	184	146	26%
Miscellaneous	463	328	41%
Total revenue	22,429	20,962	7%
Expenses			
General support	3,948	3,449	14%
Instruction	16,397	14,116	16%
Transportation	1,782	1,656	8%
Debt service - interest	197	223	-12%
Cost of sales	684	526	30%
Total expenses	23,008	19,970	15%
Change in net position	\$ (579)	\$ 992	

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Page 8

Figure A-5 – Sources of Revenue

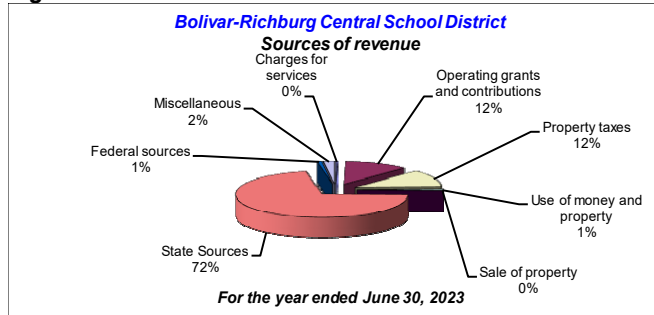


Figure A-6 - Expenses

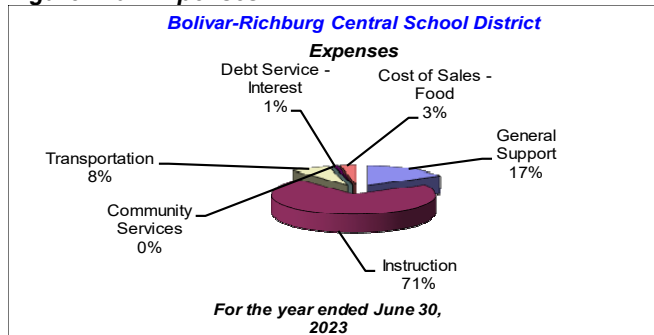


Figure A-7 – Expenditures Supported with Program Revenue

Bolivar-Richburg Central School District
Expenditures supported with program revenue (in thousands of dollars)

	Governmental Activities & Total District			
	2023	2022		
Expenditures supported with general revenue (from taxes & other sources)	\$ 20,233	88%	\$ 17,547	88%
Expenditures supported with program revenue	2,775	12%	2,423	12%
Total expenditures related to governmental activities	\$ 23,008	100%	\$ 19,970	100%

Figure A-8 – Net Cost of Governmental Activities

Bolivar-Richburg Central School District
Net Cost of Governmental Activities (in thousands of dollars)

	Total cost of services			Net cost of services		
	2023	2022	Change	2023	2022	Change
General support	\$ 3,948	\$ 3,449	\$ 499	\$ 3,948	\$ 3,449	\$ 499
Instruction	16,397	14,116	2,281	14,169	12,261	1,908
Transportation	1,782	1,656	126	1,782	1,656	126
Debt service - interest	197	223	(26)	197	223	(26)
Cost of sales - food	684	526	158	137	(42)	179
Total	\$ 23,008	\$ 19,970	\$ 3,038	\$ 20,233	\$ 17,547	\$ 2,686

V. Financial Analysis of the School District's Funds

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

General Fund

- The District's general fund revenue and other sources exceeded its expenditures and other uses by approximately \$531,000.
- The District's general fund unassigned fund balance equated to approximately \$3,154,000 at June 30, 2023.
- The District maintained many fund balance reserves during the year ended June 30, 2023, and had a total restricted fund balance approximated \$7,228,000.
- The District's total assets increased approximately \$868,000 as of June 30, 2023, primarily from an increase in cash and due from other funds. The District's liabilities increased approximately \$337,000 related to an increase in due to other funds and accrued liabilities.
- Total revenue in the District's general fund increased \$935,000, primarily relating to an increase state aid, BOCES aid and interest earnings. Total expenditures in the District's general fund decreased by \$1,781,000 related to a higher transfer to the capital projects fund in the prior year as compared with the current year.

Food Service Fund

- The District's food service fund experienced a \$120,000 decrease in fund equity during the current year.
- Revenue in the District's food service fund was \$564,000 during 2023 as compared with \$583,000 in 2022. Expenditures increased approximately \$158,000 as a result of an increase in food costs and salaries. In the current year, the District transitioned from the Seamless Summer Option (SSO) program to the Community Eligibility Provision (CEP). Although, under both programs student lunches were provided at no charge, the reimbursement of meals by the Federal government was more favorable for the SSO program, resulting in a decrease in Federal reimbursement.

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Page 9

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

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$369,000 or 20% which was primarily the result of Pandemic related Federal grants.

Capital Projects Fund

- The District had expenditures, including interfund transfers, in the amount of \$2,666,000 in capital projects during the year ended June 30, 2023, which was primarily related to costs associated with the District's 2021 capital improvement project, capital outlay project, emergency bus lift project and purchase of transportation vehicles.

VI. General Fund Budgetary Highlight

Over the course of the year, the District makes many budget transfers, which is the common method utilized to manage the budget throughout the year. Actual expenditures were approximately \$2,423,000 below the revised budget. The most significant positive variances were in the area of instruction and employee benefits which totaled \$1,500,000 and \$941,000, respectively, below that budgeted. On the other hand, resources available for appropriations were approximately \$195,000, below the final budgeted amount. Significant variances of revenue items consisted of interfund revenue and state sources, which were approximately \$290,000 and \$200,000, respectively, below that budgeted.

Figure A-9 – Budget vs. Actual Comparison

<i>Bolivar-Richburg Central School District General Fund - Budget vs Actual Comparison (in thousands of dollars)</i>				
	Revised Budget	Actual	Difference	%
Revenue				
Local sources	\$ 3,151	\$ 3,347	\$ 196	6%
State sources	16,274	16,074	(200)	-1%
Federal sources	85	184	99	117%
Interfund revenue	290	-	(290)	-100%
Total revenue	\$ 19,800	\$ 19,605	\$ (195)	-1%
Expenditures				
General support	\$ 3,148	\$ 3,184	\$ (35)	-1%
Instruction	11,275	9,775	1,500	13%
Transportation	953	998	(44)	-5%
Employee benefits	4,022	3,081	941	23%
Debt service	1,254	1,248	6	0%
Operating transfers	844	787	57	7%
Total expenditures	\$ 21,496	\$ 19,073	\$ 2,423	11%

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

Capital and Right-to-Use Assets

As depicted in Figure A-10, as of June 30, 2023, the District had invested approximately \$29,915,000 in a broad range of capital and right-to-use assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2023, totaled approximately \$2,871,000 and consisted primarily of costs associated with the District's capital outlay project, 2021 capital improvement project, purchase of transportation vehicles and equipment, including right-to-use equipment. More detailed information about the District's capital and right-to-use assets is presented in the notes of the financial statements.

Long-term Debt

As depicted in Figure A-11, as of June 30, 2023, the District had approximately \$9,835,000 in bonds, net pension liabilities, other post-employment benefits liabilities and compensated absences, an increase of approximately 14% as compared with the previous year. The decrease in bonds payable and installment purchase debt was the result of the District making regularly scheduled principal payments. Compensated absences increased from the prior fiscal year as a result of an increase in accumulated sick days. The District's NYS Employees' Retirement System and NYS Teacher's Retirement System moved to net pension liabilities in the current year from net pension assets in the prior year. Also increasing as a result of an actuarial update was other post-employment benefits.

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

<i>Bolivar-Richburg Central School District Capital and Right-to-Use Assets (net of depreciation/amortization)</i>			
	Governmental Activities & Total District-wide		
	2023	2022	Change
Land	\$ 92,686	\$ 92,686	0%
Buildings	63,089,384	63,089,384	0%
Construction in progress	2,761,022	414,373	566%
Equipment	6,803,687	6,279,458	8%
Accumulated depreciation/amortization	(42,831,289)	(40,305,703)	6%
Total Capital and Right-to-Use Assets, net	\$ 29,915,490	\$ 29,570,198	1%

Figure A-11 – Outstanding Long-term Debt

<i>Bolivar-Richburg Central School District Outstanding Long-Term Debt and Liabilities</i>			
	Governmental Activities & Total District-wide		
	2023	2022	Change
Bonds payable	\$ 5,686,497	\$ 6,644,360	-14%
Installment purchase debt	1,225,325	1,315,134	-7%
Net pension liabilities	2,216,505	-	100%
Other post-employment benefits	441,614	364,052	21%
Compensated absences	265,466	273,446	-3%
Total Long-Term Debt	\$ 9,835,407	\$ 8,596,992	14%

VIII. Factors Bearing on the District's Future

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

- The District is uncertain as to the level of state aid in the upcoming years as it moves out of the Pandemic.

IX. Contacting the District's Financial Management

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

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Schedule 1

Page 11

	2023	2022
Assets		
Cash		
Unrestricted	\$ 5,249,414	\$ 4,459,894
Restricted	8,860,486	9,234,481
Receivables		
State and federal aid	957,921	626,972
Other receivables	4,581	1,728
Due from other governments	15,088	7,861
Inventories	11,680	14,725
Net pension assets	-	6,508,089
Cash to be used for capital assets	29,704	2,305,527
Capital and right-to-use assets, net	29,915,490	29,570,198
Total assets	<u>45,044,364</u>	<u>52,729,475</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	4,627,628	4,637,478
Deferred outflows related to OPEB	220,589	120,881
Total deferred outflows of resources	<u>4,848,217</u>	<u>4,758,359</u>
Total assets and deferred outflows of resources	<u>\$ 49,892,581</u>	<u>\$ 57,487,834</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 90,926	\$ 197,677
Accrued liabilities	272,348	254,642
Accrued interest	22,964	25,614
Due to other governments	123	96
Due to other fiduciary funds	78,028	87,330
Due to retirement systems	792,170	737,786
Unearned revenue	85,545	90,661
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	865,000	820,000
Installment purchase debt	92,997	89,809
Portion due or payable after one year		
Bonds payable	4,821,497	5,824,360
Installment purchase debt	1,132,328	1,225,325
Net pension liability - NYS Employees' Retirement System	1,549,076	-
Net pension liability - NYS Teachers' Retirement System	667,429	-
Other post-employment benefits	441,614	364,052
Compensated absences	265,466	273,446
Total liabilities	<u>11,177,511</u>	<u>9,990,798</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	432,730	8,648,289
Deferred inflows related to OPEB	63,648	50,570
Total deferred inflows of resources	<u>496,378</u>	<u>8,698,859</u>
Total liabilities and deferred inflows of resources	<u>11,673,889</u>	<u>18,689,657</u>
Net Position		
Net investment in capital and right-to-use assets	23,593,707	24,102,221
Restricted	8,860,486	9,234,481
Unrestricted	5,764,499	5,461,475
Total net position	<u>38,218,692</u>	<u>38,798,177</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 49,892,581</u>	<u>\$ 57,487,834</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 2

Page 12

					2023	2022
		Indirect	Program Revenues		Net (Expense)	Net (Expense)
	Expenses	Expenses	Charges for	Operating	Revenue and	Revenue and
		Allocation	Services	Grants	Changes in	Changes in
					Net Position	Net Position
Functions/Programs						
General support	\$ 3,484,557	\$ 463,129	\$ -	\$ -	\$ (3,947,686)	\$ (3,448,975)
Instruction	14,826,909	1,570,429	40,954	2,186,601	(14,169,783)	(12,261,102)
Pupil transportation	1,289,991	492,028	-	-	(1,782,019)	(1,655,619)
Debt service	197,212	-	-	-	(197,212)	(223,319)
Food service program	684,085	-	31,665	515,437	(136,983)	41,715
Depreciation/amortization	2,525,586	(2,525,586)	-	-	-	-
Total functions and programs	<u>\$ 23,008,340</u>	<u>\$ -</u>	<u>\$ 72,619</u>	<u>\$ 2,702,038</u>	<u>(20,233,683)</u>	<u>(17,547,300)</u>
General Revenues						
Real property taxes					2,720,885	2,719,776
Use of money and property					177,989	17,871
Sale of property and compensation for gain (loss)					34,048	(137,201)
Miscellaneous					463,380	329,364
State sources					16,073,642	15,464,132
Federal sources					184,254	145,595
Total general revenues					<u>19,654,198</u>	<u>18,539,537</u>
Change in net position					(579,485)	992,237
Net position - beginning of year					38,798,177	37,316,489
Prior period adjustment					-	489,451
Net position - end of year					<u>\$ 38,218,692</u>	<u>\$ 38,798,177</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

Schedule 3

Page 13

	Governmental Funds						2023	2022
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Assets								
Unrestricted cash	\$ 5,419,384	\$ -	\$ 2,469	\$ -	\$ -	\$ -	\$ 5,421,853	\$ 4,648,767
Restricted cash	7,228,251	-	-	1,372,179	29,704	87,617	8,717,751	11,351,135
Due from other funds	724,968	-	-	260,056	825,067	-	1,810,091	1,021,243
State and federal aid receivable	131,139	792,743	34,039	-	-	-	957,921	626,972
Other receivables	4,581	-	-	-	-	-	4,581	1,728
Due from other governments	15,088	-	-	-	-	-	15,088	7,861
Inventories	-	-	11,680	-	-	-	11,680	14,725
Total assets	<u>\$ 13,523,411</u>	<u>\$ 792,743</u>	<u>\$ 48,188</u>	<u>\$ 1,632,235</u>	<u>\$ 854,771</u>	<u>\$ 87,617</u>	<u>\$ 16,938,965</u>	<u>\$ 17,672,431</u>
Liabilities and Fund Equity								
Liabilities								
Accounts payable	\$ 49,064	\$ 2,400	\$ 101	\$ -	\$ 39,361	\$ -	\$ 90,926	\$ 197,677
Accrued liabilities	266,600	5,237	511	-	-	-	272,348	254,642
Due to other funds	950,748	701,588	10,412	-	225,371	-	1,888,119	1,108,573
Unearned revenue	-	83,518	2,027	-	-	-	85,545	90,661
Due to other governments	-	-	123	-	-	-	123	96
Due to Teachers' Retirement System	717,978	-	-	-	-	-	717,978	675,445
Due to Employees' Retirement System	74,192	-	-	-	-	-	74,192	62,341
Total liabilities	<u>2,058,582</u>	<u>792,743</u>	<u>13,174</u>	<u>-</u>	<u>264,732</u>	<u>-</u>	<u>3,129,231</u>	<u>2,389,435</u>
Fund Equity								
Nonspendable	-	-	11,680	-	-	-	11,680	14,725
Restricted	7,228,251	-	-	1,632,235	-	-	8,860,486	9,234,481
Committed	-	-	-	-	-	87,617	87,617	71,183
Assigned	1,082,595	-	23,334	-	590,039	-	1,695,968	3,531,414
Unassigned	3,153,983	-	-	-	-	-	3,153,983	2,431,193
Total fund equity	<u>11,464,829</u>	<u>-</u>	<u>35,014</u>	<u>1,632,235</u>	<u>590,039</u>	<u>87,617</u>	<u>13,809,734</u>	<u>15,282,996</u>
Total liabilities and fund equity	<u>\$ 13,523,411</u>	<u>\$ 792,743</u>	<u>\$ 48,188</u>	<u>\$ 1,632,235</u>	<u>\$ 854,771</u>	<u>\$ 87,617</u>	<u>\$ 16,938,965</u>	<u>\$ 17,672,431</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 4

Page 14

	Governmental Funds						2023	2022
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Revenue								
Real property taxes	\$ 2,720,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,720,885	\$ 2,719,776
Charges for services	40,954	-	-	-	-	-	40,954	38,389
Use of money and property	177,975	-	14	-	-	-	177,989	17,871
Sale of property compensation for loss	34,048	-	-	-	-	-	34,048	12,736
Miscellaneous	372,779	-	17,280	-	-	73,321	463,380	329,364
State sources	16,073,642	469,576	9,249	-	-	-	16,552,467	15,875,873
Federal sources	184,254	1,717,025	487,278	-	-	-	2,388,557	2,080,703
Surplus food	-	-	18,910	-	-	-	18,910	12,425
Sales (school food service)	-	-	31,665	-	-	-	31,665	25,352
Total revenue	19,604,537	2,186,601	564,396	-	-	73,321	22,428,855	21,112,489
Expenditures								
General support	3,183,511	-	236,780	-	-	-	3,420,291	3,057,446
Instruction	9,775,849	1,829,464	-	-	-	-	11,605,313	10,929,422
Pupil transportation	997,778	-	-	-	380,396	-	1,378,174	1,205,087
Employee benefits	3,081,443	379,521	114,853	-	-	-	3,575,817	3,447,320
Debt service								
Principal	909,809	-	-	-	-	-	909,809	871,730
Interest	337,725	-	-	-	-	-	337,725	380,054
Capital outlay	-	-	-	-	2,285,649	-	2,285,649	587,019
Cost of sales	-	-	292,431	-	-	-	292,431	199,000
Other expenses	-	-	40,021	-	-	56,887	96,908	66,558
Total expenditures	18,286,115	2,208,985	684,085	-	2,666,045	56,887	23,902,117	20,743,636
Excess (deficiency) of revenue over expenditures	1,318,422	(22,384)	(119,689)	-	(2,666,045)	16,434	(1,473,262)	368,853
Other sources and uses								
Operating transfers in	-	22,384	-	-	764,567	-	786,951	3,430,640
Operating transfers out	(786,951)	-	-	-	-	-	(786,951)	(3,430,640)
Total other sources (uses)	(786,951)	22,384	-	-	764,567	-	-	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	531,471	-	(119,689)	-	(1,901,478)	16,434	(1,473,262)	368,853
Fund equity, beginning of year	10,933,358	-	154,703	1,632,235	2,491,517	71,183	15,282,996	14,914,143
Fund equity, end of year	\$ 11,464,829	\$ -	\$ 35,014	\$ 1,632,235	\$ 590,039	\$ 87,617	\$ 13,809,734	\$ 15,282,996

See accompanying independent auditor's report and notes to financial statements.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2023

Schedule 5

Page 15

	Private Purpose Trust 06/30/23	Private Purpose Trust 06/30/22
Assets		
Cash	\$ 22,551	\$ 22,314
Investments	3,550,248	3,004,706
Due from other funds	78,028	87,330
Total assets	<u>\$ 3,650,827</u>	<u>\$ 3,114,350</u>
Net position		
Reserved for scholarships	<u>\$ 3,650,827</u>	<u>\$ 3,114,350</u>
Total liabilities and net position	<u>\$ 3,650,827</u>	<u>\$ 3,114,350</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 6

Page 16

	Trust 06/30/23	Trust 06/30/22
Additions		
Gifts and contributions	\$ 377,056	\$ 9,928
Interest and dividends	46,226	50,620
Gain (loss) on investments	303,241	(421,340)
Total additions	726,523	(360,792)
Deductions		
Scholarships awarded	190,046	171,740
Total deductions	190,046	171,740
Change in net position	536,477	(532,532)
Net position - beginning of year	3,114,350	3,646,882
Net position - end of year	<u>\$ 3,650,827</u>	<u>\$ 3,114,350</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Total fund balances - governmental funds \$ 13,809,734

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

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

Cost of the assets	\$ 72,746,779	
Accumulated depreciation/amortization	<u>(42,831,289)</u>	29,915,490

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due. (22,964)

Deferred inflows/outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions. 4,194,898

Deferred inflows/outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on required contributions. 156,941

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

Bonds payable	(5,686,497)	
Installment purchase debt	(1,225,325)	
Net pension liability - ERS	(1,549,076)	
Net pension liability - TRS	(667,429)	
Other post-employment benefits	(441,614)	
Compensated absences	<u>(265,466)</u>	<u>(9,835,407)</u>

Total net position - governmental activities \$ 38,218,692

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 14,139,604	\$ -	\$ -	\$ (29,704)	\$ 14,109,900
Due from other funds	1,810,091	-	-	(1,810,091)	-
State and federal aid receivable	957,921	-	-	-	957,921
Other receivables	4,581	-	-	-	4,581
Due from other governments	15,088	-	-	-	15,088
Inventories	11,680	-	-	-	11,680
Cash to be used for capital assets	-	-	-	29,704	29,704
Capital and right-to-use assets, net	-	29,915,490	-	-	29,915,490
Total assets	16,938,965	29,915,490	-	(1,810,091)	45,044,364
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	4,627,628	-	-	4,627,628
Deferred outflows related to OPEB	-	220,589	-	-	220,589
Total assets and deferred outflows of resources	\$ 16,938,965	\$ 34,763,707	\$ -	\$ (1,810,091)	\$ 49,892,581
Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position					
Liabilities					
Accounts payable	\$ 90,926	\$ -	\$ -	\$ -	\$ 90,926
Accrued liabilities	272,348	-	-	-	272,348
Accrued interest	-	-	22,964	-	22,964
Due to other funds	1,888,119	-	-	(1,810,091)	78,028
Unearned revenue	85,545	-	-	-	85,545
Due to other governments	123	-	-	-	123
Due to retirement systems	792,170	-	-	-	792,170
Bonds payable	-	-	5,686,497	-	5,686,497
Installment purchase debt	-	-	1,225,325	-	1,225,325
Net pension liability - NYS ERS	-	-	1,549,076	-	1,549,076
Net pension liability - NYS TRS	-	-	667,429	-	667,429
Other post-employment benefits	-	-	441,614	-	441,614
Compensated absences	-	-	265,466	-	265,466
Total liabilities	3,129,231	-	9,858,371	(1,810,091)	11,177,511
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	432,730	-	432,730
Deferred inflows related to OPEB	-	-	63,648	-	63,648
Total liabilities and deferred inflows of resources	3,129,231	-	10,354,749	(1,810,091)	11,673,889
Fund equity and net position	13,809,734	34,763,707	(10,354,749)	-	38,218,692
Total liabilities, deferred inflows of resources and fund equity/net position	\$ 16,938,965	\$ 34,763,707	\$ -	\$ (1,810,091)	\$ 49,892,581

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds \$ (1,473,262)

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

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

Capital outlays	\$ 2,870,878	
Depreciation expense/amortization	<u>(2,525,586)</u>	345,292

Repayment of bond principal, including bond refundings, bond anticipation notes principal is an expenditure the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		909,809
---	--	---------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. In addition, premiums on debt obligations are recorded as revenue in the governmental funds, whereas in the statement of activities, premiums are amortized into interest expense.		140,513
--	--	---------

District's proportionate share of actuarial calculated pension expense and net amortization of deferred outflows and inflows related to pension are recorded in the statement of activities, whereas in the governmental funds pension expense is based on District's required contribution to pension plans.		(518,885)
---	--	-----------

District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds OPEB expense is based on District's required contribution to the OPEB plan.		9,068
---	--	-------

In the statement of activities, certain operating expenses - compensated absences, and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences and special termination benefits changed by this amount.		<u>7,980</u>
--	--	--------------

Change in net position of governmental activities		<u><u>\$ (579,485)</u></u>
--	--	-----------------------------------

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Asset and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 2,720,885	\$ -	\$ -	\$ -	\$ 2,720,885
Charges for services	40,954	-	-	(40,954)	-
Use of money and property	177,989	-	-	-	177,989
Sale of property compensation for loss	34,048	-	-	-	34,048
Miscellaneous	463,380	-	-	-	463,380
State sources	16,552,467	-	-	(478,825)	16,073,642
Federal sources	2,388,557	-	-	(2,204,303)	184,254
Surplus food	18,910	-	-	(18,910)	-
Sales (school food service)	31,665	-	-	(31,665)	-
Total revenue	22,428,855	-	-	(2,774,657)	19,654,198
Expenditures					
General support	3,420,291	383,232	-	144,163	3,947,686
Instruction	11,605,313	1,445,493	(7,980)	1,126,957	14,169,783
Pupil transportation	1,378,174	111,632	-	292,213	1,782,019
Employee benefits	3,575,817	-	509,817	(4,085,634)	-
Debt service	1,247,534	-	(1,050,322)	-	197,212
Capital outlay	2,285,649	(2,285,649)	-	-	-
Cost of sales	292,431	-	-	(155,448)	136,983
Other expenses	96,908	-	-	(96,908)	-
Total expenditures	23,902,117	(345,292)	(548,485)	(2,774,657)	20,233,683
Excess (deficiency) of revenue over expenditures	(1,473,262)	345,292	548,485	-	(579,485)
Other sources and uses					
Operating transfers in	786,951	-	-	(786,951)	-
Operating transfers out	(786,951)	-	-	786,951	-
Total other sources (uses)	-	-	-	-	-
Net change for year	\$ (1,473,262)	\$ 345,292	\$ 548,485	\$ -	\$ (579,485)

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 19

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

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

A. Reporting Entity

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

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

1. The Extraclassroom Activity Funds

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

B. Joint Venture

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture (continued)

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

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

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

During the year, the District was billed \$4,911,000 for BOCES administration and program costs. The District's share of BOCES aid and refunds amounted to \$2,501,000 for the year ended June 30, 2023. Financial statements for the Cattaraugus-Allegany BOCES are available at the BOCES administrative offices in Olean, New York.

C. Basis of Presentation

1. District-wide Statements

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 20

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

1. District-wide Statements (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

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

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

3. Fiduciary Fund Types

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

D. Measurement Focus and Basis of Accounting

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

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 21

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

E. Cash and Cash Equivalents

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

F. Inventory

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

G. Investments

Investments are stated at current market value.

H. Capital Assets

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (continued)

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

I. Due To/From Other Funds

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

J. Deferred Inflows and Outflows of Resources

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

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 22

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Inflows and Outflows of Resources (continued)

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

K. Compensated Absences

Sick leave and Retirement Incentive Pay - certain of the District's employee groups have negotiated retirement incentive benefits payable based on accumulated unused sick days. Generally, the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems. The District has recorded an estimated liability in the District-wide financial statement amounting to \$265,466 to recognize the cost of the incentive benefits for those employees eligible to receive such a benefit. Payment of these benefits is dependent on many factors; therefore, the timing of future payments is not readily determinable.

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

L. Post-Employment Benefits

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Unearned Revenue

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

N. Fund Equity

1. Governmental Funds

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

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

A. Nonspendable

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

1. Inventory Reserve

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

B. Restricted

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 23

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

1. Capital and Transportation Reserves

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

2. Insurance Reserve

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

3. Reserve for Employee Benefits

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

4. Unemployment Reserve

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

5. Employee Retirement Contribution Reserve

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

6. Teachers' Retirement System Reserve Subfund

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

7. Debt Service Reserve

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

8. Reserve for Repairs

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

9. Endowment Scholarships Reserve

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 24

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

10. Liability Reserve

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

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the fund balance of the extraclassroom activities as committed fund balance as of June 30, 2023.

D. Assigned

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

1. Encumbrance Reserve

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

The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Fund and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund equity since they do not constitute expenditures or liabilities. Reserve for encumbrances totaled \$27,954 as of June 30, 2023.

2. Appropriated Fund Equity

General Fund - The amount of \$1,054,641 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2024 as allowed by Section 1318 of the Real Property Tax Law.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

E. Unassigned

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

2. Government-wide Financial Statements

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

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

B. Restricted

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

C. Unrestricted

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

3. Order of Fund Balance Spending Policy

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

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 25

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The District had supplemental appropriations in the amount of \$284,171 during the fiscal year ended June 30, 2023 related to a transfer to the capital project fund towards an emergency bus lift project.

2. Budget Basis for Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Property Taxes

1. Calendar

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

2. Enforcement

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

Q. Interfund Transfers

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

R. Deferred Compensation Plan

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

S. Estimates

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

T. New Accounting Pronouncement

Effective July 1, 2022, the District implemented the provisions of GASB Statement 96, *Subscription Based Information Technology Arrangements* which establishes that a subscription based information technology arrangement results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The implementation of this new standard did not have a material impact on the District.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 26

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

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

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

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

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

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

1. Long-term Revenue Differences

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

2. Capital Related Differences

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

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

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

3. Long-term Debt Transaction Differences

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

4. Pension Differences

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

5. OPEB Differences

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS

I. Cash

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

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2023, the District's deposits were fully collateralized.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 27

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash (continued)

A. Deposits

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

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

Total financial institution (bank) balances at June 30, 2023 per the bank were approximately \$14,321,000. Deposits on hand at June 30, 2023 are categorized as follows:

Category 1	Category 2	Category 3	Carrying Value
\$ 1,000,000	\$ 13,321,000	\$ -	\$ 14,321,000

II. Investments

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

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

Private Purpose Trust	Market Value
Mutual Funds	\$ 3,550,248

These investments are held in the School District's name and are uninsured. The market value of the investments as of June 30, 2023 is based on unadjusted quoted prices in active markets for identical assets and liabilities.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

III. Interfund Transactions

Interfund balances and transactions as of and during the year ended June 30, 2023 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 724,968	\$ 950,748
Debt Service Fund	260,056	-
School Lunch Fund	-	10,412
Special Aid Fund	-	701,588
Capital Fund	825,067	225,371
Private Purpose Trust Fund	78,028	-
Total	\$ 1,888,119	\$ 1,888,119

	Interfund Revenue	Interfund Expenditures
General Fund	\$ -	\$ 786,951
School Lunch Fund	-	-
Special Aid Fund	22,384	-
Capital Fund	764,567	-
Debt Service Fund	-	-
Total	\$ 786,951	\$ 786,951

During the year ended June 30, 2023, the District transferred \$764,567 from the general fund to the capital fund towards the capital outlay project (\$100,000), transportation vehicles (\$380,396) and the emergency bus lift project (\$284,171). The District also transferred \$22,384 from the general fund to the special aid fund which represents the local share of the summer school section 4408 program.

IV. Receivables

Receivables at June 30, 2023 consisted of the following, which are stated at net realizable value. District management has deemed the amounts to be fully collectible.

Fund	Description	Amount
Special Aid	State and Federal Aid	\$ 792,743
Food Service	State and Federal Aid	34,039
General	State and Federal Aid	131,139
General	Other Receivables	4,581
General	Due from Other Governments	15,088
		\$ 977,590

V. Capital and Right-to-Use Assets

A. Right-to-Use Asset

The District reported right-to-use assets net of amortization as of June 30, 2023 and 2022 in the amount of \$557,916 and \$527,435, respectively. More information related to the right-to-use assets is disclosed in Note 8.

B. Additions

Total additions, including right-to-use assets, during the current year amounted to \$2,870,878.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 28

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

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

C. Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

Governmental activities:	Beginning Balance 06/30/22	Net change	Ending Balance 06/30/23
Capital assets that are not depreciated:			
Land	\$ 92,686	\$ -	\$ 92,686
Construction-in-progress	414,373	2,346,649	2,761,022
Capital assets that are depreciated:			
Buildings and improvements	63,089,384	-	63,089,384
Furniture and Equipment	5,459,017	496,117	5,955,134
Total historical cost	69,055,460	2,842,766	71,898,226
Less accumulated depreciation:			
Buildings and improvements	37,030,428	1,925,373	38,955,801
Furniture and equipment	2,982,269	602,582	3,584,851
Total accumulated depreciation	40,012,697	\$ 2,527,955	42,540,652
Total net book value	\$ 29,042,763		\$ 29,357,574

D. Depreciation and Amortization

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

General support	\$ 463,129
Instruction	1,570,429
Pupil transportation	492,028
	<u>\$ 2,525,586</u>

VI. Liabilities

A. Pension Plans

1. Plan Descriptions and Benefits Provided

a. Teachers' Retirement System (TRS)

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided (continued)

a. Teachers' Retirement System (TRS) continued

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

b. Employees' Retirement System (ERS).

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 29

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

2. Contributions

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

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

Year		TRS		ERS
2023	\$	641,000	\$	250,000
2022	\$	604,000	\$	333,000
2021	\$	569,000	\$	278,000

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

Measurement date	ERS 3/31/2023	TRS 6/30/2022
Net pension asset (liability)	\$ (1,549,076)	\$ (667,429)
District's portion of the Plan's total net pension Liability	.0072238%	.034782%

For the year ended June 30, 2023, the District's recognized pension expense of \$574,008 for ERS and \$847,362 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 164,989	\$ 699,381	\$ 43,504	\$ 13,374
Changes of assumptions	752,331	1,294,699	8,315	268,859
Net difference between projected and actual earnings on pension plan investments	-	862,381	9,101	-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	100,100	38,281	23,259	66,318
District's contributions subsequent to the measurement date	74,192	641,274	-	-
Total	\$ 1,091,612	\$ 3,536,016	\$ 84,179	\$ 348,551

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 30

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

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

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, including pension contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

	ERS	TRS
Year ending:		
2024	\$ 227,612	\$ 493,004
2025	(61,380)	259,237
2026	342,465	(118,788)
2027	424,544	1,693,419
2028	-	212,509
Thereafter	-	6,810

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/23	6/30/22
Actuarial valuation date	4/1/22	6/30/21
Interest rate	5.9%	6.95%
Salary scale	4.4% average 4/1/15 – 3/31/20 System's	1.95% - 5.18% 7/1/15 – 6/30/20 System's
Decrement tables	Experience	Experience
Inflation rate	2.9%	2.4%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

4. Actuarial Assumptions (continued)

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

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

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

	ERS 3/31/23	Expected Rate of Return	TRS 6/30/22	Expected Rate of Return
Measurement date				
Asset Type:				
Domestic equity	32%	4.30%	33%	6.5%
International equity	15%	6.85%	16%	7.2%
Global equity	-%	-%	4%	6.9%
Private equity	10%	7.50%	8%	9.9%
Real Estate	9%	4.60%	11%	6.2%
Opportunistic/ARS portfolio	3%	5.38%	-%	-%
Credit	4%	5.43%	-%	-%
Real assets	3%	5.84%	-%	-%
Domestic fixed income	-%	-%	16%	1.1%
Global Bonds	-%	-%	2%	0.6%
Real estate debt	-%	-%	6%	2.4%
Private debt	-%	-%	2%	5.3%
High-yield fixed income	-%	-%	1%	3.3%
Fixed Income	23%	1.50%	-%	-%
Cash	1%	-%	1%	(.3)%
Total:	<u>100%</u>		<u>100%</u>	

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 31

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

5. Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset/ (liability)	\$ (3,743,451)	\$ (1,549,076)	\$ 284,581

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (6,154,007)	\$ (667,429)	\$ 3,946,747

7. Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	3/31/23	6/30/22
Employers' total pension liability	\$ 232,627,259	\$ 133,883,474
Plan net position	\$ 211,183,223	\$ 131,964,582
Employers' net pension asset (liability)	\$ (21,444,036)	\$ (1,918,892)
Ratio of plan net position to be Employers' total pension asset (liability)	90.78%	98.6%

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 32

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$74,192.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to \$717,978 (employer contribution \$641,274 and employee contributions of \$76,704).

B. Other Post-Employment Benefits

Plan Description

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

Employees Covered by Benefit Terms

For the fiscal year ended June 30, 2023 the plan had total active employees of 126 and retirees of 23.

Total OPEB Liability

The District's total OPEB liability of \$441,614 was measured as of July 1, 2022.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% per year Based on NYSTRS and NYSERS valuations as of June 30, 2021 and March 31, 2022, respectively
Salary increases	4.09% as of June 30, 2023
Discount rate	7.5% for 2022, decreasing 0.5% to 4.5% for 2029 and later.
Healthcare cost trend rates	Retirees pay the full cost of coverage with the exception of certain administrators
Retirees' share of benefit-related costs	

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

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

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

Changes in the Total OPEB Liability

Service cost	\$	15,432
Interest		7,932
Differences between expected and actual experience		113,254
Changes in assumptions		(24,312)
Benefit payments		(34,744)
Net changes		77,562
Net OPEB liability – beginning of year		364,052
Net OPEB liability – end of year	\$	441,614

Changes of assumptions and other inputs reflect a change in the discount rate from 2.19% in 2022 to 4.09% in 2023. No changes in health care trend rate from 7.5%-4.5%.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 33

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Assumption (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 470,278	\$ 441,614	\$ 414,716

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

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

	1% Decrease (initial rate of 6.5% decreasing by .5% annually until reaching 3.5%)	Current Assumption (initial rate of 7.5% decreasing by .5% annually until reaching 4.5%)	1% Increase (initial rate of 8.5% decreasing by .5% annually until reaching 5.5%)
Total OPEB liability	\$ 407,121	\$ 441,614	\$ 481,081

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

For the year ended June 30, 2023, the District recognized OPEB expense in the amount of \$38,376. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 128,353	\$ 29,224
Benefit payments subsequent to the measurement date	47,444	-
Changes in assumptions	44,792	34,424
Total	\$ 220,589	\$ 63,648

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

Year ending:	
2024	\$ 15,012
2025	15,012
2026	15,011
2027	12,162
2028	15,843
Thereafter	36,457

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

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

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

The District had no Bond Anticipation Notes outstanding as of June 30, 2023.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 34

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

1. Short-Term Debt (continued)

b. Short-Term Debt Interest

The District had interest on short-term debt for the year ended June 30, 2023 in the amount of \$-.

2. Long-Term Debt

a. Debt Limit

At June 30, 2023, total indebtedness represents 33% of its debt limit.

b. Serial Bonds

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

c. Changes

The changes in the School District's indebtedness during the year ended June 30, 2023 and 2022 are as follows:

	Balance		Balance
	June 30, 2023		June 30, 2022
2012 Serial Bonds	\$ 592,756	\$	1,065,444
2016 Serial Bonds	710,035		802,354
2020 Serial Bonds	4,383,706		4,776,562
Installment Purchase Debt	1,225,325		1,315,134
Other post-employment benefits	441,614		364,052
Compensated absences	265,466		273,446
Net pension liability - ERS	1,549,076		-
Net pension liability - TRS	667,429		-
	\$ 9,835,407	\$	8,596,992

During the year, the District made principal payments on its serial bonds in the amount of \$820,000 and made payments on an equipment lease related to the energy performance contract in the amount of \$89,809. The District had amortization of bond premiums in the amount of \$137,863. The change in compensated absences was a net decrease of \$7,980 during the fiscal year ended June 30, 2023. The net change in other post-employment benefits was an increase of \$77,562 during the fiscal year ended June 30, 2023. Lastly, the District's proportionate share of the net pension liability related to ERS and TRS increased by \$2,216,505 during the current year, as both pension systems were reported as net pension liabilities in the current year as compared with net pension assets in the prior year.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 35

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity

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

Serial Bonds, issued in 2012 with a maturity date of 2028, bonds carry interest at 3.0%-5.0%.	\$	580,000
Plus: unamortized bond premium on bond issuance.		12,756
	\$	<u>592,756</u>

Serial Bonds, issued in 2016 through DASNY with a maturity date of 2030, bonds carry interest at 2.0%-5.0%.	\$	645,000
Plus: unamortized bond premium on bond issuance.		65,035
	\$	<u>710,035</u>

Serial Bonds, issued in 2020 through DASNY with a maturity date of 2033 bonds carry interest at 5.0%.	\$	3,820,000
Plus: unamortized bond premium on bond issuance.		563,706
	\$	<u>4,383,706</u>

Installment Purchase Debt related to energy performance project, issued in 2019 with a final renewal term ending in 2034, carry interest at 3.550% per annum.	\$	1,225,325
---	----	-----------

2. The following is a summary of maturing debt service requirements for serial bonds and installment purchase debt:

Year	Serial Bonds – 2012	
	Principal	Interest
2024	\$ 480,000	\$ 27,688
2025	25,000	3,688
2026	25,000	2,438
2027	25,000	1,688
2028	25,000	875
Total	\$ 580,000	\$ 36,377

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity (continued)

Year	Serial Bonds – 2016	
	Principal	Interest
2024	\$ 80,000	\$ 31,350
2025	85,000	27,350
2026	90,000	23,100
2027	90,000	19,500
2028	95,000	15,000
2029-2030	205,000	15,500

Total	\$ 645,000	\$ 131,800
-------	------------	------------

Year	Serial Bonds – 2020	
	Principal	Interest
2024	\$ 305,000	\$ 191,000
2025	320,000	175,750
2026	335,000	159,750
2027	350,000	143,000
2028	370,000	125,500
2029-2033	2,140,000	331,250

Total	\$ 3,820,000	\$ 1,126,250
-------	--------------	--------------

Year	Installment Purchase Debt	
	Principal	Interest
2024	\$ 92,997	\$ 43,499
2025	96,298	40,198
2026	99,717	36,779
2027	103,257	33,239
2028	106,923	29,574
2029-2033	594,316	88,163
2034	131,817	4,679

Total	\$ 1,225,325	\$ 276,131
-------	--------------	------------

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 36

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

e. Refunding of Long-Term Debt

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

f. Long-Term Debt Interest

Interest expense on long-term debt amounted to \$337,725 for the year ended June 30, 2023.

g. Premiums, Debt Issuance Costs and Amortization

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Fund Equity

A. Classifications

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

<u>Fund</u>	<u>Reservation Purposes</u>	<u>Balance June 30, 2023</u>
Nonspendable:		
Food Service	Inventory	\$ 11,680
Restricted:		
General	Liability reserve	\$ 507,394
	Unemployment reserve	210,054
	Reserve for insurance	1,275,008
	Reserve for retirement system contributions	628,413
	TRS contribution reserve subfund	434,718
	Capital reserve	2,151,055
	Capital transportation reserve	1,150,896
	Repair reserve	67,053
	Employee benefits reserve	803,660
		<u>\$ 7,228,251</u>
Debt Service	Reserve for debt service	\$ 1,632,235
Private Purpose	Reserve for endowment Scholarships	<u>\$ 3,650,827</u>
Committed:		
Miscellaneous Special Revenue	Extraclassroom fund balance	<u>\$ 87,617</u>
Assigned:		
General	Appropriated fund balance	\$ 1,054,641
	Reserve for encumbrances	27,954
		<u>\$ 1,082,595</u>
Food Service	Assigned fund balance	<u>\$ 23,334</u>
Capital Projects	Assigned fund balance	<u>\$ 590,039</u>

B. District-wide Net Position

Net position of the District include restricted net position of \$8,860,486 which represent restricted amounts in the general and debt service funds as presented above.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 37

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VIII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

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

2. Risk Sharing Pools

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

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

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

B. Federal and State Grants

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

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VIII. Commitments and Contingencies (continued)

C. Compensated Absences

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$340,000 as of June 30, 2023 for accumulating non-vesting sick leave.

D. Litigation

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

NOTE 4 - CAPITAL PROJECTS

On December 8, 2021, the voters of the District approved an \$15,375,600 renovation project. The proposed budget of this capital project included expenditures for architectural and improvement costs to its Bolivar, Richburg and Pre-Kindergarten campuses. Expenditures related to the project totaled \$1,901,487 during the year ended June 30, 2023.

The District also had costs associated with a capital outlay project in the amount of \$100,000 during the year ended June 30, 2023.

Lastly, during the current year the District purchased transportation vehicles in the amount of \$284,171 with capital reserve funds transferred from the general fund.

NOTE 5 – FAIR VALUE MEASUREMENTS

As noted in Note 3II, the District has investments that are reported at fair value in the Statement of Fiduciary Net Position. GASB 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs on the hierarchy consist of unadjusted quoted prices in active markets and have the highest priority. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities. Level 3 inputs have the lowest priority and consist of assets and liabilities that are measured on a recurring basis using unobservable inputs. The District had \$3,550,248 of investments in mutual funds related to a scholarship endowment that is considered to be a level 1 input.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 38

NOTE 6 – COVID-19 PANDEMIC

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

Also, in March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to Organizations including public school Districts. The New York State Department of Education has allocated approximately \$242,000 of CARES Act assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. During the year ending June 30, 2021, the District spent the full amount of its CARES Act allocation.

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

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

The District also provided free breakfast and lunches to all students (except those who opted out) through the Seamless Summer Lunch and Breakfast Program which ended as of June 30, 2022.

NOTE 7 – PRIVATE PURPOSE TRUST FUND

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

NOTE 8 – RIGHT-TO-USE ASSETS/LEASES

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. The District paid cash for the equipment rather than through an installment purchase agreement. The District amortizes its right-to-use assets over a period of 5 years. Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2023:

	Balance 7/1/2022	Additions
Right-to-use asset	\$ 820,441	\$ 124,468
Accumulated amortization	(293,006)	(93,987)
	<u>\$ 527,435</u>	<u>\$ 30,481</u>

	Deletions	Balance 6/30/2023
Right-to-use asset	\$ (96,356)	\$ 848,553
Accumulated amortization	96,356	(290,637)
	<u>\$ -</u>	<u>\$ 557,916</u>

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

The District implemented GASB 87, Leases, during the year ended June 30, 2022, which resulted in a prior period adjustment related to agreements made for various IT and computer equipment that were already in place as of July 1, 2021, and which GASB 87 requires retroactive application of these agreements. The District's net position increased \$489,451 as a result of the prior period adjustment which represents the remaining book value of its right to use assets.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 18, 2023, which is the date the financial statements were available to be issued.

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

SUPPLEMENTARY INFORMATION

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	\$ 2,714,763	\$ 2,714,763	\$ 2,714,268	\$ (495)
Real property tax items	6,000	6,000	6,617	617
Charges for services	30,000	30,000	40,954	10,954
Use of money and property	50,000	50,000	177,975	127,975
Sale of property and compensation for loss	500	500	34,048	33,548
Miscellaneous	350,000	350,000	372,779	22,779
State Sources:				
Basic formula	14,101,156	14,101,156	13,839,063	(262,093)
BOCES	2,105,796	2,105,796	2,189,722	83,926
Textbooks	38,503	38,503	16,436	(22,067)
All other aid	28,379	28,379	28,421	42
Federal Sources:				
Medicaid reimbursement	85,000	85,000	184,254	99,254
Total revenue	19,510,097	19,510,097	19,604,537	94,440
Other Sources				
Operating transfer in	290,000	290,000	-	(290,000)
Total revenue and other sources	19,800,097	19,800,097	<u>\$ 19,604,537</u>	<u>\$ (195,560)</u>
Supplemental appropriation - emergency project	-	284,171		
Appropriated fund equity and carryover encumbrances	1,378,186	1,411,621		
Total revenue, other sources and appropriated fund equity	<u>\$ 21,178,283</u>	<u>\$ 21,495,889</u>		

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 17,900	\$ 17,900	\$ 16,154	\$ -	\$ 1,746
Central administration	231,156	231,156	236,892	-	(5,736)
Finance	232,995	242,995	268,087	-	(25,092)
Staff	429,425	429,425	515,261	8,009	(93,845)
Central services	1,909,523	1,909,523	1,820,833	15,875	72,815
Special items	317,026	317,026	326,284	-	(9,258)
Instructional:					
Instruction, administration and improvement	859,333	861,732	776,349	-	85,383
Teaching - regular school	5,136,022	5,151,067	4,240,588	-	910,479
Programs for children with handicapping conditions	2,793,834	2,793,835	2,484,102	-	309,733
Teaching - special schools	22,500	22,500	14,180	-	8,320
Occupational education	723,856	723,856	725,252	-	(1,396)
Instructional media	684,841	684,841	680,847	-	3,994
Pupil services	1,035,289	1,037,584	854,531	-	183,053
Pupil Transportation	948,805	952,500	997,778	4,070	(49,348)
Employee Benefits	4,022,190	4,022,190	3,081,443	-	940,747
Debt Service:					
Debt service principal	909,810	909,810	909,809	-	1
Debt service interest	343,778	343,778	337,725	-	6,053
Total expenditures	20,618,283	20,651,718	18,286,115	27,954	2,337,649
Other Uses:					
Transfer to other funds	560,000	844,171	786,951	-	57,220
Total other uses	560,000	844,171	786,951	-	57,220
Total expenditures and other uses	\$ 21,178,283	\$ 21,495,889	19,073,066	\$ 27,954	\$ 2,394,869
Excess of revenue and other sources over expenditures and other uses			\$ 531,471		

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS1A

Page 40

	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ -	\$ 9,249	\$ 9,249
Federal sources	-	487,278	487,278
Sales	-	31,665	31,665
Miscellaneous	-	17,280	17,280
Surplus food	-	18,910	18,910
Use of money and property	-	14	14
Total revenue	-	564,396	564,396
Expenditures			
General support	-	236,780	(236,780)
Employee benefits	-	114,853	(114,853)
Cost of sales	-	292,431	(292,431)
Other expenses	-	40,021	(40,021)
Total expenditures	-	684,085	(684,085)
Deficiency of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>(119,689)</u>	<u>\$ (119,689)</u>
Fund equity, beginning of year		<u>154,703</u>	
Fund equity, end of year		<u>\$ 35,014</u>	

* The District did not prepare a budget for its food service fund for the year ended June 30, 2023.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS2

Page 41

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 21,178,283
Additions:	
Prior year encumbrances	<u>33,435</u>
Original Budget	21,211,718
Budget Revisions:	
Supplemental appropriation - transfer to the capital project fund for emergency project	<u>284,171</u>
Final budget	<u><u>\$ 21,495,889</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	\$ 22,351,325
Maximum allowed (4% of 2023-24 budget)	\$ 894,053

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

Unrestricted fund balance:	
Assigned fund balance	\$ 1,082,595
Unassigned fund balance	<u>3,153,983</u>
Total unrestricted fund balance	<u>4,236,578</u>
Less:	
Appropriated fund balance	1,054,641
Encumbrances included in committed and assigned fund balance	<u>27,954</u>
Total adjustments	<u>1,082,595</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,153,983</u></u>
Actual percentage	<u><u>14.1%</u></u>

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECTS EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS3

Page 42

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Balance	Proceeds of Obligations	State Sources	Local Sources	Total	Balance June 30, 2023
2022 Capital Outlay	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -
2021 Capital Improvement Project	15,375,600	15,375,600	492,779	1,901,478	2,394,257	12,981,343	-	-	2,984,296	2,984,296	590,039
Smart Schools Bond Act Project	533,951	533,951	531,591	-	531,591	2,360	-	531,591	-	531,591	-
Emergency Bus Lift Project	284,171	284,171		284,171	284,171	-	-	-	284,171	284,171	-
Buses - current year	382,936	382,936	-	380,396	380,396	2,540	-	-	380,396	380,396	-
	<u>\$ 16,676,658</u>	<u>\$ 16,676,658</u>	<u>\$ 1,024,370</u>	<u>\$ 2,666,045</u>	<u>\$ 3,690,415</u>	<u>\$ 12,986,243</u>	<u>\$ -</u>	<u>\$ 531,591</u>	<u>\$ 3,748,863</u>	<u>\$ 4,280,454</u>	<u>\$ 590,039</u>

See accompanying independent auditor's report.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
BUDGET COMPARISON STATEMENT FOR STATE AND
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS4A

Page 43

Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school*	N/A	2023	\$ 111,918	\$ 111,918	\$ 111,918
Teachers of Tomorrow grant	0644-23-0002	2023	34,000	34,000	34,000
Universal Pre-kindergarten	0409-23-7053	2023	319,205	319,205	319,205
Mentor Teacher	0663-23-0117	2023	14,400	9,075	9,075
Health Care Bonus Program	N/A	2023	17,762	17,762	17,762
State Breakfast and Lunch Program	N/A	2023	9,249	9,249	9,249
			<u>\$ 506,534</u>	<u>\$ 501,209</u>	<u>\$ 501,209</u>

* Revenue includes transfer of \$22,384 from general fund for local share toward applicable expenditures.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

Schedule SS4B

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 1 - Basis of Presentation

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

Basis of Accounting

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

Note 2 - Non-monetary Federal Program

The accompanying **Bolivar-Richburg Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2023, the District reported in the Schedule of Federal Awards \$18,910 of donated commodities at fair market value received and disbursed.

Note 3 - Indirect Cost Rate

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS4C

Page 44

Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
U.S. Department of Education:					
<i>Passed through NYS Department of Education:</i>					
Title I, Part A	84.010A	0021-23-0140	\$ 290,905	\$ 287,166	\$ 287,166
Title IIA	84.367A	0147-23-0140	31,516	31,516	31,516
Title IV - SSAE Allocation	84.424A	0204-22-0140	22,771	22,771	22,771
Title V - Part B - Rural and Low Income Schools	84.358B	0006-23-0140	21,536	21,536	21,536
COVID-19 ARP ESSER 3	84.425U	5880-21-0140	1,633,357	308,797	308,797
COVID-19 ARP SLR Summer Enrichment	84.425U	5882-21-0140	243,945	87,767	87,767
COVID-19 ARP SLR Comprehensive Learning	84.425U	5883-21-0140	243,945	70,716	70,716
COVID-19 ARP SLR Learning Loss	84.425U	5884-21-0140	1,219,692	313,829	313,829
COVID-19 ARP Section 611 *	84.027X	5532-22-0039	39,072	7,279	7,279
COVID-19 ARP Section 619 *	84.173X	5533-22-0039	4,351	2,453	2,453
COVID-19 CRRSA Act - ESSER 2	84.425D	5891-21-0140	726,749	362,353	362,353
IDEA Part B, Section 611 *	84.027A	0032-23-0039	195,693	195,693	195,693
IDEA Part B, Section 619 *	84.173A	0033-23-0039	5,149	5,149	5,149
Total U.S. Department of Education				1,717,025	1,717,025
U.S. Department of Agriculture:					
<i>Passed through NYS Department of Education:</i>					
COVID-19 Supply Chain Assistance Program **	10.555	N/A	N/A	28,855	28,855
National School Breakfast Program **	10.553	N/A	N/A	110,965	110,965
National School Lunch Program **	10.555	N/A	N/A	347,458	347,458
<i>Passed through NYS Office of General Services:</i>					
National School Lunch Program **					
Non-Cash Assistance (Commodities)	10.555	N/A	N/A	18,910	18,910
Total U.S. Department of Agriculture				506,188	506,188
Total expenditures and revenue				\$ 2,223,213	\$ 2,223,213

* Constitutes a cluster of Federal programs named Special Education Cluster with revenue and expenditures of 210,574

** Constitutes a cluster of Federal programs named Child Nutrition Cluster with revenue and expenditures of 506,188

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL
AND RIGHT-TO-USE ASSETS
AS OF JUNE 30, 2023

Schedule SS5

Page 45

Capital and Right-to-Use Assets	\$ 29,915,490
Less:	
Serial bonds	(5,686,497)
Installment purchase debt	(1,225,325)
Plus:	
Assets in capital project less related liabilities	<u>590,039</u>
Net investment in capital and right-to-use assets	<u><u>\$ 23,593,707</u></u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET
OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2023

Schedule SS6

Page 46

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

Notes to Schedule:

Benefit Changes:	None
Changes in assumptions:	Discount rate from 2.19% as of 7/1/21 to 4.09% as of 7/1/22
	Health care trend rates from 7.50% to 4.50% as of 7/1/22

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2023

Schedule SS7

Page 47

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

Notes to Schedule:

Valuation date: 7/1/2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	2.19% as of July 1, 2021 and 4.09% as of July 1, 2022
Inflation	2.50% per year
Health care cost trend rates	Health care trend rates have been reset to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50%.
Salary increases	The salary scale for Teachers and Administrators is based on the NYSTRS valuation as of June 30, 2021. Payroll growth for Support Staff employees is based on the NYERS valuation as of March 31, 2022.
Mortality	SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2021
Retiree Cost Sharing	Retirees are required to contribute the portion of premiums not covered by the District's explicit subsidy.
Participants	126 Active and 23 Retirees

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

Schedule SS8

Page 48

New York State Teachers' Retirement System

For the year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 641,274	\$ 603,849	\$ 569,377	\$ 521,777	\$ 611,676	\$ 536,673	\$ 651,423	\$ 700,697	\$ 919,367	\$ 841,100
Contributions in relation to the contractually required contribution	(641,274)	(603,849)	(569,377)	(521,777)	(611,676)	(536,673)	(651,423)	(700,697)	(919,367)	(841,100)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,232,012	\$ 6,161,724	\$ 5,974,575	\$ 5,889,131	\$ 5,759,661	\$ 5,476,255	\$ 5,558,217	\$ 5,284,291	\$ 5,244,535	\$ 5,176,000
Contributions as a percentage of District's covered-employee payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%

New York State Local Employees' Retirement System

For the year ended March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 249,656	\$ 332,651	\$ 277,711	\$ 275,028	\$ 278,019	\$ 286,102	\$ 275,993	\$ 311,838	\$ 327,156	\$ 364,198
Contributions in relation to the contractually required contribution	(249,656)	(332,651)	(277,711)	(275,028)	(278,019)	(286,102)	(275,993)	(311,838)	(327,156)	(364,198)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,401,568	\$ 2,063,065	\$ 2,005,927	\$ 1,999,469	\$ 2,011,708	\$ 1,956,830	\$ 1,907,366	\$ 1,801,098	\$ 1,765,763	\$ 1,754,043
Contributions as a percentage of District's covered-employee payroll	10.40%	16.12%	13.84%	13.76%	13.82%	14.62%	14.47%	17.31%	18.53%	20.76%

See accompanying independent auditor's report.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET/LIABILITY – NYSTRS AND DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

Schedule SS9

Page 49

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

As of the measurement date of June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	n/a	0.034782%	0.034184%	0.034218%	0.034506%	0.033620%	0.034862%	0.034245%	0.034914%	0.035040%
District's proportionate share of the net pension asset (liability)	n/a	\$ (667,429)	\$ 5,923,749	\$ (945,531)	\$ 896,475	\$ 607,931	\$ 264,989	\$ (366,774)	\$ 3,626,436	\$ 3,903,274
District's covered-employee payroll	n/a	\$ 6,161,724	\$ 5,974,575	\$ 5,889,131	\$ 5,759,661	\$ 5,476,255	\$ 5,558,217	\$ 5,284,291	\$ 5,244,535	\$ 5,176,000
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	-10.83%	99.15%	-16.06%	15.56%	11.10%	4.77%	-6.94%	-69.15%	-75.41%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

As of the measurement date of March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	0.0072238%	0.0071482%	0.0060291%	0.0065449%	0.0065369%	0.0063104%	0.0063389%	0.0068004%	0.0063293%	n/a
District's proportionate share of the net pension asset (liability)	\$ (1,549,076)	\$ 584,340	\$ (6,003)	\$ (1,733,133)	\$ (463,158)	\$ (203,665)	\$ (595,616)	\$ (1,092,123)	\$ (213,822)	\$ (286,014)
District's covered-employee payroll	\$ 2,401,568	\$ 2,063,065	\$ 2,005,927	\$ 1,999,469	\$ 2,011,708	\$ 1,956,830	\$ 1,907,366	\$ 1,801,098	\$ 1,765,763	\$ 1,754,043
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	-64.50%	28.32%	-0.30%	-86.68%	-23.02%	-10.41%	-31.23%	-60.64%	-12.11%	-16.31%
Plan fiduciary net position as a percentage of the total pension asset (liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a

See accompanying independent auditor's report.



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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Bolivar-Richburg Central School District* as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise *Bolivar-Richburg Central School District's* basic financial statements and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given those 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. We did identify one deficiency in internal control that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item II.A.2023-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Bolivar-Richburg Central School's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2023-002.

Bolivar-Richburg Central School District's Responses to Findings

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

Purpose of this Report

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 18, 2023**



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited *Bolivar-Richburg Central School District's* compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. *Bolivar-Richburg Central School District's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, *Bolivar-Richburg Central School District* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of *Bolivar-Richburg Central School District* and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of *Bolivar-Richburg Central School District's* compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 18, 2023**

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 54

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes x no

Significant deficiency(ies) identified?

 x yes none reported

Noncompliance material to financial statements noted?

 x yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 yes x no

Significant deficiency(ies) identified?

 yes x none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)

 yes x no

Federal Program Title	Federal CFDA Number	Amount
Total expenditures of Federal Awards		<u>\$ 2,223,213</u>

Identification of Major Programs Tested:

COVID-19 ARP ESSER 3	84.425U	\$ 308,797
COVID-19 ARP SLR Summer Enrichment	84.425U	87,767
COVID-19 ARP SLR Comprehensive Learning	84.425U	70,716
COVID-19 ARP SLR Learning Loss	84.425U	313,829
COVID-19 CRRSA Act - ESSER 2	84.425D	<u>362,353</u>

Total major programs tested \$ 1,143,462

% of Federal programs tested 51%

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk?

 x yes no

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Page 55

II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Year ended June 30, 2023

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

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

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

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

B. COMPLIANCE AND OTHER MATTERS

2023-002 Unassigned Fund Balance

Year ended June 30, 2023

Conditions and criteria: **Bolivar-Richburg Central School District's** unassigned fund balance in the general fund as of June 30, 2023 amounted to \$3,153,983. This amount constitutes 14.1% of the 2023-2024 school budget.

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

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

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

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 56

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

A. COMPLIANCE

Year ended June 30, 2023

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

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2023

There are no findings related to internal control over compliance being reported upon during the fiscal year June 30, 2023.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS

Page 57

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2022-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2022

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

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2023 as finding 2023-001.

B. COMPLIANCE AND OTHER MATTERS

2022-002 Unassigned Fund Balance

Year ended June 30, 2022

Summary of Prior Year Finding: *Bolivar-Richburg Central School District's* unassigned fund balance as of June 30, 2022 amounted to \$2,431,193. This amount constituted approximately 11.5% of the 2022-2023 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Current Status: Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2023 as finding 2023-002.

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

A. COMPLIANCE

Year ended June 30, 2022

There were no findings related to compliance reported upon during the fiscal year June 30, 2022.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2022

There were no findings related to internal control over compliance during the fiscal year June 30, 2022.



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

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2023 of the District's financial statements and have issued our reports thereon dated December 18, 2023. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the **Bolivar-Richburg Central School District** for the year ended June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2019 through June 30, 2023. In addition, we have also presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. **Bolivar-Richburg Central School** has provided responses to the additional comments, however, we did not audit these responses and, accordingly, we express no opinion on them.

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

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

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 18, 2023**

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

Page 2

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Revenue and other sources					
Property taxes	\$ 2,721	\$ 2,720	\$ 2,720	\$ 2,720	\$ 2,719
State aid	16,074	15,464	15,511	16,363	16,399
All other	809	485	793	713	929
	<u>19,604</u>	<u>18,669</u>	<u>19,024</u>	<u>19,797</u>	<u>20,046</u>
Expenditures and other uses					
General support	3,184	2,864	2,886	2,762	2,595
Instruction	9,776	9,343	9,366	9,601	10,189
Transportation	998	876	784	768	811
Benefits	3,081	3,086	3,195	3,045	3,176
Debt	1,248	1,252	1,752	1,889	1,904
Transfers	787	3,431	526	437	406
	<u>19,072</u>	<u>20,851</u>	<u>18,509</u>	<u>18,502</u>	<u>19,081</u>
Excess (deficiency) of revenue over expenditures	531	(2,182)	515	1,295	965
Fund equity					
Beginning of year	<u>10,933</u>	<u>13,116</u>	<u>12,600</u>	<u>11,305</u>	<u>10,340</u>
End of year	<u>\$ 11,464</u>	<u>\$ 10,933</u>	<u>\$ 13,116</u>	<u>\$ 12,600</u>	<u>\$ 11,305</u>
Analysis of fund equity					
Restricted					
Reserve for repairs	\$ 67	\$ 67	\$ 67	\$ 67	\$ 67
Employee benefit reserve	804	804	804	804	804
Reserve for capital	3,302	3,682	6,095	5,393	5,773
Reserve for retirement system	628	628	628	628	628
Reserve for TRS	435	435	335	225	110
Reserve for property loss and liability	506	501	501	501	500
Reserve for insurance	1,275	1,275	1,275	1,275	1,275
Reserve for unemployment insurance	210	210	210	210	210
Assigned					
Reserve for encumbrances	28	33	40	175	127
Next year's budget	1,055	866	600	600	500
Unassigned	<u>3,154</u>	<u>2,431</u>	<u>2,560</u>	<u>2,722</u>	<u>1,311</u>
	<u>\$ 11,464</u>	<u>\$ 10,933</u>	<u>\$ 13,116</u>	<u>\$ 12,600</u>	<u>\$ 11,305</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SUMMARY OF ADDITIONAL COMMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Page 3

Future Governmental Accounting Standards – GASB 101 – Compensated Absences

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

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

Pandemic Grant Funding

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

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

Food Service Program

Operating Loss

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

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

Inventory

During the audit, we noted that the District failed to maintain inventory counts of its food and supply inventory on hand throughout the year and at year-end. Maintaining inventory is a key control to prevent against theft, loss and spoilage. We recommend that the District perform regular inventories which is reviewed by someone in the business office for reasonableness.

District response: The District will follow the recommendation in the finding and require the submission of food and supply inventory counts monthly to the Business Administrator and they will be reviewed for reasonableness.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

**EXTRACLASSROOM ACTIVITY FUND
FINANCIAL STATEMENT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS**

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
EXTRAClassroom Activity Fund

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1-2
Extraclassroom Financial Statements	
Statement of Receipts and Disbursements – Cash Basis.....	3
Note to Financial Statement.....	4



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the *Bolivar-Richburg Central School District* for the year ended June 30, 2023, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of *Bolivar-Richburg Central School District* for the year ended June 30, 2023 on the basis of accounting described in Note 1.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2023, on our consideration of the **Bolivar-Richburg Central School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Bolivar-Richburg Central School District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering **Bolivar-Richburg Central School District's** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 18, 2023**

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
JULY 1, 2022 THROUGH JUNE 30, 2023

Page 3

	Balances July 01, 2022	Total Receipts	Total Receipts & Balances	Total Payments	Balances June 30, 2023
Extraclassroom activities:					
Business/Marketing Club	\$ 1,696	\$ -	\$ 1,696	\$ -	\$ 1,696
Class of 2021	5,480	-	5,480	5,480	-
Class of 2022	1,665	-	1,665	1,665	-
Class of 2023	1,806	19,064	20,870	14,180	6,690
Class of 2024	6,164	12,167	18,331	7,931	10,400
Class of 2025	2,556	10,740	13,296	6,751	6,545
Class of 2026	-	4,424	4,424	2,503	1,921
Clothing Store	579	-	579	31	548
Ecology Club	495	265	760	194	566
FCCLA	1,959	310	2,269	241	2,028
FFA	152	1,584	1,736	1,987	(251)
Junior NHS	15	-	15	-	15
International Travel Club	9,495	2,390	11,885	7,890	3,995
Language Club	182	-	182	-	182
Library Club	1,451	2,663	4,114	2,803	1,311
National Honor Society	625	-	625	-	625
Rachel's Challenge	612	-	612	111	501
SADD	2,308	-	2,308	560	1,748
Sales Tax	83	1,089	1,172	911	261
Science Club	6,999	-	6,999	127	6,872
Sentinel	339	-	339	-	339
Ski Club	1	-	1	-	1
Student Council	9,887	9,450	19,337	3,422	15,915
Musical Club	-	3,511	3,511	100	3,411
Theatre Club	3,608	-	3,608	-	3,608
Yearbook Club	13,026	5,664	18,690	-	18,690
Total activity fund	\$ 71,183	\$ 73,321	\$ 144,504	\$ 56,887	\$ 87,617

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

Page 4

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are included in the financial statements of the School District. However, cash balances of \$87,617 are included in the Miscellaneous Special Revenue Fund as restricted cash, with a corresponding amount recorded as a committed fund balance.

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



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

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of *Bolivar-Richburg Central School District* as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered *Bolivar-Richburg Central School District's* internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of *Bolivar-Richburg Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Bolivar-Richburg Central School District's* internal control.

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

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

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 18, 2023**



December 18, 2023

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

We have audited the financial statements of Bolivar-Richburg Central School as of and for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Governmental Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bolivar-Richburg Central School are described in Note 1 to the financial statements. During the current year, the District implemented Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*. The implementation of this new standard did not have a significant impact on the financial statements. We noted no transactions entered into by Bolivar-Richburg Central School during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
Olean, New York
December 18, 2023