

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Education
Susquehanna Valley Central School District
Conklin, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Susquehanna Valley Central School District (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended June 30, 2021, the District adopted Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." As discussed in Note 17 to the financial statements, net position as of June 30, 2020 for the governmental funds and fiduciary activities were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison schedules; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; the Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension Liability; and related notes on pages 4-4i and 47-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; and Balance Sheet - Non-Major Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information) on pages 57-61 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021 on our consideration of the School District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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 School District’s internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 15, 2021

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

The following is a discussion and analysis of the Susquehanna Valley Central School District's (the School District) financial performance for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-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. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total expenses exceeded revenue by \$8,658,668 in 2021 compared to 2020, when expenses exceeded revenues by \$4,168,815. The School District ended the year with a net deficit of \$(80,132,089), compared to a net deficit of \$(71,473,421) in 2020.
- The General Fund budgeted expenditures, including carry-over encumbrances, were underspent by \$2,022,527.
- Capital asset equipment and building additions during 2021 amounted to \$1,507,634. Depreciation expense totaled \$2,130,901.
- Indebtedness of the School District at June 30, 2021, in the amount of \$25,744,713, decreased \$2,533,107 from 2020, due primarily to debt repayment.
- Total fund balance in the General Fund, including reserves, was \$10,908,093 at June 30, 2021. Restricted fund balance of \$7,873,128 consisted of General Fund restricted reserves; assigned fund balance of \$1,560,775 consisted of encumbrances of \$685,775 and appropriations to support the 2020-2021 budget of \$875,000. Unassigned fund balance consisted of \$1,474,190, which is below the maximum limit (4% of 2021-2022 appropriations) permitted under New York State Real Property Tax Law.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year and a Schedule of Changes in the District's Total OPEB Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits and information related to the School District's pension obligations.

District-Wide Financial Statements

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide financial statements report the School District's net position and how it has changed. Net position (the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

Governmental Fund Financial Statements

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

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
<i>Current Assets</i>	\$ 7,500,388	\$ 7,714,164	\$ (213,776)
<i>Noncurrent Assets</i>	7,880,690	8,399,897	(519,207)
<i>Capital Assets, Net</i>	52,417,329	53,047,392	(630,063)
<i>Total Assets</i>	67,798,407	69,161,453	(1,363,046)
<i>Pensions</i>	8,855,763	7,719,451	\$ 1,136,312
<i>Other Postemployment Benefits</i>	29,500,783	15,372,420	14,128,363
<i>Deferred Charges on Defeased Debt</i>	204,305	272,518	(68,213)
<i>Total Deferred Outflows of Resources</i>	38,560,851	23,364,389	15,196,462
<i>Current Liabilities</i>	6,976,399	6,034,095	942,304
<i>Noncurrent Liabilities</i>	170,934,239	148,210,277	22,723,962
<i>Total Liabilities</i>	177,910,638	154,244,372	23,666,266
<i>Pensions</i>	3,739,490	2,493,064	1,246,426
<i>Other Postemployment Benefits</i>	4,841,219	7,261,827	(2,420,608)
<i>Total Deferred Inflows of Resources</i>	8,580,709	9,754,891	(1,174,182)
<i>Net Investment in Capital Assets</i>	26,876,921	25,042,090	1,834,831
<i>Restricted</i>	9,192,812	7,369,581	1,823,231
<i>Unrestricted</i>	(116,201,822)	(103,885,092)	(12,316,730)
<i>Total Net (Deficit)</i>	\$ (80,132,089)	\$ (71,473,421)	\$ (8,658,668)

Total assets decreased 1.97%. This change stems from decreases in noncurrent and capital assets. Current assets changed due to expenses exceeding revenues causing a reduction in cash. Capital assets decreased due to depreciation expense in excess of capital outlay.

Deferred outflows of resources increased 65.04% and deferred inflows of resources decreased 12.04%. These changes are a result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the other postemployment benefits (OPEB) plan.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Total liabilities increased 15.34%. This change stems primarily from increases in the School District's OPEB liability.

The School District experienced an increase in net investment in capital assets, primarily due to a reduction in debt offset by depreciation expenses exceeding capital outlay. Restricted net position increased 24.74%, primarily due to board approved additions to reserve accounts. Finally, unrestricted net deficit increased 11.86%, primarily as a result of expenses exceeding revenues.

Our analysis in *Figure 2* considers the operations of the School District's activities.

Figure 2

<i>Changes in Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 165,872	\$ 360,979	\$ (195,107)
<i>Operating Grants and Contributions</i>	2,041,304	1,403,256	638,048
<i>Capital Grants</i>	-	290,395	(290,395)
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	14,254,128	13,990,013	264,115
<i>Real Property Tax Items</i>	3,766,791	3,775,429	(8,638)
<i>State Sources</i>	19,689,336	19,990,873	(301,537)
<i>Use of Money and Property</i>	6,197	152,357	(146,160)
<i>Other General Revenues</i>	458,189	544,757	(86,568)
Total Revenues	\$ 40,381,817	\$ 40,508,059	\$ (126,242)
PROGRAM EXPENSES			
<i>General Support</i>	\$ 6,557,412	\$ 7,182,285	(624,873)
<i>Instruction</i>	38,181,794	33,650,580	4,531,214
<i>Pupil Transportation</i>	2,373,692	2,127,613	246,079
<i>School Lunch Program</i>	1,005,709	979,541	26,168
<i>Interest on Debt</i>	921,878	736,855	185,023
Total Expenses	\$ 49,040,485	\$ 44,676,874	\$ 4,363,611
INCREASE (DECREASE) IN NET POSITION	\$ (8,658,668)	\$ (4,168,815)	\$ (4,489,853)

Total revenues for the School District's Governmental Activities decreased by 0.31%, while total expenses increased by 9.77%. The decrease in revenue is mostly due to decreases in service and interest revenues capital grants and state sources decreased more. The increase in expenses is primarily due to an increase in the School District's net OPEB liability.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figures 3 and 4 show the sources of revenue for 2021 and 2020.

Figure 3
Sources of Revenue for 2021

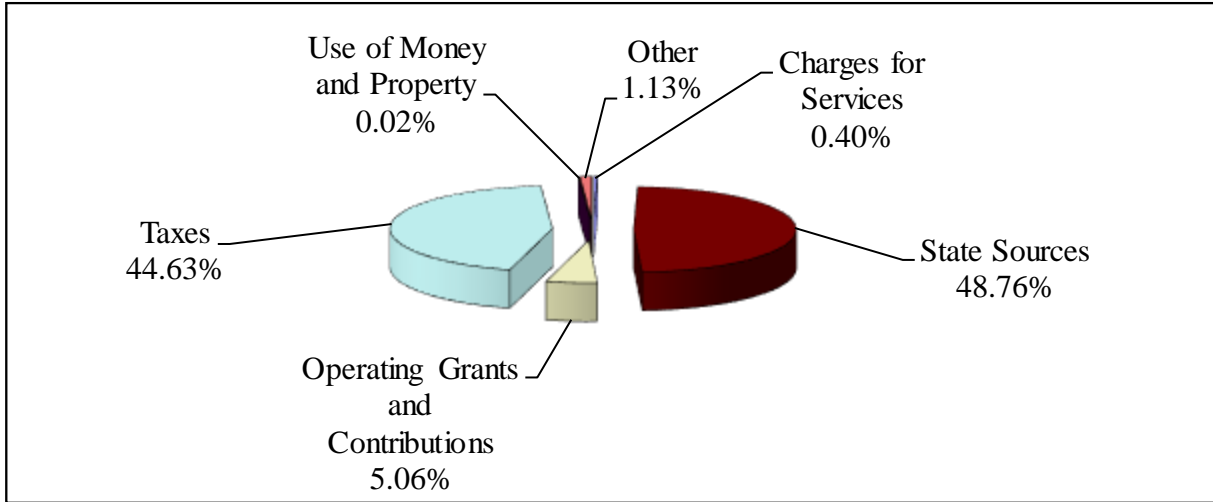
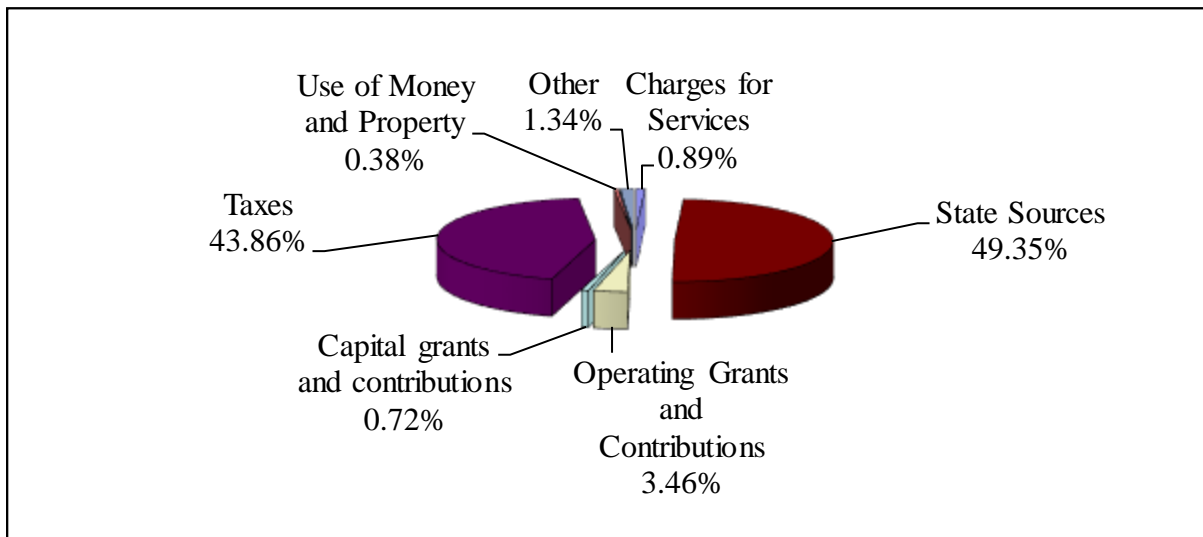


Figure 4
Sources of Revenue for 2020



SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figures 5 and 6 present the cost for each of the School District's programs for 2021 and 2020.

Figure 5
Cost of Programs for 2021

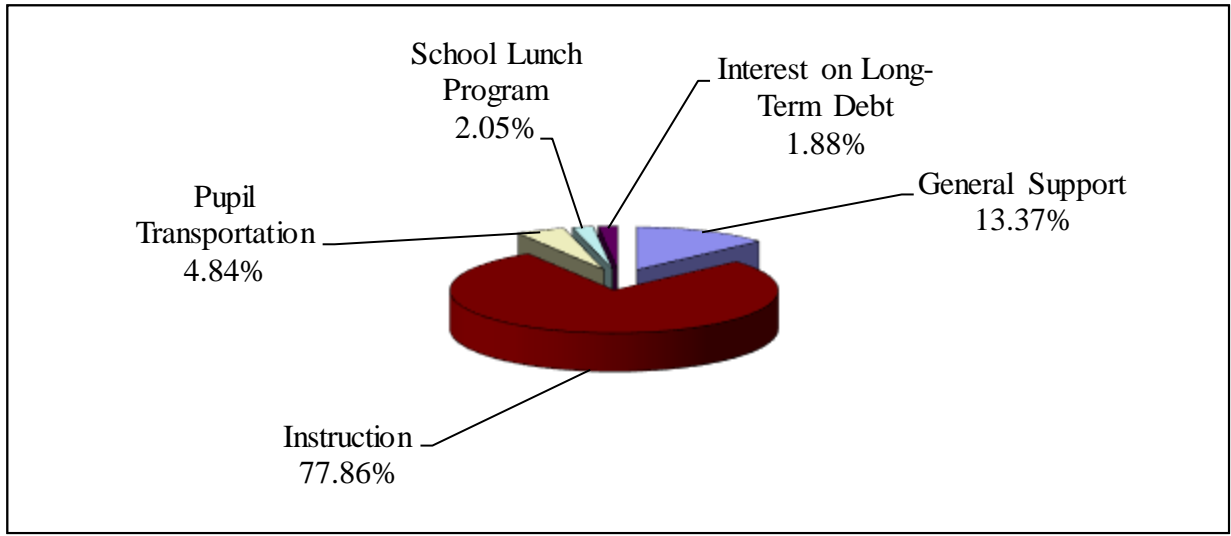
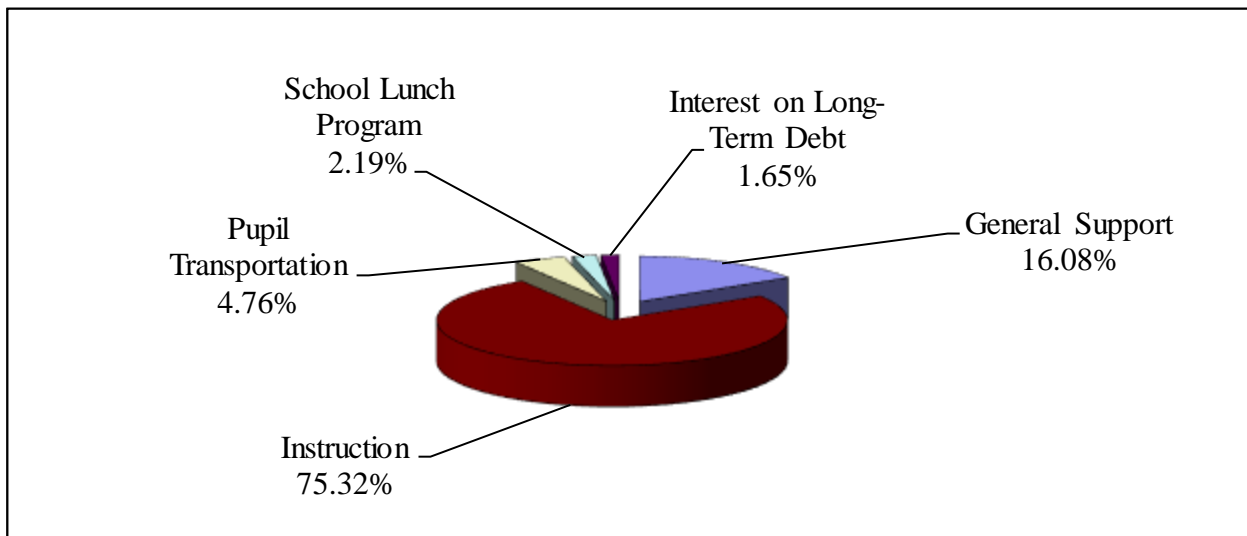


Figure 6
Cost of Programs for 2020



SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in fund balances for the year for the School District's funds. The School District experienced an increase in total fund balance, which is primarily attributable to revenues over expenditures in the General Fund offset by expenditures over revenues in the Capital Projects Fund.

Figure 7

<i>Governmental Fund Balances</i>	<i>2021</i>	<i>2020</i>	<i>Total Dollar Change 2020-2021</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 10,908,093	\$ 9,633,046	\$ 1,275,047
<i>Capital Fund</i>	(1,754,844)	(672,693)	(1,082,151)
<i>Non-Major Funds:</i>			
<i>School Lunch Fund</i>	327,384	91,618	235,766
<i>Debt Service Fund</i>	984,738	740,323	244,415
<i>Miscellaneous Special Revenue Fund</i>	10,762	10,261	501
<i>Total Governmental Funds</i>	\$ 10,476,133	\$ 9,802,555	\$ 673,578

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board approves budgetary transfers of \$5,000 or more that revise the School District budget line items. These budget amendments consist of budget transfers between functions, which did not increase the overall budget for the year ended June 30, 2021.

In addition, during the year the budget was amended. These budget amendments consisted of gifts and donations, insurance proceeds, and use of reserves, which increased the budget by \$33,430. After these adjustments, the actual charges to appropriations (expenditures), including carry-over encumbrances, were below the final budget amounts by \$2,022,527.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ended June 30, 2021.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 8

<i>Condensed Budgetary Comparison General Fund - 2020</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
<i>Real Property Taxes</i>	\$ 17,377,250	\$ 14,312,209	\$ 14,254,128	\$ (58,081)
<i>Other Tax Items</i>	714,083	3,779,124	3,766,791	(12,333)
<i>State Sources</i>	20,290,357	19,927,309	20,123,698	196,389
<i>Federal Sources</i>	-	363,048	383	(362,665)
<i>Other, Including Financing Sources</i>	586,000	600,565	636,515	35,950
Total Revenues and Other Financing Sources	\$ 38,967,690	\$ 38,982,255	\$ 38,781,515	\$ (200,740)
Appropriated Fund Balances	\$ 1,213,650	\$ 1,232,515	-	-
EXPENDITURES				
<i>General Support</i>	\$ 4,958,142	\$ 5,163,654	\$ 4,861,117	\$ \$ 302,537
<i>Instruction</i>	18,120,465	18,329,835	17,148,908	1,180,927
<i>Pupil Transportation</i>	1,484,587	1,299,908	1,002,719	297,189
<i>Employee Benefits</i>	11,535,428	11,337,611	11,108,662	228,949
<i>Debt Service</i>	3,937,718	3,938,762	3,938,761	1
<i>Other Financing Uses</i>	145,000	145,000	132,076	12,924
Total Expenditures and Other Financing (Uses)	\$ 40,181,340	\$ 40,214,770	\$ 38,192,243	\$ 2,022,527

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2021, the School District had invested in a broad range of capital assets totaling \$78,586,176 offset by accumulated depreciation of \$26,168,847. *Figure 9* shows the changes in the School District's capital assets.

Figure 9

<i>Changes in Capital Assets</i>	<i>2021</i>	<i>2020</i>	<i>Total Dollar Change 2020-2021</i>
<i>Land</i>	\$ 350,000	\$ 350,000	\$ -
<i>Construction in Progress</i>	931,133	3,429,920	(2,498,787)
<i>Buildings, Net</i>	48,093,400	46,436,325	1,657,075
<i>Equipment, Net</i>	3,042,796	2,831,147	211,649
Total	\$ 52,417,329	\$ 53,047,392	\$ (630,063)

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Capital asset activity for the year ended June 30, 2021 included the following:

Furniture and Equipment	\$ 748,075
Buildings	14,915
Construction in Progress	744,644
Total Additions	1,507,634
Less Net Value of Disposals	(6,796)
Less Depreciation Expense	(2,130,901)
Net Change in Capital Assets	\$ (630,063)

Debt Administration

Figure 10 shows the changes in the School District's outstanding debt. Total indebtedness represented 37.9% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020-2021</i>
<i>Bond Anticipation Notes</i>	\$ 1,342,052	\$ 1,158,158	\$ 183,894
<i>Bonds</i>	24,402,661	27,119,662	(2,717,001)
<i>Total</i>	\$ 25,744,713	\$ 28,277,820	\$ (2,533,107)

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

The School District's bond rating is A, which did not change from the prior year.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- In May of 2021, the voters approved the proposed 2021-2022 School District budget in the amount of \$40.8 million.
- In May of 2021, the voters approved the purchase of three 66 passenger buses at a total cost not to exceed \$400,000, to be paid over 5 years.
- There is still much uncertainty regarding COVID-19. The School District made diverse adjustments including the implementation of remote / hybrid instruction including students with disabilities, food distribution to ensure adequate feeding of students, as well as complying with new safety regulations. Currently the District is planning to return to full day on-site instruction for 2021 – 2022 school year. However, should circumstances require, the School District will be capable of continuing with remote / hybrid instruction.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Susquehanna Valley Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office of the Susquehanna Valley Central School District, 1040 Conklin Road, Conklin, New York 13748.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2021

ASSETS

Current Assets

Cash - Unrestricted	\$ 4,572,301
Cash - Restricted	<u>1,088,820</u>
Receivables:	
State and Federal Aid	<u>935,306</u>
Due from Other Governments	<u>850,963</u>
Other	<u>20,801</u>
Inventories	<u>32,197</u>
Total Current Assets	<u>7,500,388</u>

Noncurrent Assets

Cash - Restricted	<u>7,880,690</u>
Capital Assets, Net:	
Land and Construction in Progress	<u>1,281,133</u>
Depreciable Capital Assets, Net	<u>51,136,196</u>
Total Noncurrent Assets	<u>60,298,019</u>

Total Assets	<u>67,798,407</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pensions	<u>8,855,763</u>
Other Postemployment Benefits	<u>29,500,783</u>
Deferred Charges on Defeased Debt	<u>204,305</u>
Total Deferred Outflows of Resources	<u>38,560,851</u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued) JUNE 30, 2021

Current Liabilities

Payables:

Accounts Payable	\$ 627,051
Accrued Liabilities	385,239
Due to Other Governments	30
Bond Interest and Matured Bonds	53,171
Bond Anticipation Notes Payable	1,342,052
Overpayments and Collections in Advance	160,420
Unearned Revenues	221,867
Due to Teachers' Retirement System	1,154,231
Due to Employees' Retirement System	129,895
Current Portion of Long-Term Obligations:	
Bonds Payable	2,902,443
Total Current Liabilities	6,976,399

Noncurrent Liabilities

Bonds Payable	21,500,218
Compensated Absences Payable	1,133,318
Other Postemployment Benefits Liability	146,402,163
Net Pension Liability - Proportionate Share	1,898,540
Total Noncurrent Liabilities	170,934,239

Total Liabilities

177,910,638

DEFERRED INFLOWS OF RESOURCES

Pensions	3,739,490
Other Postemployment Benefits	4,841,219

Total Deferred Inflows of Resources

8,580,709

NET POSITION

Net Investment in Capital Assets	26,876,921
Restricted	9,192,812
Unrestricted (Deficit)	(116,201,822)

Total Net (Deficit)

\$ (80,132,089)

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants		Capital Grants
General Support	\$ 6,557,412	\$ -	\$ -	\$ -	\$ (6,557,412)
Instruction	38,181,794	157,363	1,073,023	-	(36,951,408)
Pupil Transportation	2,373,692	-	-	-	(2,373,692)
School Lunch Program	1,005,709	8,509	968,281	-	(28,919)
Interest on Debt	921,878	-	-	-	(921,878)
Total Functions and Programs	\$ 49,040,485	\$ 165,872	\$ 2,041,304	\$ -	(46,833,309)
GENERAL REVENUES					
					14,254,128
Real Property Taxes					3,766,791
Real Property Tax Items					6,197
Use of Money and Property					19,689,336
State Sources					12,857
Sale of Property and Compensation for Loss					445,332
Miscellaneous					38,174,641
					Total General Revenues
					(8,658,668)
					Change in Net Position
					(71,473,421)
					Total Net (Deficit) - Beginning of Year, as Restated
					\$ (80,132,089)
					Total Net (Deficit) - End of Year

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2021

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
ASSETS				
Cash - Unrestricted	\$ 4,532,326	\$ 1,539	\$ 38,436	\$ 4,572,301
Cash - Restricted	7,873,128	-	1,096,382	8,969,510
Receivables:				
Due from Other Funds	545,338	-	1,220	546,558
State and Federal Aid	482,040	-	453,266	935,306
Due from Other Governments	850,963	-	-	850,963
Other	20,657	-	144	20,801
Inventories	-	-	32,197	32,197
Total Assets	\$ 14,304,452	\$ 1,539	\$ 1,621,645	\$ 15,927,636
LIABILITIES				
Payables:				
Accounts Payable	\$ 620,180	\$ -	\$ 6,871	\$ 627,051
Accrued Liabilities	370,827	-	14,412	385,239
Due to Other Funds	1,220	414,331	131,007	546,558
Due to Other Governments	-	-	30	30
Bond Anticipation Notes Payable	-	1,342,052	-	1,342,052
Overpayments and Collections in Advance	160,420	-	-	160,420
Unearned Revenues	72,226	-	149,641	221,867
Due to Teachers' Retirement System	1,154,231	-	-	1,154,231
Due to Employees' Retirement System	129,895	-	-	129,895
Total Liabilities	2,508,999	1,756,383	301,961	4,567,343
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - BOCES and State Aid	887,360	-	-	887,360
Total Deferred Inflows of Resources	887,360	-	-	887,360
FUND BALANCES				
Nonspendable	-	-	32,197	32,197
Restricted	7,873,128	-	1,287,487	9,160,615
Assigned	1,560,775	-	-	1,560,775
Unassigned	1,474,190	(1,754,844)	-	(280,654)
Total Fund Balances (Deficit)	10,908,093	(1,754,844)	1,319,684	10,472,933
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,304,452	\$ 1,539	\$ 1,621,645	\$ 15,927,636

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Fund Balances - Total Governmental Funds **\$ 10,472,933**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 78,586,176	
Less Accumulated Depreciation	<u>(26,168,847)</u>	52,417,329

Certain assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

September Aid		887,360
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The School District's proportionate share of the employee retirement systems' collective net pension liability is not reported in the funds.

TRS Net Pension Liability - Proportionate Share	\$ (1,888,985)	
ERS Net Pension Liability - Proportionate Share	<u>(9,555)</u>	(1,898,540)

Deferred outflows of resources, including deferred charges on defeased debt, pensions, and other postemployment benefits, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including OPEB and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Charges on Defeased Debt	\$ 204,305	
Other Postemployment Benefits Deferred Outflows of Resources	29,500,783	
ERS Deferred Outflows of Resources - Pension	2,167,982	
TRS Deferred Outflows of Resources - Pension	6,687,781	
Other Postemployment Benefits Deferred Inflows of Resources	(4,841,219)	
ERS Deferred Inflows of Resources - Pension	(2,791,085)	
TRS Deferred Inflows of Resources - Pension	<u>(948,405)</u>	29,980,142

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (21,755,000)	
Unamortized Bond Premium	<u>(2,647,661)</u>	(24,402,661)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Other Postemployment Benefits Liability	\$(146,402,163)	
Compensated Absences	(1,133,318)	
Accrued Interest on Long-Term Debt	<u>(53,171)</u>	<u>(147,588,652)</u>

Net (Deficit) of Governmental Activities **\$ (80,132,089)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
REVENUES				
Real Property Taxes	\$ 14,254,128	\$ -	\$ -	\$ 14,254,128
Real Property Tax Items	3,766,791	-	-	3,766,791
Charges for Services	97,931	-	-	97,931
Use of Money and Property	2,679	-	-	2,679
Sale of Property and Compensation for Loss	19,653	-	3,518	23,171
Miscellaneous	433,820	-	11,771	445,591
State Sources	20,123,698	-	159,372	20,283,070
Medicaid Reimbursement	59,432	-	-	59,432
Federal Sources	383	-	1,790,420	1,790,803
Sales - School Lunch	-	-	8,250	8,250
Total Revenues	38,758,515	-	1,973,331	40,731,846
EXPENDITURES				
General Support	4,213,576	-	-	4,213,576
Instruction	17,110,674	-	1,298,997	18,409,671
Pupil Transportation	1,002,719	-	9,818	1,012,537
Employee Benefits	11,108,662	-	108,653	11,217,315
Debt Service:				
Principal	2,745,106	-	-	2,745,106
Interest	1,193,655	-	-	1,193,655
Cost of Sales	-	-	351,361	351,361
Capital Outlay	-	1,288,043	-	1,288,043
Total Expenditures	37,374,392	1,288,043	1,768,829	40,431,264
Excess (Deficiency) of Revenues Over Expenditures	1,384,123	(1,288,043)	204,502	300,582
OTHER FINANCING SOURCES AND (USES)				
Premium on Obligations	-	-	9,690	9,690
BANs Redeemed from Appropriations	-	360,106	-	360,106
Operating Transfers In	23,000	100,000	286,290	409,290
Operating Transfers (Out)	(132,076)	(254,214)	(23,000)	(409,290)
Total Other (Uses) Sources	(109,076)	205,892	272,980	369,796
Net Change in Fund Balance	1,275,047	(1,082,151)	477,482	670,378
Fund Balances (Deficit) - Beginning of Year	9,633,046	(672,693)	842,202	9,802,555
Fund Balances (Deficit) - End of Year	\$ 10,908,093	\$ (1,754,844)	\$ 1,319,684	\$ 10,472,933

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds **\$ 670,378**

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

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and disposals.

Capital Outlay	\$ 1,507,634	
Net Book Value of Disposed Assets	(6,796)	
Depreciation Expense	<u>(2,130,901)</u>	(630,063)

Changes in the School District's proportionate share of net pension assets and liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to pensions do not effect current financial resources and are, also, not reported in the Governmental Funds.

ERS	\$ 183,724	
TRS	<u>(1,525,565)</u>	(1,341,841)

Certain revenue in the Governmental Funds is not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this revenue change is recognized regardless of when it is collected. (343,233)

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term debt in the Statement of Net Position.

Principal Payment	\$ 2,385,000	
Amortization of Premium on Obligation	332,001	
Amortization of Deferred Amounts on Refunding of Debt	<u>(68,213)</u>	2,648,788

Long-term obligations, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term obligations are not reflected in the Governmental Fund financial statements. In addition, changes in the School District's deferred outflows of resources related to other postemployment benefits do not affect current financial resources and are, also, not reported in the Governmental Funds. These are the changes in the amounts reported in the Statement of Activities.

Compensated Absence Liability	\$ (89,203)	
Other Postemployment Benefits Liability	<u>(9,571,793)</u>	(9,660,996)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.

Interest Payable		<u>(1,701)</u>
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Net Change in Net Position of Governmental Activities **\$ (8,658,668)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2021

	<u>Custodial Fund</u>
ASSETS	
Cash - Unrestricted	\$ 96,504
Total Assets	<u>\$ 96,504</u>
NET POSITION	
Unassigned	<u>\$ 96,504</u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Fund
ADDITIONS	
Extraclass Cash Receipts	\$ 43,318
Total Additions	<u>43,318</u>
DEDUCTIONS	
Extraclass Cash Disbursements	<u>71,864</u>
Change in Net Position	(28,546)
Net Position - Beginning of Year, as Restated	<u>125,050</u>
Net Position - End of Year	<u><u>\$ 96,504</u></u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies

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

Reporting Entity

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended.

- The primary government, which is the Susquehanna Valley Central School District;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the Susquehanna Valley Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's office, located at 1040 Conklin Road, Conklin, NY 13748.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Joint Venture

The School District is one of 15 component school districts in the Broome-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs to provide educational and support activities.

BOCES are organized under §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 (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the General Municipal Law (GML).

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

Basis of Presentation - District-Wide Financial Statements

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. 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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Basis of Presentation - Governmental Fund Financial Statements

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

Major Funds

- General Fund: The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- Capital Projects Fund: Accounts for the financial resources used for capital construction.

Non-Major Funds

- Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for special educational programs.
 - School Lunch Fund: Accounts for revenues and expenditures in connection with the School District's food service program.
 - Miscellaneous Special Revenue Fund: Used to account for student scholarships whose funds are restricted as to use.
- Debt Service Fund: Accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of Governmental Activities.

Fiduciary activities are those in which the School 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 School District and are not available to be used.

The School District reports the following Fiduciary Funds:

- Custodial Fund: Assets are held by the School District as agent for Extraclassroom Activity Funds.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

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. Nonexchange transactions, in which the School 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 financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for BOCES aid, which is accrued only if receivable within 60 days after the end of the fiscal year.

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

Cash and Investments

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments are stated at fair value.

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 **Summary of Significant Accounting Policies - Continued**

Due To/From Other 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.

Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of items of an inventory nature in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to the adoption of GASB Statement No. 34. For assets acquired prior to the adoption of GASB Statement No. 34, estimated historical costs, based on appraisal and research of the School District's accounting records, were used. Donated assets are reported at acquisition 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 financial statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings	\$ 5,000	20-40 Years
Furniture and Equipment	5,000	5-20 Years

The School District utilizes the straight-line method of depreciation.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports deferred charges on defeased debt resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. The School District also reports deferred outflows related to pensions and OPEB plans in the District-wide Statement of Net Position. The types of deferred outflows related to pensions and OPEB plans are described in Notes 10 and 11, respectively.

In addition to liabilities, the Statement of Net Position reports 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 will not be recognized as an inflow of resources (revenue) until that time. The School District reports unavailable revenues under the modified accrual basis of accounting in the Balance Sheet - Governmental Funds. In the Statement of Net Position, the School District reports deferred inflows related to pensions and OPEB plans which are further described in Notes 10 and 11, respectively.

Unearned and Unavailable Revenues

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

The Governmental Fund financial statements report unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed and revenues are recorded.

Vested Employee Benefits - Compensated Absences

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

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

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

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Vested Employee Benefits - Compensated Absences - Continued

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

Postemployment Benefits

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 11 for additional information.

Overpayments and Collections in Advance

Overpayments and collections in advance arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability is removed, and revenues are recorded.

Accrued Liabilities and Long-Term Obligations

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

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Accrued Liabilities and Long-Term Obligations - Continued

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

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Equity Classifications - District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

Equity Classifications - Governmental Fund Financial Statements

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued

- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority the Board of Education, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to 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.

The Board of Education of the School District has not adopted any resolutions to commit or assign fund balance. Currently, fund balance is assigned by the Business Official for encumbrances and the Board of Education, by resolution, approves fund balance appropriations for next year's budget. The School District applies expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Legally Adopted Reserves

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within New York State. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

- Employee Benefit Accrued Liability Reserve (GML §6-p) - Used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- Mandatory Debt Service Reserve (GML §6-1) - Used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.
- Tax Certiorari Reserve (Education Law §3651.1-a) - Used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

Legally Adopted Reserves - Continued

- Capital Reserve (Education Law §3651) - Used to pay the cost of any object or purpose for which bonds may be issued. The creation of a Capital Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.
- Retirement Contribution Reserve (GML §6-r) - Used to reserve funds for the purpose of financing retirement contributions. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- Unemployment Insurance Reserve (GML §6-m) - Used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and became lien on August 18, 2020. Taxes were collected during the period September 1, 2020 to October 31, 2020.

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

Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

***Note 1* Summary of Significant Accounting Policies - Continued**

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Future Changes in Accounting Standards

- GASB has issued Statement No. 87, "Leases," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending June 30, 2022.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending June 30, 2022.

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

***Note 2* Participation in BOCES**

During the year ended June 30, 2021, the School District's share of BOCES income amounted to \$2,170,658. The School District was billed \$4,977,632 for BOCES administration and program costs. Financial statements for the Broome-Tioga BOCES are available from the BOCES administrative office at 435 Upper Glenwood Road, Binghamton, New York, 13905.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 3 Cash and Cash Equivalents - Custodial and Concentration of Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District's aggregate bank balances (including certificates of deposit) of \$13,710,264 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

Restricted cash consists of the following at June 30, 2021:

Restricted for Debt	\$ 984,738
Restricted for School Lunch	104,082
General Fund Reserves	7,873,128
Restricted for Scholarships	<u>7,562</u>
Total	<u><u>\$ 8,969,510</u></u>

Note 4 Due From Other Governments

Due from other governments consisted of the following, which are stated at net realizable value.

<u>Description</u>	<u>Amount</u>
BOCES September Aid	<u>\$ 850,963</u>
Total	<u><u>\$ 850,963</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 5 Interfund Balances and Activity

Interfund balances at June 30, 2021 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 545,338	\$ 1,220	\$ 23,000	\$ 132,076
Capital Fund	-	414,331	100,000	254,214
Non-Major Funds	1,220	131,007	286,290	23,000
Total	\$ 546,558	\$ 546,558	\$ 409,290	\$ 409,290

The School District typically transfers from the General Fund to the Special Aid Fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Funds, as needed, to fund capital projects.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets that are not Depreciated:				
Land	\$ 350,000	\$ -	\$ -	\$ 350,000
Construction in Progress	3,429,920	744,644	(3,243,431)	931,133
Total Nondepreciable Historical Cost	3,779,920	744,644	(3,243,431)	1,281,133
Capital Assets that are Depreciated:				
Buildings	66,664,611	14,915	3,243,431	69,922,957
Furniture and Equipment	7,138,615	748,075	(504,604)	7,382,086
Total Depreciable Historical Cost	73,803,226	762,990	2,738,827	77,305,043
Total Historical Cost	77,583,146	1,507,634	(504,604)	78,586,176
Less Accumulated Depreciation:				
Buildings	(20,228,286)	(1,601,271)	-	(21,829,557)
Furniture and Equipment	(4,307,468)	(529,630)	497,808	(4,339,290)
Total Accumulated Depreciation	(24,535,754)	(2,130,901)	497,808	(26,168,847)
Total Historical Cost, Net	\$ 53,047,392	\$ (623,267)	\$ (6,796)	\$ 52,417,329

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 6 Capital Assets - Continued

Depreciation expense was charged to governmental functions as follows:

General Support	\$	241,038
Instruction		1,480,280
Pupil Transportation		386,469
School Lunch		23,114
Total Depreciation Expense	\$	2,130,901

Note 7 Short-Term Debt

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs or TANs during the year.

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

The School District may issue bond anticipation notes (BANs), 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 BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. One BAN was outstanding at June 30, 2021.

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

<u>Description of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Renewed/ Redeemed</u>	<u>Ending Balance</u>
2020 Capital BAN	1.49%	09/25/2020	\$ 1,158,158	\$ -	\$ (1,158,158)	\$ -
2020 Bus BAN	1.25%	09/24/2021	-	1,342,052	-	1,342,052
Total			\$ 1,158,158	\$ 1,342,052	\$ (1,158,158)	\$ 1,342,052

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 7 Short-Term Debt - Continued

Interest paid on short-term debt during the year was:

Interest Paid	\$	17,209
Less Premiums on BANs		(9,690)
Less Interest Accrued in the Prior Year		(13,326)
Plus Interest Accrued in the Current Year		13,001
Total	\$	7,194

Note 8 Long-Term Debt

At June 30, 2021, the total outstanding indebtedness of the School District represented 37.9% of its statutory debt limit, exclusive of building aid. Long-term debt is classified as follows.

- Serial Bonds and Revenue Bonds - The School District borrows money in order to acquire land or equipment 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 the capital assets.

The following is a summary of the School District's long-term debt for the year ended June 30, 2021:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
Serial Bonds:				
Refunding Bonds	10/12/2017	06/15/2039	2.0% - 3.25%	\$ 7,955,000
Total Refunding Bonds				7,955,000
Serial Bond - 2014	06/25/2014	06/15/2029	2.0% - 3.0%	2,580,000
Total Serial Bonds				2,580,000
Revenue Bonds:				
Revenue Bond - 2017	06/15/2017	06/15/2035	5.0%	1,640,000
Revenue Bond - 2020	06/17/2020	06/15/2035	5.0%	9,580,000
Total Revenue Bonds				11,220,000
Total				\$ 21,755,000

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 8 Long-Term Debt - Continued

Interest paid on long-term debt during the year was:

Interest Paid	\$ 1,176,446
Less Interest Accrued in the Prior Year	(38,144)
Plus Interest Accrued in the Current Year	40,170
Less Amortization of Bond Premium	(332,001)
Plus Amortization of Deferred Charges on Defeased Debt	<u>68,213</u>
 Total	 <u><u>\$ 914,684</u></u>

Interest paid on the Serial Bonds varies from year to year, in accordance with interest rates specified in the bond agreements.

Long-term debt balances and activity for the year are summarized below.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	\$ 24,140,000	\$ -	\$ 2,385,000	\$ 21,755,000	\$ 2,585,000
Premium on Obligations	2,979,662		332,001	2,647,661	317,443
Total Serial Bonds	<u><u>\$ 27,119,662</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,717,001</u></u>	<u><u>\$ 24,402,661</u></u>	<u><u>\$ 2,902,443</u></u>
 Deferred Charges on Defeased Debt	 \$ 272,518	 \$ -	 \$ 68,213	 \$ 204,305	 \$ 62,553
Total	<u><u>\$ 272,518</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 68,213</u></u>	<u><u>\$ 204,305</u></u>	<u><u>\$ 62,553</u></u>

The following is a summary of the maturity of long-term indebtedness:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,585,000	\$ 990,913	\$ 3,575,913
2023	2,485,000	838,963	3,323,963
2024	2,570,000	747,463	3,317,463
2025	2,670,000	645,813	3,315,813
2026	2,800,000	521,013	3,321,013
2027-2031	5,570,000	1,514,721	7,084,721
2032-2036	3,010,000	331,890	3,341,890
2037-2039	65,000	4,251	69,251
 Total	 <u><u>\$ 21,755,000</u></u>	 <u><u>\$ 5,595,027</u></u>	 <u><u>\$ 27,350,027</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 9 Compensated Absences

Represents the value of the earned and unused portion of the liability of compensated absences. This liability is liquidated from the General and School Lunch Funds.

Compensated absences balance and activity are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated Absences	\$ 1,044,115	\$ 89,203	\$ -	\$ 1,133,318

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS) (System)

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee 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 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, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Plan Descriptions and Benefits Provided - Continued

Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

Employees' Retirement System (ERS) (System)

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. 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 School 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, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Contributions

The School District is required to contribute at an actuarially determined rate. The School District's contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding Plan years were as follows:

	ERS	TRS
2021	\$ 459,281	\$ 1,030,622
2020	438,884	1,234,491
2019	426,528	1,140,243

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

At June 30, 2021, the School District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The School District's proportionate share of the net pension liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

	ERS	TRS
Actuarial Valuation Date	04/01/2020	06/30/2019
Net Pension Liability	\$ 99,573,957	\$ 2,763,270,835
School District's Proportionate Share of the Plan's Total Net Pension Liability	9,555	1,888,985
School District's Share of the Plan's Net Pension Liability	0.0095957%	0.0683610%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) – Continued

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

For the year ended June 30, 2021, the School District recognized pension expense of \$293,388 for ERS and \$2,629,796 for TRS in the District-wide financial statements. At June 30, 2021 the School 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	\$ 116,690	\$ 1,655,129	\$ -	\$ 96,807
Changes of Assumptions	1,756,823	2,389,125	33,134	851,598
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,233,673	2,744,707	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	164,574	303,613	13,244	-
School District's Contributions Subsequent to the Measurement Date	129,895	1,106,241	-	-
Total	\$ 2,167,982	\$ 6,687,781	\$ 2,791,085	\$ 948,405

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	ERS	TRS
2022	\$ (101,914)	\$ 822,421
2023	(17,463)	1,572,017
2024	(122,825)	1,280,294
2025	(510,796)	799,363
2026	-	56,983
Thereafter	-	102,057

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Investment Rate of Return	5.9%	7.1%
Salary Increases	4.4%	1.9% - 4.72%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2019.

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

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions - Continued

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Asset Type		
Domestic Equities	4.1%	7.1%
International Equities	6.3%	7.7%
Global Equities		7.4%
Real Estate	5.0%	6.8%
Private Equity/Alternative Investments	6.8%	10.4%
Opportunistic Portfolio	4.5%	
Real Assets	6.0%	
Cash	0.0%	
Credit	3.6%	
Fixed Income	0.0%	
Domestic Fixed Income Securities	0.0%	1.8%
Global Fixed Income Securities		1.0%
Private Debt		5.2%
Real Estate Debt		3.6%
High-Yield Fixed Income Securities		3.9%
Short-Term		0.7%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% 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 contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension Liability	\$ 2,652,049	\$ 9,555	\$ 2,427,443
TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
School District's Proportionate Share of the Net Asset/Pension Liability	\$ 11,932,065	\$ 1,888,985	\$ (6,539,705)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Employers' Total Pension Liability	\$ 220,680,157	\$ 123,242,776
Plan Net Position	(220,580,583)	(120,479,505)
Employers' Net Pension Liability	\$ 99,574	\$ 2,763,271
Ratio of Plan Net Position to the Employers' Total Pension Liability	99.9%	97.8%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$129,895.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 amounted to \$1,154,231.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Liability	\$ 2,482,102	\$ (2,472,547)	\$ 9,555
Deferred Outflows of Resources	(1,731,861)	(436,121)	(2,167,982)
Deferred Inflows of Resources	66,141	2,724,944	2,791,085
Subtotal	816,382	(183,724)	632,658
TRS			
Net Pension Asset/Liability	(1,815,289)	3,704,274	1,888,985
Deferred Outflows of Resources	(5,987,590)	(700,191)	(6,687,781)
Deferred Inflows of Resources	2,426,923	(1,478,518)	948,405
Subtotal	(5,375,956)	1,525,565	(3,850,391)
Total	\$ (4,559,574)	\$ 1,341,841	\$ (3,217,733)

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan Description - The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the School District has in place with different classifications of employees. The School District acquires health insurance through a consortium known as the Broome-Tioga Health Insurance Consortium. Benefits provided by the Consortium are administered by Blue Cross/Blue Shield. The Consortium plan covers medical and pharmaceutical costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms - At June 30, 2021, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	384
Inactive Employees Entitled to	
but Not Yet Receiving Benefit Payments	-
Active Employees	<u>266</u>
Total	<u><u>650</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$146,402,163 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	2.16%
Inflation	2.16%
Actuarial Cost Method	Entry Age Normal
Healthcare Cost Trend Rates	5.3% for 2020, decreasing to an ultimate rate of 4.1% after 2077.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

The S&P Municipal Bond 20 Year High Grade Rate was used to determine the long-term bond rate above.

Mortality rates were based on the Scale MP-2016 (generation mortality) published by the pension mortality study released by the Society of Actuaries.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death, or retirement.

Retirement rates are based on tables used by the New York State Teachers' Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2018 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 120,281,399
Changes for the Year	
Service Cost	4,920,860
Interest Cost	2,725,130
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	14,820,664
Changes in Assumptions	7,461,377
Benefit Payments	(3,807,267)
Net Change	26,120,764
Balance at June 30, 2021	\$ 146,402,163

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 174,201,416	\$ 146,402,163	\$ 124,491,825

Changes of assumptions and other inputs reflect a change in the discount rate from 2.2% in 2020 to 2.16% in 2021.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 Postemployment Benefits Other Than Pensions (OPEB) – Continued

Changes in the Total OPEB Liability - Continued

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

	1% Decrease (4.3% to 3.1%)	Healthcare Cost Trend Rate (5.3% to 4.1%)	1% Increase (6.3% to 5.1%)
Total OPEB Liability	\$ 124,357,438	\$ 146,402,163	\$ 175,400,552

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$13,379,060.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 74,388	\$ 12,690,810
Changes in Assumptions or Other Inputs	4,766,831	16,809,973
Total	\$ 4,841,219	\$ 29,500,783

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

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

Fiscal Year Ending June 30,	Amount
2022	\$ 5,733,070
2023	5,733,067
2024	6,017,854
2025	3,776,617
2026	3,398,956
Thereafter	-

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 Postemployment Benefits Other Than Pensions (OPEB) – Continued

Current Activity

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB Liability	\$ 120,281,399	\$ 26,120,764	\$ 146,402,163
Deferred Outflows of Resources	(15,372,420)	(14,128,363)	(29,500,783)
Deferred Inflows of Resources	7,261,827	(2,420,608)	4,841,219
Total	<u>\$ 112,170,806</u>	<u>\$ 9,571,793</u>	<u>\$ 121,742,599</u>

Note 12 Commitments and Contingencies

Risk Financing and Related Insurance

General Information

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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 three years.

Health Insurance

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by the Broome-Tioga Health Insurance Consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include 16 districts and one BOCES, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained from the BOCES administrative office at 435 Glenwood Rd., Binghamton, NY 13760.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 12 Commitments and Contingencies - Continued

Risk Financing and Related Insurance - Continued

Health Insurance - Continued

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

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

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures totaling \$3,752,436.

Workers' Compensation

The School District incurs costs related to a workers' compensation insurance plan (Plan). The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include 11 school districts, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained from the BOCES administrative office at 435 Glenwood Rd., Binghamton, NY 13760.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

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

During the year ended June 30, 2021, the School District incurred premiums or contribution expenditures of \$208,573.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 12 Commitments and Contingencies - Continued

Other Items

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

Note 13 Fund Balance Detail

At June 30, 2021, nonspendable, restricted, and assigned fund balance in the governmental funds was as follows.

	General Fund	Non-Major Funds
Nonspendable		
Inventory	\$ -	\$ 32,197
Total Nonspendable Fund Balance	\$ -	\$ 32,197
Restricted		
Reserve for Employees' Retirement Contributions	\$ 2,268,522	\$ -
Reserve for Teachers' Retirement Contributions	695,029	-
Tax Certiorari Reserve	122,314	-
Unemployment Insurance Reserve	158,368	-
Employee Benefit Accrued Liability Reserve	328,931	-
Capital Reserve	4,299,964	-
School Lunch	-	295,187
Debt	-	984,738
Scholarships	-	7,562
Total Restricted Fund Balance	\$ 7,873,128	\$ 1,287,487
Assigned		
Appropriated for Next Year's Budget	\$ 875,000	\$ -
Encumbered for:		
General Support	647,541	-
Instruction	38,234	-
Total Assigned Fund Balance	\$ 1,560,775	\$ -

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 14 Restricted Fund Balances

Portions of restricted fund balance are reserved and not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity of the General Fund and Debt Service Fund reserves, for the year ended June 30, 2021, were as follows:

<u>General Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Reserve for Employees' Retirement Contributions	\$ 2,268,299	\$ -	\$ 223	\$ -	\$ 2,268,522
Reserve for Teachers' Retirement Contributions	462,983	232,000	46	-	695,029
Tax Certiorari Reserve	312,284	-	30	(190,000)	122,314
Unemployment Insurance Reserve	177,217	-	17	(18,866)	158,368
Employee Benefit Accrued Liability Reserve	328,898	-	33	-	328,931
Capital Reserve	3,024,666	1,275,000	298	-	4,299,964
Total	\$ 6,574,347	\$ 1,507,000	\$ 647	\$ (208,866)	\$ 7,873,128
Debt Service Fund	\$ 740,323	\$ 263,904	\$ 3,511	\$ (23,000)	\$ 984,738

Note 15 Tax Abatements

For the year ended June 30, 2021 the School District was subject to tax abatements negotiated by the Broome County Industrial Development Agency (BCIDA), and the Town of Conklin, New York (the Town).

The BCIDA entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by \$1,274,630. The School District received Payment in Lieu of Tax (PILOT) payment totaling \$649,795.

The Town also entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by \$47,119. The School District received Payment in Lieu of Tax (PILOT) payment totaling \$7,096.

Note 16 Stewardship, Compliance, and Accountability

Deficit Net Position

At June 30, 2021 the District-wide Statement of Net Position had a deficit net position of \$80,132,089. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 11). The deficit is not expected to be eliminated during the normal course of operations.

Deficit Fund Balance

At June 30, 2021 the Capital Fund had deficit fund balance of \$1,754,844. This deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 17 Restatement

During the year, the District adopted GASB Statement No. 84. The District's June 30, 2020 net position for governmental funds has been restated to reflect the following:

Net (Deficit) Beginning of Year	\$ (71,483,682)
GASB Statement No. 84 Implementation	<u>10,261</u>
Net (Deficit) Beginning of Year, as Restated	<u><u>\$ (71,473,421)</u></u>

In addition, net position for the Custodial Fund has been restated to reflect the following:

Net Position Beginning of Year	\$ -
GASB Statement No. 84 Implementation	<u>125,050</u>
Net Position Beginning of Year, as Restated	<u><u>\$ 125,050</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$17,377,250	\$14,312,209	\$14,254,128	\$ (58,081)
Real Property Tax Items	714,083	3,779,124	3,766,791	(12,333)
Charges for Services	90,000	90,000	97,931	7,931
Use of Money and Property	-	-	2,679	2,679
Sale of Property and Compensation for Loss	-	12,190	19,653	7,463
Miscellaneous	403,000	405,375	433,820	28,445
Total Local Sources	<u>18,584,333</u>	<u>18,598,898</u>	<u>18,575,002</u>	<u>(23,896)</u>
State Sources	20,290,357	19,927,309	20,123,698	196,389
Medicaid Reimbursement	70,000	70,000	59,432	(10,568)
Federal Sources	-	363,048	383	(362,665)
Total Revenues	<u>38,944,690</u>	<u>38,959,255</u>	<u>38,758,515</u>	<u>(200,740)</u>
OTHER FINANCING SOURCES				
Operating Transfers In	23,000	23,000	23,000	-
Total Revenues and Other Financing Sources	<u>38,967,690</u>	<u>38,982,255</u>	<u>\$38,781,515</u>	<u>\$ (200,740)</u>
Appropriated Fund Balance	759,436	778,301		
Designated Fund Balance and Encumbrances Carried Forward from Prior Year	454,214	454,214		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u><u>\$40,181,340</u></u>	<u><u>\$40,214,770</u></u>		

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 22,650	\$ 22,650	\$ 15,882	\$ 325	\$ 6,443
Central Administration	418,750	455,014	445,546	746	8,722
Finance	512,730	518,331	476,678	2,026	39,627
Staff	306,006	298,107	216,769	400	80,938
Central Services	3,318,725	3,492,755	2,687,012	644,044	161,699
Special Items	379,281	376,797	371,689	-	5,108
Total General Support	4,958,142	5,163,654	4,213,576	647,541	302,537
Instruction					
Instruction, Administration, and Improvement	1,019,952	1,007,703	833,731	92	173,880
Teaching - Regular School	9,074,335	9,213,867	8,634,935	4,098	574,834
Programs for Children with Handicapping Conditions	3,711,820	3,685,782	3,595,751	4,100	85,931
Occupational Education	557,409	557,409	557,409	-	-
Teaching - Special School	37,462	37,462	24,220	-	13,242
Instructional Media	1,668,514	1,808,298	1,758,450	1,848	48,000
Pupil Services	2,050,973	2,019,314	1,706,178	28,096	285,040
Total Instruction	18,120,465	18,329,835	17,110,674	38,234	1,180,927
Pupil Transportation	1,484,587	1,299,908	1,002,719	-	297,189
Employee Benefits	11,535,428	11,337,611	11,108,662	-	228,949
Debt Service					
Principal	2,945,106	2,745,106	2,745,106	-	-
Interest	992,612	1,193,656	1,193,655	-	1
Total Debt Service	3,937,718	3,938,762	3,938,761	-	1
Total Expenditures	40,036,340	40,069,770	37,374,392	685,775	2,009,603
OTHER FINANCING USES					
Operating Transfers Out	145,000	145,000	132,076	-	12,924
Total Expenditures and Other Financing Uses	\$40,181,340	\$40,214,770	37,506,468	\$ 685,775	\$ 2,022,527
Net Change in Fund Balance			1,275,047		
Fund Balance - Beginning of Year			9,633,046		
Fund Balance - End of Year			\$ 10,908,093		

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 459,281	\$ 438,884	\$ 426,528	\$ 451,805	\$ 431,879	\$ 521,437	\$ 511,875	\$ 496,726	\$ 804,370	\$ 364,953
Contributions in Relation to the Contractually Required Contribution	(459,281)	(438,884)	(426,528)	(451,805)	(431,879)	(521,437)	(511,875)	(496,726)	(804,370)	(364,953)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ended June 30,	3,304,838	3,132,135	3,038,062	3,105,211	2,884,250	2,956,919	2,966,791	3,046,634	3,421,047	2,854,036
Contributions as a Percentage of Covered Employee Payroll	13.9%	14.0%	14.0%	14.5%	15.0%	17.6%	17.3%	16.3%	23.5%	12.8%

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 1,106,241	\$ 1,030,622	\$ 1,234,491	\$ 1,140,243	\$ 1,362,380	\$ 1,516,804	\$ 2,039,391	\$ 1,860,966	\$ 1,385,347	\$ 1,288,069
Contributions in Relation to the Contractually Required Contribution	(1,106,241)	(1,030,622)	(1,234,491)	(1,140,243)	(1,362,380)	(1,516,804)	(2,039,391)	(1,860,966)	(1,385,347)	(1,288,069)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ending June 30,	11,607,985	11,632,302	11,624,209	11,635,133	11,624,403	11,438,944	11,633,719	11,452,098	11,700,566	11,593,780
Contributions as a Percentage of Covered Employee Payroll	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%	11.8%	11.1%

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Asset/Liability	0.0095957%	0.0093733%	0.0097291%	0.0093804%	0.0090626%	0.9717100%	0.0097433%
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 9,555	\$ 2,482,102	\$ 689,339	\$ 302,748	\$ 851,547	\$ 1,559,618	\$ 329,152
School District's Covered Employee Payroll	3,256,080	3,090,820	3,020,476	3,126,732	2,902,640	2,902,640	2,936,877
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Employee Payroll	0.3%	80.3%	22.8%	9.7%	29.3%	53.7%	11.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Asset/Liability	0.0683610%	0.0698720%	0.0708260%	0.0728750%	0.0733800%	0.0764720%	0.077528%
School District's Proportionate Share of the Net Pension Asset/Liability	\$ 1,888,985	\$ (1,815,289)	\$(1,280,724)	\$ (553,926)	\$ 785,932	\$ (7,943,029)	\$ (8,636,139)
School District's Covered Employee Payroll	9,704,539	11,624,209	11,635,133	11,624,403	11,438,944	11,633,719	11,452,098
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Employee Payroll	19.5%	15.6%	11.0%	4.8%	6.9%	68.3%	75.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Service Cost	\$ 4,920,860	\$ 2,606,958	\$ 3,680,797	\$ 3,556,040	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	2,725,130	3,478,934	3,285,652	3,158,968	*	*	*	*	*	*
Changes of Benefit Terms	-	-	(592,800)	-	*	*	*	*	*	*
Differences Between Expected and Actual Experience	14,820,664	-	(185,967)	909,191	*	*	*	*	*	*
Changes in Assumptions or Other Inputs	7,461,377	19,103,824	(11,917,076)	-	*	*	*	*	*	*
Benefit Payments	(3,807,267)	(3,369,918)	(3,275,627)	(3,773,046)	*	*	*	*	*	*
	<u>26,120,764</u>	<u>21,819,798</u>	<u>(9,005,021)</u>	<u>3,851,153</u>	*	*	*	*	*	*
Total OPEB Liability - Beginning	<u>120,281,399</u>	<u>98,461,601</u>	<u>107,466,622</u>	<u>103,615,469</u>	*	*	*	*	*	*
Total OPEB Liability - Ending	<u>\$ 146,402,163</u>	<u>\$ 120,281,399</u>	<u>\$ 98,461,601</u>	<u>\$ 107,466,622</u>	<u>\$ 103,615,469</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
Covered Employee Payroll	\$ 14,132,777	\$ 13,539,998	\$ 13,539,998	\$ 15,748,290	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Discount Rate	2.16%	2.20%	3.50%	3.00%	*	*	*	*	*	*
Total OPEB Liability as a Percentage of Covered Payroll	1036%	888%	727%	682%	*	*	*	*	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 1 Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education (Board) for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Adopted Budget	\$	39,727,126
Carryover Encumbrances		454,214
Original Budget		40,181,340
Use of Reserves		13,866
Insurance Settlement		8,462
Donations		11,102
Total Additions		33,430
Final Budget	\$	40,214,770

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

An annual legal budget is not adopted for the Special Grant Fund, which is a Special Revenue Fund. Budgetary controls are established in accordance with grant agreements.

Note 2 Reconciliation of the Budget Basis to U.S. GAAP

No adjustment is necessary to convert the General Fund’s excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are presented in a separate column and are not included in the actual results at June 30, 2021.

Note 3 Schedule of Changes in the School District’s Total OPEB Liability and Related Ratios

Changes in Demographics

From July 1, 2018 to July 1, 2020, overall membership decreased from 576 to 650. The number of active members decreased from 207 to 266, and the number of inactive members decreased from 369 to 384. The average age of active members decreased slightly from 49.4 to 48.4, and the average age of retired members decreased from 72.0 to 72.4.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 3 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios - Continued

Changes of Assumptions

The actuarial valuation reflects the adoption of the Pub-2010 Mortality Table (from RP-2014 Adjusted to 2006 Total Dataset Mortality Table) with generational projection of future improvements per the MP-2019 Ultimate Scale. Additionally, retirement and turnover rates were updated to reflect the assumptions used in the 2020 Annual Report to the Comptroller on Actuarial Assumptions for the New York State and Local Retirement System. The valuation of future implementation of the excise tax on medical benefits is no longer used, as it has been officially repealed as of December 20, 2019. The combined impact of these assumption changes was an increase in the accrued liability of \$1.1 million (1.0%).

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of the projections, the decision has been made to not make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

The discount rate has been changed to 2.16% (from 3.87%) since this is the discount rate that will be used to measure the total OPEB liability for the purposes of GASB Statement No. 75. This increased the accrued liability by \$32.6 million (30.2%) after the inclusion of all assumption changes described above.

Note 4 Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability

The Schedule of the School District's Proportionate Share of the Net Pension Asset/Liability, required supplementary information. These schedules will present ten years of information as it becomes available from the pension plans.

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability

NYSLRS

Changes in Benefit Terms

There were no significant legislative changes in benefits for the April 1, 2020 actuarial valuation.

Changes of Assumptions

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued

NYSLRS - Continued

Changes of Assumptions

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2019 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

Changes in Benefit Terms

Effective with the 2019 actuarial valuation an increase in the NYS Governor's salary limit from \$179,000 to \$200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary may ultimately increase to \$250,000 phased in over the next two years.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued

NYSLRS - Continued

Changes of Assumptions

Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated, future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 7.10%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement is changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued

NYSTRS

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the School District's Contributions.

Actuarial Cost Method The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.

Asset Valuation Method Five-year phased in deferred recognition of each year's net investment gain/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.

Inflation 2.25%

Projected Salary Increases Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return 7.25% compounded annually, net of investment expenses, including inflation.

Projected Cost of Living Adjustments 1.5% compounded annually.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 39,727,126
Prior Year's Encumbrances	<u>454,214</u>
Original Budget	<u>40,181,340</u>
Budget Revisions:	
Use of Reserves	13,866
Insurance Proceeds	8,462
Donations	<u>11,102</u>
Total Additions	<u>33,430</u>
Final Budget	<u><u>\$ 40,214,770</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u><u>\$ 40,782,768</u></u>	
Maximum Allowed (4% of 2021-2022 Budget)		\$ 1,631,311
General Fund Balance Subject to §1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 1,560,775	
Unassigned Fund Balance	<u>1,474,190</u>	
Total Unrestricted Fund Balance	<u>3,034,965</u>	
Less:		
Appropriated Fund Balance	\$ 875,000	
Encumbrances Included in Committed and Assigned Fund Balance	<u>685,775</u>	
Total Adjustments	<u>1,560,775</u>	
General Fund Fund Balance Subject to §1318 of Real Property Law		<u><u>\$ 1,474,190</u></u>
Actual Percentage		3.61%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) June 30, 2021
			Prior Years	Current Year	Transfer Out	Total			State Aid	Local Sources	Total	
High School 0006-015	\$ 4,471,000	\$ 6,379,065	\$ 4,256,698	\$ -	\$ -	\$ 4,256,698	\$ 2,122,367	\$1,563,965	\$ -	\$ 2,692,733	\$4,256,698	\$ - *
Donnelly Elementary 0010-012	57,470	252,650	581,187	86,173	-	667,360	(414,710)	414,500	-	168,072	582,572	(84,788) *
Brookside Elementary 0003-014	1,444,400	1,444,400	1,688,186	142,277	-	1,830,463	(386,063)	1,830,463	-	-	1,830,463	-
Donnelly Elementary 0010-014	1,124,700	1,124,700	667,950	91,405	253,613	1,012,968	111,732	1,012,968	-	-	1,012,968	-
High School 0006-017	300,000	300,000	300,000	-	-	300,000	-	-	-	300,000	300,000	-
Brookside Elementary 0003-013	219,092	135,408	3,215	90,671	-	93,886	41,522	-	-	-	-	(93,886) *
Donnelly Elementary 0010-015	100,000	100,000	100,000	-	-	100,000	-	-	-	100,000	100,000	-
High School 0006-016	516,664	516,664	-	156,417	-	156,417	360,247	-	-	-	-	(156,417) *
Middle School 0014-011	186,671	186,671	-	77,701	-	77,701	108,970	-	-	-	-	(77,701) *
Brookside Elementary 0003-015	100,000	100,000	-	100,000	-	100,000	-	-	-	100,000	100,000	-
2021 Buses	544,000	544,000	-	543,399	601	544,000	-	544,000	-	-	544,000	-
Unredeemed BANS - Buses	-	-	-	-	-	-	-	(1,342,052)	-	-	(1,342,052)	(1,342,052)
Total	\$ 9,063,997	\$11,083,558	\$ 7,597,236	\$ 1,288,043	\$ 254,214	\$ 9,139,493	\$ 1,944,065	\$4,023,844	\$ -	\$ 3,360,805	\$7,384,649	\$ (1,754,844)

* Architectural and State Approved Budget Modifications for Sub-Project Reallocations
Not Yet Finalized and Available at This Report Date.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets, Net	<u>\$ 52,417,329</u>
Add:	
Deferred Charges on Defeased Debt	<u>204,305</u>
Deduct:	
Bond Anticipation Notes	<u>(1,342,052)</u>
Short-Term Portion of Premium on Obligations	<u>(317,443)</u>
Long-Term Portion of Premium on Obligations	<u>(2,330,218)</u>
Short-Term Portion of Bonds Payable	<u>(2,585,000)</u>
Long-Term Portion of Bonds Payable	<u>(19,170,000)</u>
Net Investment in Capital Assets	<u><u>\$ 26,876,921</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
ASSETS					
Cash - Unrestricted	\$ 38,436	\$ -	\$ -	\$ -	\$ 38,436
Cash - Restricted	-	104,082	7,562	984,738	1,096,382
Receivables:					
Due from Other Funds	-	1,220	-	-	1,220
State and Federal Aid	230,423	222,843	-	-	453,266
Other	-	144	-	-	144
Inventories	-	32,197	-	-	32,197
Total Assets	\$ 268,859	\$ 360,486	\$ 7,562	\$ 984,738	\$ 1,621,645
Payables:					
Accounts Payable	\$ -	\$ 6,871	\$ -	\$ -	\$ 6,871
Accrued Liabilities	3,019	11,393	-	-	14,412
Due to Other Funds	131,007	-	-	-	131,007
Due to Other Governments	-	30	-	-	30
Unearned Revenues	134,833	14,808	-	-	149,641
Total Liabilities	268,859	33,102	-	-	301,961
FUND BALANCES					
Nonspendable	-	32,197	-	-	32,197
Restricted	-	295,187	7,562	984,738	1,287,487
Total Fund Balances (Deficit)	-	327,384	7,562	984,738	1,319,684
Total Liabilities and Fund Balances	\$ 268,859	\$ 360,486	\$ 7,562	\$ 984,738	\$ 1,621,645

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Miscellaneous Special Revenue Fund	Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund			
REVENUES					
Use of Money and Property	\$ -	\$ 6	\$ 1	\$ 3,511	\$ 3,518
Miscellaneous	11,012	259	500	-	11,771
State Sources	48,302	111,070	-	-	159,372
Federal Sources	853,939	936,481	-	-	1,790,420
Sales - School Lunch	-	8,250	-	-	8,250
Total Revenues	<u>913,253</u>	<u>1,056,066</u>	<u>501</u>	<u>3,511</u>	<u>1,973,331</u>
EXPENDITURES					
Instruction	915,511	380,286	3,200	-	1,298,997
Pupil Transportation	9,818	-	-	-	9,818
Employee Benefits	-	108,653	-	-	108,653
Cost of Sales	-	351,361	-	-	351,361
Total Expenditures	<u>925,329</u>	<u>840,300</u>	<u>3,200</u>	<u>-</u>	<u>1,768,829</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,076)</u>	<u>215,766</u>	<u>(2,699)</u>	<u>3,511</u>	<u>204,502</u>
OTHER FINANCING SOURCES AND (USES)					
Premium on Obligations	-	-	-	9,690	9,690
Operating Transfers In	12,076	20,000	-	254,214	286,290
Operating Transfers (Out)	-	-	-	(23,000)	(23,000)
Total Other Sources (Uses)	<u>12,076</u>	<u>20,000</u>	<u>-</u>	<u>240,904</u>	<u>272,980</u>
Net Change in Fund Balance	-	235,766	(2,699)	244,415	477,482
Fund Balances - Beginning of Year	-	91,618	10,261	740,323	842,202
Fund Balances - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 327,384</u></u>	<u><u>\$ 7,562</u></u>	<u><u>\$ 984,738</u></u>	<u><u>\$ 1,319,684</u></u>



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

Board of Education
Susquehanna Valley Central School District
Conklin, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Susquehanna Valley Central School District (the School District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Questioned Costs as item [2021-001].

The School District's Response to the Finding

The School District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

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

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 15, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Board of Education
Susquehanna Valley Central School District
Conklin, New York

Report on Compliance for Each Major Federal Program

We have audited Susquehanna Valley Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District’s 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 15, 2021

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass - Through Grantor Program Title</u>	<u>Federal CFDA #</u>	<u>Pass-Through Grantor #</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Education				
Passed Through NYS Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021210160	\$ -	\$ 326,304
Supporting Effective Instruction State Grants	84.367	0147210160	-	77,462
Special Education Cluster:				
Special Education - Grants to States	84.027	0032210052	-	412,491
Special Education - Preschool Grants	84.173	0031210052	-	19,362
Total Special Education Cluster			-	431,853
Title IV, Part A Student Support and Academic Enrichment Program	84.424A	0204210160	-	18,320
Education Stabilization Fund				
Governor's Emergency Education Relief Fund	84.425C	5895210160	-	171
Elementary and Secondary School Emergency Relief Fund	84.425D	5890210160	-	212
Subtotal			-	383
Total U.S. Department of Education			-	854,322
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
Summer food Service Program	10.559	(1)	-	936,481
Total Child Nutrition Cluster			-	936,481
Total U.S. Department of Agriculture			-	936,481
Total Expenditures of Federal Awards			\$ -	\$ 1,790,803

See Notes to Schedule of Expenditures of Federal Awards

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the Susquehanna Valley Central School District, an entity as defined in Note 1 to the Susquehanna Valley Central School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 Basis of Accounting

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information 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 for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, preparation of the financial statements.

Note 3 Indirect Costs

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The Susquehanna Valley Central School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 Matching Costs

Matching costs, such as the Susquehanna Valley Central School District's share of certain program costs, are not included in the reported expenditures.

Note 5 Non-Monetary Federal Program

The Susquehanna Valley Central School District is the recipient of a Federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2021, the Susquehanna Valley Central School District received \$51,406 worth of commodities under the Summer Food Service Program (CFDA #10.559).

Note 6 Subrecipients

No amounts were provided to subrecipients.

Note 7 Other Disclosures

No insurance is carried specifically to cover equipment purchased with Federal Funds. Any equipment purchased with Federal Funds has only a nominal value and is covered by the School District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a)? yes no

Identification of major programs:

CFDA Numbers
84.027, 84.173

Name of Federal Program or Cluster
Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk? yes no

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

Section II Financial Statement Findings

2021-001 Net Cash Resources

Condition: At June 30, 2021, net cash resources in the school lunch fund exceeded the allowable limit of cash by \$57,905.

Criteria: The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its school lunch fund or such other amount as may be approved by the New York State agency in accordance with §210.19(a)

Cause: Revenues exceeded expenditures by \$235,766 in the school lunch fund for the year ended June 30, 2021.

Effect: The School District is not in compliance with 7 CFR §210.19(a).

Recommendation: We recommend the School District review its net cash resources in the School Lunch Fund and develop a plan to reduce them to an allowable amount.

Management Response: The School District agrees with condition, cause and recommendation.

Section III Federal Award Findings and Questioned Costs

None