

**SUSQUEHANNA VALLEY
CENTRAL SCHOOL DISTRICT**

Conklin, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2022**



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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Susquehanna Valley Central School District (the School District) as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

During the year ended June 30, 2022, the School District adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." As discussed in Note 18 to the financial statements, net position as of June 30, 2021 for the governmental activities was restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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; Balance Sheet - Non-Major Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information) and Schedule of Expenditures of Federal Awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 28, 2022

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

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, 2022. 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 revenues exceeded expenses by \$1,527,095 in 2022 compared to 2021, when expenses exceeded revenues by \$8,658,668. The School District ended the year with a net deficit of \$78,127,936, compared to a net deficit of \$79,655,031, as restated in 2021.
- During 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases," which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Due to the implementation, the School District restated its beginning net deficit by \$477,058.
- The General Fund budgeted expenditures, including carry-over encumbrances, were underspent by \$1,666,877.
- Capital asset additions during 2022 amounted to \$1,646,675. Depreciation and amortization expense totaled \$2,206,199 and \$309,650, respectively.
- Indebtedness of the School District at June 30, 2022, in the amount of \$23,147,988, decreased \$2,702,231 from 2021, due primarily to debt repayments.
- Total fund balance in the General Fund, including reserves, was \$12,169,664 at June 30, 2022. Restricted fund balance of \$9,105,102 consisted of General Fund restricted reserves; assigned fund balance of \$1,481,328 consisted of encumbrances of \$981,328 and appropriations to support the 2022-2023 budget of \$500,000. Unassigned fund balance consisted of \$1,583,234, which is below the maximum limit (4% of 2022-2023 appropriations) permitted under New York State Real Property Tax Law.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

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.

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 Other Postemployment Benefits (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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

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.
- **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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

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>2022</i>	<i>2021</i>	
<i>Current Assets</i>	\$ 8,587,712	\$ 7,500,388	\$ 1,087,324
<i>Noncurrent Assets</i>	21,681,126	7,880,690	13,800,436
<i>Capital Assets, Net</i>	52,038,304	52,999,893	(961,589)
<i>Total Assets</i>	82,307,142	68,380,971	13,926,171
<i>Total Deferred Outflows of Resources</i>	29,963,269	38,560,851	(8,597,582)
<i>Current Liabilities</i>	7,415,804	7,055,782	360,022
<i>Noncurrent Liabilities</i>	140,651,212	170,960,362	(30,309,150)
<i>Total Liabilities</i>	148,067,016	178,016,144	(29,949,128)
<i>Total Deferred Inflows of Resources</i>	42,331,331	8,580,709	33,750,622
<i>Net Investment in Capital Assets</i>	29,032,068	27,353,979	1,678,089
<i>Restricted</i>	10,644,047	9,192,812	1,451,235
<i>Unrestricted</i>	(117,804,051)	(116,201,822)	(1,602,229)
<i>Total Net (Deficit)</i>	\$ (78,127,936)	\$ (79,655,031)	\$ 1,527,095

Total assets increased 20.4%. This change mainly stems from the School District's proportionate share of the net pension assets of the NYSTRS and NYSLRS pension plans of \$12,571,277, in comparison to the prior year net pension liabilities for both plans.

Deferred outflows of resources decreased 22.3% and deferred inflows of resources increased 393.3%. These changes are a result of changes in actuarial assumptions and net differences between projected and actual earnings on pension plan investments related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the OPEB plan.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Total liabilities decreased 16.8%. This change stems primarily from the conversion of the School District's proportionate share of the NYSTRS and NYSLRS net pension liability in the prior year to a net pension asset in the current year, and decreases 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 15.8%, primarily due to Board-approved additions to reserve accounts. Finally, unrestricted net deficit increased 1.4%. The increases in net investment in capital assets and restricted net assets contributed to the overall decrease in the net deficit of 1.9%.

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

Figure 2

Changes in Net Position	Governmental Activities and Total School District		Total Dollar Change
	2022	2021	
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 212,903	\$ 165,872	\$ 47,031
<i>Operating Grants and Contributions</i>	4,474,001	2,041,304	2,432,697
<i>Capital Grants and Contributions</i>	415,291	-	415,291
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	14,981,788	14,254,128	727,660
<i>Real Property Tax Items</i>	3,195,951	3,766,791	(570,840)
<i>State Sources</i>	20,547,042	19,689,336	857,706
<i>Federal Sources</i>	14,327	-	14,327
<i>Use of Money and Property</i>	5,727	6,197	(470)
<i>Other General Revenues</i>	594,461	458,189	136,272
Total Revenues	\$ 44,441,491	\$ 40,381,817	\$ 4,059,674
PROGRAM EXPENSES			
<i>General Governmental Support</i>	\$ 6,229,883	\$ 6,557,412	(327,529)
<i>Instruction</i>	32,808,800	38,181,794	(5,372,994)
<i>Pupil Transportation</i>	2,177,700	2,373,692	(195,992)
<i>School Lunch Program</i>	987,024	1,005,709	(18,685)
<i>Interest on Debt</i>	710,989	921,878	(210,889)
Total Expenses	\$ 42,914,396	\$ 49,040,485	\$ (6,126,089)
CHANGE IN NET POSITION	\$ 1,527,095	\$ (8,658,668)	\$ 10,185,763

Total revenues for the School District's Governmental Activities increased by 10.1%, while total expenses decreased by 12.5%. The increase in revenue is mostly due to increases in operating grants and contributions due to new funding through the Education Stabilization Fund. The decrease in expenses is primarily due to a decrease in the School District's OPEB liability as well as a reduction in pension expense resulting from the changes in the School District's net pension obligations discussed in Figure 1.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figures 3 and 4 show the sources of revenue for 2022 and 2021.

Figure 3
Sources of Revenue for 2022

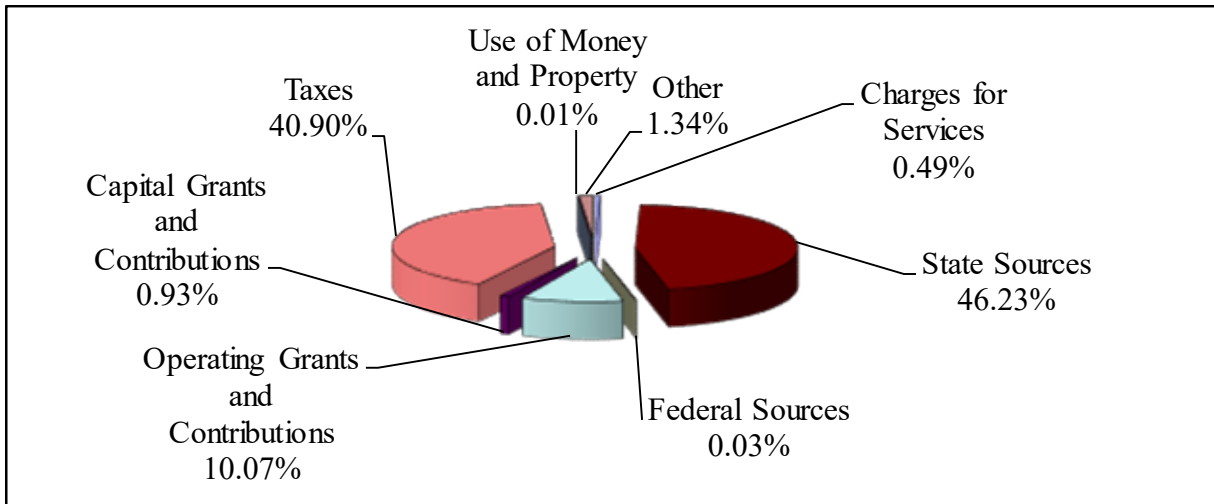
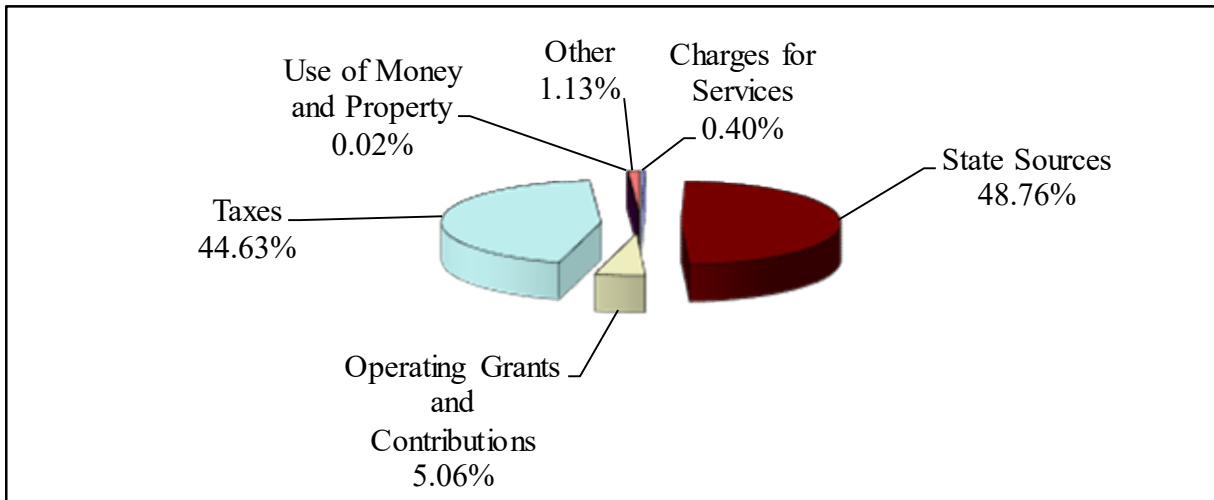


Figure 4
Sources of Revenue for 2021



SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figures 5 and 6 present the cost for each of the School District's programs for 2022 and 2021.

Figure 5
Cost of Programs for 2022

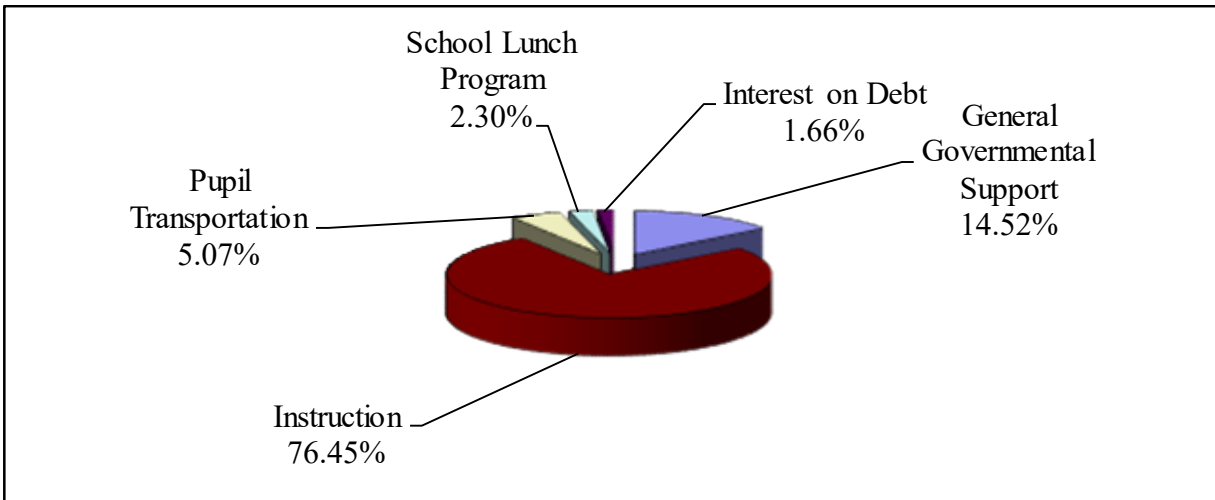
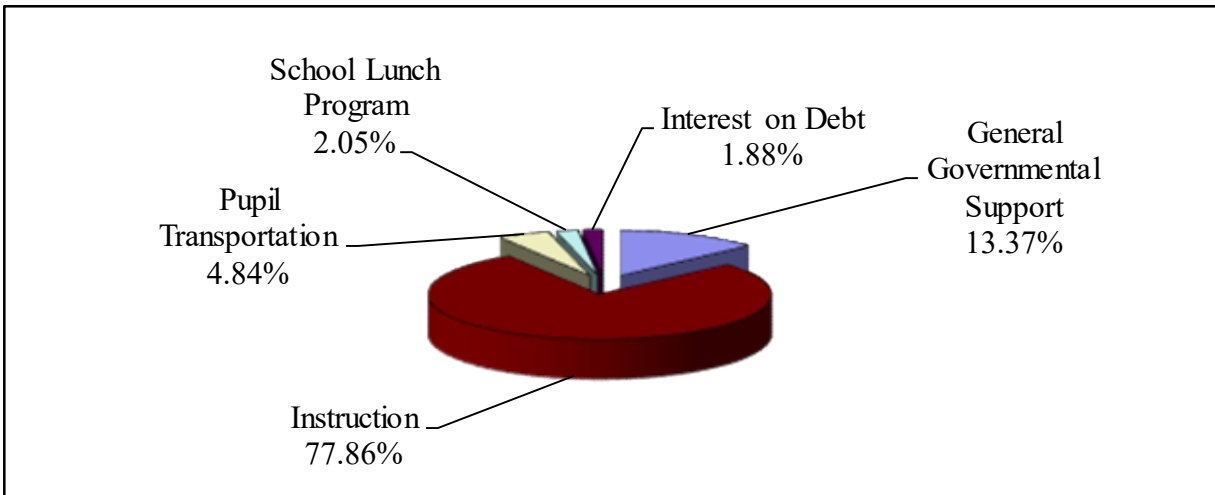


Figure 6
Cost of Programs for 2021



SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

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, Capital and School Lunch Funds.

Figure 7

<i>Governmental Fund Balances</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 12,169,664	\$ 10,908,093	\$ 1,261,571
<i>Capital Fund</i>	(1,510,630)	(1,754,844)	244,214
<i>Non-Major Funds:</i>			
<i>School Lunch Fund</i>	603,805	327,384	276,421
<i>Debt Service Fund</i>	966,100	984,738	(18,638)
<i>Miscellaneous Special Revenue Fund</i>	4,747	7,562	(2,815)
<i>Total Governmental Funds</i>	\$ 12,233,686	\$ 10,472,933	\$ 1,760,753

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, 2022.

In addition, during the year the budget was amended. These budget amendments consisted of gifts and donations, and use of reserves, which increased the budget by \$25,350. After these adjustments, the actual charges to appropriations (expenditures), including carry-over encumbrances, were below the final budget amounts by \$1,666,877. This was primarily due to lower than expected costs related to teaching salaries, transportation and employee benefits.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ended June 30, 2022.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figure 8

<i>Condensed Budgetary Comparison General Fund - 2022</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
<i>REVENUES</i>				
<i>Real Property Taxes</i>	\$ 17,996,503	\$ 14,992,514	\$ 14,981,788	\$ (10,726)
<i>Other Tax Items</i>	256,480	3,260,469	3,195,951	(64,518)
<i>State Sources</i>	20,423,723	20,423,724	20,605,034	181,310
<i>Federal Sources</i>	405,851	405,851	376,323	(29,528)
<i>Other, Including Financing Sources</i>	604,690	605,040	948,163	343,123
<i>Total Revenues and Other Financing Sources</i>	\$ 39,687,247	\$ 39,687,598	\$ 40,107,259	\$ 419,661
<i>Appropriated Fund Balances and Encumbrances</i>	\$ 1,781,296	\$ 1,806,295	\$ -	\$ -
<i>EXPENDITURES</i>				
<i>General Support</i>	\$ 5,308,044	\$ 6,077,928	\$ 5,859,169	\$ 218,759
<i>Instruction</i>	18,468,671	18,394,432	17,318,195	1,076,237
<i>Pupil Transportation</i>	1,507,056	1,308,656	1,159,508	149,148
<i>Employee Benefits</i>	11,836,557	11,241,737	11,048,937	192,800
<i>Debt Service</i>	3,828,215	3,943,155	3,936,350	6,805
<i>Other Financing Uses</i>	520,000	527,985	504,857	23,128
<i>Total Expenditures and Other Financing (Uses)</i>	\$ 41,468,543	\$ 41,493,893	\$ 39,827,016	\$ 1,666,877

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 \$79,680,416 offset by accumulated depreciation of \$28,011,726. In addition, the School District reported intangible lease assets of \$1,323,152, offset by accumulated amortization of \$953,538. *Figure 9* shows the changes in the School District's capital assets.

Figure 9

<i>Changes in Capital Assets</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Land</i>	\$ 350,000	\$ 350,000	\$ -
<i>Construction in Progress</i>	1,342,736	931,133	411,603
<i>Buildings, Net</i>	46,663,664	48,093,400	(1,429,736)
<i>Equipment, Net</i>	3,312,290	3,042,796	269,494
<i>Intangible Lease Assets, Net</i>	369,614	582,564	(212,950)
<i>Total</i>	\$ 52,038,304	\$ 52,999,893	\$ (961,589)

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Capital asset activity for the year ended June 30, 2022 included the following:

Furniture and Equipment	\$ 940,197
Buildings	98,175
Construction in Progress	511,603
Intangible Lease Asset Additions	96,700
Total Additions	1,646,675
Less Net Value of Disposals	(92,415)
Less Depreciation Expense	(2,206,199)
Less Amortization Expense	(309,650)
Net Change in Capital Assets	\$ (961,589)

Debt Administration

Figure 10 shows the changes in the School District's outstanding debt, including its lease liabilities. Total indebtedness represented 31.4% 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>2022</i>	<i>2021</i>	
<i>Bond Anticipation Notes</i>	\$ 1,476,526	\$ 1,342,052	\$ 134,474
<i>Bonds</i>	21,581,466	24,402,661	(2,821,195)
<i>Lease Liabilities</i>	89,996	105,506	(15,510)
<i>Total</i>	\$ 23,147,988	\$ 25,850,219	\$ (2,702,231)

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- In May of 2022, the voters approved the proposed 2022-2023 School District budget in the amount of \$41.1 million.
- In May of 2022, the voters approved the purchase of four 66 passenger buses at a total cost not to exceed \$520,000, to be paid over 5 years.
- Some uncertainty does remain regarding COVID-19. The School District did return to full day on-site instruction as planned for the entire 2021 – 2022 school year. Although we consider it to be unlikely, the School District is capable of returning to remote / hybrid instruction should it become necessary.

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, 2022

ASSETS

Current Assets

Cash - Unrestricted	\$ 4,811,504
Cash - Restricted	<u>1,359,991</u>
Receivables:	
State and Federal Aid	<u>1,462,697</u>
Due from Other Governments	<u>898,027</u>
Other	<u>19,786</u>
Inventories	<u>35,707</u>
Total Current Assets	<u>8,587,712</u>

Noncurrent Assets

Cash - Restricted	<u>3,131,374</u>
Investments - Restricted	<u>5,978,475</u>
Net Pension Asset - Proportionate Share	<u>12,571,277</u>
Capital Assets, Net:	
Land and Construction in Progress	<u>1,692,736</u>
Depreciable Capital Assets, Net	<u>49,975,954</u>
Intangible Lease Assets, Net	<u>369,614</u>
Total Noncurrent Assets	<u>73,719,430</u>

Total Assets	<u>82,307,142</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pensions	<u>8,474,412</u>
Other Postemployment Benefits	<u>21,347,105</u>
Deferred Charges on Defeased Debt	<u>141,752</u>

Total Deferred Outflows of Resources	<u>29,963,269</u>
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See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued) JUNE 30, 2022

LIABILITIES

Current Liabilities

Payables:

Accounts Payable	\$ 698,890
Accrued Liabilities	<u>608,448</u>
Due to Other Governments	<u>41</u>
Bond Interest and Matured Bonds	<u>32,407</u>
Bond Anticipation Notes Payable	<u>1,476,526</u>
Overpayments and Collections in Advance	<u>174,752</u>
Unearned Revenues	<u>194,127</u>
Due to Teachers' Retirement System	<u>1,290,556</u>
Due to Employees' Retirement System	<u>87,758</u>
Current Portion of Long-Term Obligations:	
Bonds Payable	<u>2,794,591</u>
Lease Liabilities	<u>57,708</u>
Total Current Liabilities	<u>7,415,804</u>

Noncurrent Liabilities

Bonds Payable	<u>18,786,875</u>
Lease Liabilities	<u>32,288</u>
Compensated Absences Payable	<u>701,844</u>
Other Postemployment Benefits Liability	<u>121,130,205</u>
Total Noncurrent Liabilities	<u>140,651,212</u>

Total Liabilities	<u>148,067,016</u>
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DEFERRED INFLOWS OF RESOURCES

Pensions	<u>15,695,590</u>
Other Postemployment Benefits	<u>26,635,741</u>

Total Deferred Inflows of Resources	<u>42,331,331</u>
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NET POSITION

Net Investment in Capital Assets	<u>29,032,068</u>
Restricted	<u>10,644,047</u>
Unrestricted (Deficit)	<u>(117,804,051)</u>
Total Net (Deficit)	<u>\$ (78,127,936)</u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants	Revenue and Changes in Net Position
General Support	\$ 6,229,883	\$ -	\$ -	\$ (6,229,883)
Instruction	32,808,800	153,350	3,366,749	(28,873,410)
Pupil Transportation	2,177,700	-	-	(2,177,700)
School Lunch Program	987,024	59,553	1,107,252	179,781
Interest on Debt	710,989	-	-	(710,989)
Total Functions and Programs	\$ 42,914,396	\$ 212,903	\$ 4,474,001	\$ 415,291

GENERAL REVENUES

Real Property Taxes	14,981,788
Real Property Tax Items	3,195,951
Use of Money and Property	5,727
State Sources	20,547,042
Federal Sources	14,327
Sale of Property and Compensation for Loss	(59,103)
Miscellaneous	653,564

Total General Revenues 39,339,296

Change in Net Position 1,527,095

Total Net (Deficit) - Beginning of Year, as Restated (79,655,031)

Total Net (Deficit) - End of Year **\$ (78,127,936)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2022

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
ASSETS				
Cash - Unrestricted	\$ 4,347,594	\$ 426,138	\$ 37,772	\$ 4,811,504
Cash - Restricted	3,126,627	54	1,364,684	4,491,365
Investments - Restricted	5,978,475	-	-	5,978,475
Receivables:				
Due from Other Funds	969,430	-	54	969,484
State and Federal Aid	540,635	-	922,062	1,462,697
Due from Other Governments	898,027	-	-	898,027
Other	17,762	-	2,024	19,786
Inventories	-	-	35,707	35,707
Total Assets	\$ 15,878,550	\$ 426,192	\$ 2,362,303	\$ 18,667,045
LIABILITIES				
Payables:				
Accounts Payable	\$ 649,896	\$ 27,202	\$ 21,792	\$ 698,890
Accrued Liabilities	573,126	-	35,322	608,448
Due to Other Funds	7	433,094	536,383	969,484
Due to Other Governments	14	-	27	41
Bond Anticipation Notes Payable	-	1,476,526	-	1,476,526
Overpayments and Collections in Advance	174,752	-	-	174,752
Unearned Revenues	-	-	194,127	194,127
Due to Teachers' Retirement System	1,290,556	-	-	1,290,556
Due to Employees' Retirement System	87,758	-	-	87,758
Total Liabilities	2,776,109	1,936,822	787,651	5,500,582
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - BOCES and State Aid	932,777	-	-	932,777
Total Deferred Inflows of Resources	932,777	-	-	932,777
FUND BALANCES				
Nonspendable	-	-	35,707	35,707
Restricted	9,105,102	-	1,538,945	10,644,047
Assigned	1,481,328	-	-	1,481,328
Unassigned	1,583,234	(1,510,630)	-	72,604
Total Fund Balances (Deficit)	12,169,664	(1,510,630)	1,574,652	12,233,686
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,878,550	\$ 426,192	\$ 2,362,303	\$ 18,667,045

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, 2022

Fund Balances - Total Governmental Funds **\$ 12,233,686**

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

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

Total Historical Cost	\$ 81,003,568	
Less Accumulated Depreciation	(28,011,726)	
Less Accumulated Amortization	<u>(953,538)</u>	52,038,304

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

September Aid		932,777
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The School District's proportionate share of the employee retirement systems' collective net pension (asset)/liability is not reported in the funds.

TRS Net Pension Asset - Proportionate Share	\$ 11,834,666	
ERS Net Pension Asset - Proportionate Share	<u>736,611</u>	12,571,277

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	\$ 141,752	
Other Postemployment Benefits Deferred Outflows of Resources	21,347,105	
ERS Deferred Outflows of Resources - Pension	1,518,531	
TRS Deferred Outflows of Resources - Pension	6,955,881	
Other Postemployment Benefits Deferred Inflows of Resources	(26,635,741)	
ERS Deferred Inflows of Resources - Pension	(2,558,568)	
TRS Deferred Inflows of Resources - Pension	<u>(13,137,022)</u>	(12,368,062)

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

Bonds Payable	\$ (19,070,000)	
Unamortized Bond Premium	(2,511,466)	
Lease Liabilities	<u>(89,996)</u>	(21,671,462)

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	\$(121,130,205)	
Compensated Absences	(701,844)	
Accrued Interest on Long-Term Debt	<u>(32,407)</u>	<u>(121,864,456)</u>

Net (Deficit) of Governmental Activities **\$ (78,127,936)**

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, 2022

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
REVENUES				
Real Property Taxes	\$ 14,981,788	\$ -	\$ -	\$ 14,981,788
Real Property Tax Items	3,195,951	-	-	3,195,951
Charges for Services	75,249	-	-	75,249
Use of Money and Property	5,508	-	-	5,508
Sale of Property and Compensation for Loss	28,472	-	219	28,691
Miscellaneous	607,008	-	50,935	657,943
State Sources	20,605,034	415,291	239,110	21,259,435
Medicaid Reimbursement	78,101	-	-	78,101
Federal Sources	376,323	-	3,769,486	4,145,809
Sales - School Lunch	-	-	49,356	49,356
Total Revenues	39,953,434	415,291	4,109,106	44,477,831
EXPENDITURES				
General Support	4,928,186	-	167,275	5,095,461
Instruction	17,267,983	-	2,771,567	20,039,550
Pupil Transportation	1,159,375	-	29,393	1,188,768
Employee Benefits	11,048,937	-	463,309	11,512,246
Debt Service:				
Principal	2,972,736	-	-	2,972,736
Interest	963,614	-	-	963,614
Cost of Sales	-	-	384,542	384,542
Capital Outlay	-	990,606	-	990,606
Total Expenditures	38,340,831	990,606	3,816,086	43,147,523
Excess (Deficiency) of Revenues Over Expenditures	1,612,603	(575,315)	293,020	1,330,308
OTHER FINANCING SOURCES AND (USES)				
Proceeds of Obligations	-	-	2,180,000	2,180,000
Premium on Obligations	-	96,700	191,109	287,809
BANs Redeemed from Appropriations	-	265,526	-	265,526
Payment to Escrow	-	-	(2,302,890)	(2,302,890)
Operating Transfers In	153,825	475,000	43,716	672,541
Operating Transfers (Out)	(504,857)	(17,697)	(149,987)	(672,541)
Total Other Financing Sources (Uses)	(351,032)	819,529	(38,052)	430,445
Net Change in Fund Balance	1,261,571	244,214	254,968	1,760,753
Fund Balances (Deficit) - Beginning of Year	10,908,093	(1,754,844)	1,319,684	10,472,933
Fund Balances (Deficit) - End of Year	\$ 12,169,664	\$ (1,510,630)	\$ 1,574,652	\$ 12,233,686

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds **\$ 1,760,753**

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/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization expense and disposals.

Capital Outlay	\$ 1,646,675	
Net Book Value of Disposed Assets	(92,415)	
Depreciation Expense	(2,206,199)	
Amortization Expense	<u>(309,650)</u>	(961,589)

Changes in the School District's proportionate share of net pension (assets)/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 affect current financial resources and are, also, not reported in the Governmental Funds.

ERS	\$ 329,232	
TRS	<u>1,803,134</u>	2,132,366

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. 45,417

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

Proceeds on Obligations	\$ (2,180,000)	
Premium on Obligations	(191,109)	
Proceeds of Leases	(96,700)	
Payment to Escrow	2,302,890	
Principal Payment - Bonds	2,595,000	
Amortization of Premium on Obligation	327,304	
Amortization of Deferred Amounts on Refunding of Debt	(95,443)	
Principal Payment - Leases	<u>112,210</u>	2,774,152

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	\$ 431,474	
Other Postemployment Benefits Liability	<u>(4,676,242)</u>	(4,244,768)

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>20,764</u>
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Net Change in Net Position of Governmental Activities **\$ 1,527,095**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2022

	Custodial Fund
ASSETS	
Cash - Unrestricted	<u>\$ 93,405</u>
Total Assets	<u><u>\$ 93,405</u></u>
NET POSITION	
Unassigned	<u><u>\$ 93,405</u></u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Fund
ADDITIONS	
Extraclass Cash Receipts	\$ 123,794
DEDUCTIONS	
Extraclass Cash Disbursements	126,893
Change in Net Position	(3,099)
Net Position - Beginning of Year	96,504
Net Position - End of Year	\$ 93,405

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***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 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 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, 2022

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, 2022

***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, 2022

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, 2022

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, including the right to use assets acquired through financed lease arrangements, 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, and amortization methods, and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

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

The School District utilizes the straight-line method of depreciation, and amortizes its intangible assets in line with its lease liability payments.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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 11 and 12, 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 11 and 12, respectively.

Leases

The School District determines if an arrangement is or contains a lease at inception. The School District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The School District uses the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the School District elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the School District will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The School District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

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.

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 12 for additional information.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

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.

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.

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."

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

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.
- 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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Equity Classifications - Governmental Fund Financial Statements - Continued

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.

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, 2022

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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are 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, 2021. Taxes were collected during the period September 1, 2021 to October 31, 2021.

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

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.

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.

New Accounting Standards

The School District adopted and implemented the following current Statement of the Governmental Accounting Standards Board (GASB) effective for the year ended June 30, 2022:

- GASB Statement No. 87, "Leases."

Future Changes in Accounting Standards

- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ending June 30, 2023.
- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending June 30, 2025.

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, 2022, the School District's share of BOCES income amounted to \$1,889,617. The School District was billed \$5,234,133 for BOCES administration and program costs. Financial statements for the Broome-Tioga BOCES are available from the BOCES administrative office at 435 Glenwood Road, Binghamton, New York, 13905.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 3 Cash, Cash Equivalents and Investments - 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 \$15,550,424 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

Restricted cash and investments consists of the following at June 30, 2022:

Restricted for Debt	\$ 966,100
Restricted for School Lunch	393,891
General Fund Reserves	9,105,102
Restricted for Scholarships	<u>4,747</u>
Total	<u><u>\$ 10,469,840</u></u>

The School District has few investments (primarily United States Treasury obligations) and chooses to disclose its investments by specifically identifying each.

The School District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District reported Level 1 U.S. Treasury Bills at a fair value of \$5,978,475 and cost of \$5,976,425 within the General Fund.

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	\$ 895,640
Other	<u>2,387</u>
Total	<u><u>\$ 898,027</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 5 **Interfund Balances and Activity**

Interfund balances at June 30, 2022 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 969,430	\$ 7	\$ 153,825	\$ 504,857
Capital Fund	-	433,094	475,000	17,697
Non-Major Funds	54	536,383	43,716	149,987
Total	\$ 969,484	\$ 969,484	\$ 672,541	\$ 672,541

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications and Disposals</u>	<u>Ending Balance</u>
Capital Assets that are not Depreciated:				
Land	\$ 350,000	\$ -	\$ -	\$ 350,000
Construction in Progress	931,133	511,603	(100,000)	1,342,736
Total Nondepreciable Historical Cost	<u>1,281,133</u>	<u>511,603</u>	<u>(100,000)</u>	<u>1,692,736</u>
Capital Assets That are Depreciated:				
Buildings	69,922,957	98,175	100,000	70,121,132
Furniture and Equipment	7,382,086	940,197	(455,735)	7,866,548
Total Depreciable Historical Cost	<u>77,305,043</u>	<u>1,038,372</u>	<u>(355,735)</u>	<u>77,987,680</u>
Intangible Lease Assets:				
Equipment	1,226,452	96,700	-	1,323,152
Total Historical Cost	<u>79,812,628</u>	<u>1,646,675</u>	<u>(455,735)</u>	<u>81,003,568</u>
Less Accumulated Depreciation:				
Buildings	(21,829,557)	(1,627,911)	-	(23,457,468)
Furniture and Equipment	(4,339,290)	(578,288)	363,320	(4,554,258)
Total Accumulated Depreciation	<u>(26,168,847)</u>	<u>(2,206,199)</u>	<u>363,320</u>	<u>(28,011,726)</u>
Less Accumulated Amortization:				
Equipment	(643,888)	(309,650)	-	(953,538)
Total Historical Cost, Net	<u>\$ 52,999,893</u>	<u>\$ (869,174)</u>	<u>\$ (92,415)</u>	<u>\$ 52,038,304</u>

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

General Support	\$ 256,270
Instruction	1,826,863
Pupil Transportation	409,940
School Lunch	22,776
Total	<u>\$ 2,515,849</u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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, 2022.

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>
2021 Bus BAN	0.27%	09/23/2022	\$ -	\$ 1,476,526	\$ -	\$ 1,476,526
2020 Bus BAN	1.25%	09/24/2021	1,342,052	-	(1,342,052)	-
Total			<u>\$ 1,342,052</u>	<u>\$ 1,476,526</u>	<u>\$ (1,342,052)</u>	<u>\$ 1,476,526</u>

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

Interest Paid	\$ 16,776
Less Interest Accrued in the Prior Year	(13,001)
Plus Interest Accrued in the Current Year	<u>3,101</u>
Total	<u><u>\$ 6,876</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8 Long-Term Debt

At June 30, 2022, the total outstanding indebtedness of the School District represented 31.4% 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, 2022:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2022</u>
Serial Bonds:				
Refunding Bonds - 2017	10/12/2017	06/15/2039	2.0% - 3.25%	\$ 6,535,000
Refunding Bonds - 2022	06/15/2022	06/15/2029	2.0% - 4.0%	2,170,000
Total Refunding Bonds				8,705,000
Revenue Bonds:				
Revenue Bond - 2017	06/15/2017	06/15/2035	5.0%	1,515,000
Revenue Bond - 2020	06/17/2020	06/15/2035	5.0%	8,850,000
Total Revenue Bonds				10,365,000
Total				\$ 19,070,000

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

Interest Paid	\$ 944,108
Less Interest Accrued in the Prior Year	(40,170)
Plus Interest Accrued in the Current Year	29,306
Less Amortization of Bond Premium	(327,304)
Plus Amortization of Deferred Charges on Defeased Debt	95,443
Total	\$ 701,383

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

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8 Long-Term Debt - Continued

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	\$ 21,755,000	\$ 2,180,000	\$ 4,865,000	\$ 19,070,000	\$ 2,470,000
Premium on Obligations	2,647,661	191,109	327,304	2,511,466	324,591
Total Serial Bonds	\$ 24,402,661	\$ 2,371,109	\$ 5,192,304	\$ 21,581,466	\$ 2,794,591
Deferred Charges on					
Deceased Debt	\$ 204,305	\$ 32,890	\$ 95,443	\$ 141,752	\$ 49,052
Total	\$ 204,305	\$ 32,890	\$ 95,443	\$ 141,752	\$ 49,052

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,470,000	\$ 845,463	\$ 3,315,463
2024	2,555,000	757,413	3,312,413
2025	2,650,000	659,313	3,309,313
2026	2,785,000	531,963	3,316,963
2027	1,180,000	416,113	1,596,113
2028-2032	5,270,000	1,264,196	6,534,196
2033-2037	2,140,000	183,390	2,323,390
2038-2039	20,000	2,163	22,163
Total	\$ 19,070,000	\$ 4,660,014	\$ 23,730,014

During March 2022, the School District issued \$2,180,000 in general obligation bonds, with interest rates of 2% to 4%. The School District issued the bonds to advance refund \$2,270,000 of outstanding general obligation bonds with interest rates ranging from 2% to 3%. The School District used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the \$2,270,000 in bonds is considered defeased and the liability has been removed from the financial statements. The outstanding principal of the defeased bonds was \$2,270,000 at June 30, 2022.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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	<u>\$ 1,133,318</u>	<u>\$ -</u>	<u>\$ (431,474)</u>	<u>\$ 701,844</u>

Note 10 **Lease Liabilities**

During the year ended June 30, 2022, the School District implemented GASB Statement No. 87, "Leases."

The School District enters into lease agreements for certain equipment that are considered leases. The School District is not party to any material short term leases, and current leases do not require any variable payments.

At June 30, 2022, the School District reported \$987,203, offset by accumulated amortization of \$707,585, in intangible lease assets that were not included in the lease liability below.

Lease liabilities as of June 30, 2022 are as follows:

Description of Lease	Issue Date	Final Maturity	Discount Rate	Outstanding June 30, 2022
IPA Sched 409	7/1/2020	8/1/2022	2.00%	\$ 26,123
IPA Sched 429	7/1/2021	8/1/2023	2.20%	63,873
Total				\$ 89,996

The following is a summary of the maturity of lease liabilities:

Year	Principal	Interest	Total
2023	\$ 57,708	\$ 1,947	\$ 59,655
2024	32,288	718	33,006
Total	\$ 89,996	\$ 2,665	\$ 92,661

Interest paid for the current year amounted to \$2,730.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Note 11 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.

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 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

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, 2022

Note 11 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:

	<u>ERS</u>	<u>TRS</u>
2022	\$ 467,475	\$ 1,106,241
2021	459,281	1,030,622
2020	438,884	1,234,491

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

At June 30, 2022, the School District reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The School District's proportionate share of the net pension (asset)/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.

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	04/01/2021	06/30/2020
Net Pension (Asset)/Liability	\$ (8,174,858,678)	\$ (17,329,041,946)
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	(736,611)	(11,834,666)
School District's Share of the Plan's Net Pension (Asset)/Liability	0.0090110%	0.0682940%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 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, 2022, the School District recognized pension expense of \$96,127 for ERS and \$596,350 for TRS in the District-wide financial statements. At June 30, 2022, 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	\$ 55,785	\$ 1,631,283	\$ 72,356	\$ 61,486
Changes of Assumptions	1,229,321	3,892,669	20,743	689,334
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-	2,412,092	12,386,202
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	145,667	224,197	53,377	-
School District's Contributions Subsequent to the Measurement Date	87,758	1,207,732	-	-
Total	\$ 1,518,531	\$ 6,955,881	\$ 2,558,568	\$ 13,137,022

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending June 30, 2023. 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
2023	\$ (144,277)	\$ (1,445,585)
2024	(244,087)	(1,737,047)
2025	(608,975)	(2,217,521)
2026	(130,456)	(2,959,198)
2027	-	574,734
Thereafter	-	395,744

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 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, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Investment Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95% - 5.18%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on 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-2020, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2021 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

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, 2022

Note 11 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, 2022	June 30, 2021
Asset Type		
Domestic Equity	3.30%	6.80%
International Equity	5.85%	7.60%
Global Equity	-	7.10%
Real Estate	5.00%	6.50%
Private Equity	6.50%	10.00%
Opportunistic/Absolute Return Strategy	4.10%	-
Real Assets	5.58%	-
Cash	(1.00)%	-
Credit	3.78%	-
Domestic Fixed Income	-	1.30%
Global Bonds	-	0.80%
Private Debt	-	5.90%
Real Estate Debt	-	3.30%
High-Yield Bonds	-	3.80%
Cash Equivalents	-	(0.20)%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and 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, 2022

Note 11 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 (Asset)/Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension (asset)/liability calculated using the discount rate, as well as what the School District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower 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 (Asset)/Liability	\$ 1,896,028	\$ (736,611)	\$ (2,938,686)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (1,241,876)	\$ (11,834,666)	\$ (20,737,137)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' Total Pension Liability	\$ 223,874,888	\$ 130,819,415
Plan Net Position	(232,049,473)	(148,148,457)
Employers' Net Pension (Asset)/Liability	\$ (8,174,585)	\$ (17,329,042)
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	103.7%	113.2%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 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, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$87,758.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 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, 2022 amounted to \$1,290,556.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	\$ 9,555	\$ (746,166)	\$ (736,611)
Deferred Outflows of Resources	(2,167,982)	649,451	(1,518,531)
Deferred Inflows of Resources	2,791,085	(232,517)	2,558,568
Subtotal	632,658	(329,232)	303,426
TRS			
Net Pension (Asset)/Liability	1,888,985	(13,723,651)	(11,834,666)
Deferred Outflows of Resources	(6,687,781)	(268,100)	(6,955,881)
Deferred Inflows of Resources	948,405	12,188,617	13,137,022
Subtotal	(3,850,391)	(1,803,134)	(5,653,525)
Total	\$ (3,217,733)	\$ (2,132,366)	\$ (5,350,099)

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12 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, 2022, 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>650</u>

Total OPEB Liability

The School District's total OPEB liability of \$121,130,205 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2020 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	3.54%
Inflation	2.60%
Actuarial Cost Method	Entry Age Normal
Healthcare Cost Trend Rates	5.3% for 2020, decreasing to an ultimate rate of 4.1% after 2077.

The Bond Buyer General Obligation 20-Bond Municipal Index was used to determine the long-term bond rate above.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching Positions, both generationally projected using the MP-2019 Ultimate Scale.

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, 2020 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, 2021	\$ 146,402,163
Changes for the Year	
Service Cost	5,143,185
Interest Cost	3,231,187
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	(29,718,569)
Benefit Payments	(3,927,761)
Net Change	(25,271,958)
Balance at June 30, 2022	\$ 121,130,205

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 (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 141,699,448	\$ 121,130,205	\$ 104,671,975

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12 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	\$ 103,731,503	\$ 121,130,205	\$ 143,643,122

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$8,604,003.

At June 30, 2022, 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	\$ 37,195	\$ 10,047,066
Changes in Assumptions or Other Inputs	26,598,546	11,300,039
Total	\$ 26,635,741	\$ 21,347,105

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
2023	\$ 229,628
2024	514,415
2025	(1,726,822)
2026	(2,104,483)
2027	(2,201,374)
Thereafter	-

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12 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	\$ 146,402,163	\$ (25,271,958)	\$ 121,130,205
Deferred Outflows of Resources	(29,500,783)	8,153,678	(21,347,105)
Deferred Inflows of Resources	4,841,219	21,794,522	26,635,741
Total	<u><u>\$ 121,742,599</u></u>	<u><u>\$ 4,676,242</u></u>	<u><u>\$ 126,418,841</u></u>

Note 13 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 13905.

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 13 Commitments and Contingencies - Continued

Health Insurance - Continued

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

During the year ended June 30, 2022, the School District incurred premiums or contribution expenditures totaling \$3,742,530.

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 13905.

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, 2022, the School District incurred premiums or contribution expenditures of \$190,362.

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 14 Fund Balance Detail

At June 30, 2022, nonspendable, restricted, and assigned fund balance in the governmental funds was as follows.

	General Fund	Non-Major Funds
Nonspendable		
Inventory	\$ -	\$ 35,707
Total Nonspendable Fund Balance	\$ -	\$ 35,707
Restricted		
Reserve for Employees' Retirement Contributions	\$ 2,037,546	\$ -
Reserve for Teachers' Retirement Contributions	927,125	-
Tax Certiorari Reserve	96,360	-
Unemployment Insurance Reserve	158,428	-
Employee Benefit Accrued Liability Reserve	304,055	-
Capital Reserve	5,581,588	-
School Lunch	-	568,098
Debt	-	966,100
Scholarships	-	4,747
Total Restricted Fund Balance	\$ 9,105,102	\$ 1,538,945
Assigned		
Appropriated for Next Year's Budget	\$ 500,000	\$ -
Encumbered for:		
General Support	930,983	-
Instruction	50,212	-
Pupil Transportation	133	-
Total Assigned Fund Balance	\$ 1,481,328	\$ -

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 15 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, 2022, were as follows:

General Fund	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Reserve for Employees' Retirement Contributions	\$ 2,268,522	\$ -	\$ 857	\$ (231,833)	\$ 2,037,546
Reserve for Teachers' Retirement Contributions	695,029	231,833	263	-	927,125
Tax Certiorari Reserve	122,314	-	46	(26,000)	96,360
Unemployment Insurance Reserve	158,368	-	60	-	158,428
Employee Benefit Accrued Liability Reserve	328,931	-	124	(25,000)	304,055
Capital Reserve	4,299,964	1,280,000	1,624	-	5,581,588
Total	\$ 7,873,128	\$ 1,511,833	\$ 2,974	\$ (282,833)	\$ 9,105,102
Debt Service Fund	\$ 984,738	\$ 2,384,968	\$ 193	\$ (2,403,799)	\$ 966,100

Note 16 Tax Abatements

For the year ended June 30, 2022 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 \$1,391,168. The School District received Payment in Lieu of Tax (PILOT) payment totaling \$140,011.

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 \$48,608. The School District received Payment in Lieu of Tax (PILOT) payment totaling \$7,096.

Note 17 Stewardship, Compliance, and Accountability

Deficit Net Position

At June 30, 2022 the District-wide Statement of Net Position had a deficit net position of \$78,127,936. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 12). The deficit is not expected to be eliminated during the normal course of operations.

Deficit Fund Balance

At June 30, 2022 the Capital Fund had deficit fund balance of \$1,510,630. 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, 2022

Note 18 **Restatement**

During the year, the School District adopted GASB Statement No. 87. The District's June 30, 2021 net position for governmental activities has been restated to reflect the following:

Net (Deficit) Beginning of Year	\$ (80,132,089)
GASB Statement No. 87 Implementation	<u>477,058</u>
Net (Deficit) Beginning of Year, as Restated	<u><u>\$ (79,655,031)</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$ 17,996,503	\$ 14,992,514	\$ 14,981,788	\$ (10,726)
Real Property Tax Items	256,480	3,260,469	3,195,951	(64,518)
Charges for Services	90,000	90,000	75,249	(14,751)
Use of Money and Property	-	-	5,508	5,508
Sale of Property and Compensation for Loss	-	-	28,472	28,472
Miscellaneous	412,000	412,350	607,008	194,658
Total Local Sources	<u>18,754,983</u>	<u>18,755,333</u>	<u>18,893,976</u>	<u>138,643</u>
State Sources	20,423,723	20,423,724	20,605,034	181,310
Medicaid Reimbursement	70,000	70,000	78,101	8,101
Federal Sources	405,851	405,851	376,323	(29,528)
Total Revenues	<u>39,654,557</u>	<u>39,654,908</u>	<u>39,953,434</u>	<u>298,526</u>
OTHER FINANCING SOURCES				
Operating Transfers In	32,690	32,690	153,825	121,135
Total Revenues and Other Financing Sources	<u>39,687,247</u>	<u>39,687,598</u>	<u>\$ 40,107,259</u>	<u>\$ 419,661</u>
Appropriated Fund Balance	1,095,521	1,120,520		
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	685,775	685,775		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u>\$ 41,468,543</u>	<u>\$ 41,493,893</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES					
General Support					
Board of Education	\$ 23,150	\$ 22,830	\$ 16,624	\$ -	\$ 6,206
Central Administration	435,024	476,964	468,041	-	8,923
Finance	511,006	500,457	492,172	2,985	5,300
Staff	299,362	387,267	343,330	5,000	38,937
Central Services	3,662,755	4,313,663	3,234,332	922,998	156,333
Special Items	376,747	376,747	373,687	-	3,060
Total General Support	<u>5,308,044</u>	<u>6,077,928</u>	<u>4,928,186</u>	<u>930,983</u>	<u>218,759</u>
Instruction					
Instruction, Administration, and Improvement	1,022,651	973,364	872,275	1,540	99,549
Teaching - Regular School	9,123,059	8,908,902	8,250,570	13,651	644,681
Programs for Children with Handicapping Conditions	4,000,910	4,099,119	3,955,666	14,931	128,522
Occupational Education	583,935	583,935	583,935	-	-
Teaching - Special School	37,724	42,024	36,933	-	5,091
Instructional Media	1,622,042	1,718,852	1,680,252	3,383	35,217
Pupil Services	2,078,350	2,068,236	1,888,352	16,707	163,177
Total Instruction	<u>18,468,671</u>	<u>18,394,432</u>	<u>17,267,983</u>	<u>50,212</u>	<u>1,076,237</u>
Pupil Transportation	1,507,056	1,308,656	1,159,375	133	149,148
Employee Benefits	11,836,557	11,241,737	11,048,937	-	192,800
Debt Service					
Principal	2,850,526	2,972,736	2,972,736	-	-
Interest	977,689	970,419	963,614	-	6,805
Total Debt Service	<u>3,828,215</u>	<u>3,943,155</u>	<u>3,936,350</u>	<u>-</u>	<u>6,805</u>
Total Expenditures	<u>40,948,543</u>	<u>40,965,908</u>	<u>38,340,831</u>	<u>981,328</u>	<u>1,643,749</u>
OTHER FINANCING USES					
Operating Transfers Out	520,000	527,985	504,857	-	23,128
Total Expenditures and Other Financing Uses	<u>\$41,468,543</u>	<u>\$41,493,893</u>	<u>38,845,688</u>	<u>\$ 981,328</u>	<u>\$ 1,666,877</u>
Net Change in Fund Balance			1,261,571		
Fund Balance - Beginning of Year			<u>10,908,093</u>		
Fund Balance - End of Year			<u>\$ 12,169,664</u>		

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>2022</u>	<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>
Contractually Required Contribution	\$ 467,475	\$ 459,281	\$ 438,884	\$ 426,528	\$ 451,805	\$ 431,879	\$ 521,437	\$ 511,875	\$ 496,726	\$ 804,370
Contributions in Relation to the Contractually Required Contribution	(467,475)	(459,281)	(438,884)	(426,528)	(451,805)	(431,879)	(521,437)	(511,875)	(496,726)	(804,370)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ended June 30,	3,166,913	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
Contributions as a Percentage of Covered Employee Payroll	14.8%	13.9%	14.0%	14.0%	14.5%	15.0%	17.6%	17.3%	16.3%	23.5%

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

	<u>2022</u>	<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>
Contractually Required Contribution	\$ 1,207,732	\$ 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
Contributions in Relation to the Contractually Required Contribution	(1,207,732)	(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)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ended June 30,	12,323,796	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
Contributions as a Percentage of Covered Employee Payroll	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%	11.8%

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,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.0090110%	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	\$ (736,611)	\$ 9,555	\$ 2,482,102	\$ 689,339	\$ 302,748	\$ 851,547	\$ 1,559,618	\$ 329,152
School District's Covered Employee Payroll	3,127,483	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	23.6%	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	103.7%	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,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.0682940%	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	\$(11,834,666)	\$ 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	11,607,985	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	102.0%	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	113.2%	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

	<u>2022</u>	<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>
Service Cost	\$ 5,143,185	\$ 4,920,860	\$ 2,606,958	\$ 3,680,797	\$ 3,556,040	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	3,231,187	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	(29,718,569)	7,461,377	19,103,824	(11,917,076)	-	*	*	*	*	*
Benefit Payments	(3,927,761)	(3,807,267)	(3,369,918)	(3,275,627)	(3,773,046)	*	*	*	*	*
	<u>(25,271,958)</u>	<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>146,402,163</u>	<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>\$ 121,130,205</u>	<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>
Covered Employee Payroll	\$ 14,132,777	\$ 14,132,777	\$ 13,539,998	\$ 13,539,998	\$ 15,748,290	\$ *	\$ *	\$ *	\$ *	\$ *
Discount Rate	3.54%	2.16%	2.20%	3.50%	3.00%	*	*	*	*	*
Total OPEB Liability as a Percentage of Covered Payroll	857%	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, 2022

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	\$ 40,782,768
Carryover Encumbrances	<u>685,775</u>
Original Budget	<u>41,468,543</u>
Use of Reserves	25,000
Donations	<u>350</u>
Total Additions	<u>25,350</u>
Final Budget	<u>\$ 41,493,893</u>

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, School Lunch Fund, or Miscellaneous Special Revenue Fund, which are Special Revenue Funds. 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, 2022.

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 increased from 576 to 650. The number of active members increased from 207 to 266, and the number of inactive members increased 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 increased from 72.0 to 72.4.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

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 3.54% (from 2.16%) 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, 2021 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, 2022

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, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2022. 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	5-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	4.5% 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.
Active Member Decrements	Based upon FY 2016-2020 experience.
Pensioner Mortality	Gender/Collar specific tables based upon FY2016-2020 experience.
Mortality Improvement	Society of Actuaries' Scale MP-2019

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

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

Changes in Benefit Terms

None.

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. Current proposed assumptions are used in the 2021 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 6.95%, effective with the 2021 actuarial valuation. For the 2020 and 2019 actuarial valuations, the System's long-term rate of return assumption was 7.10%. For the 2018 and 2017 actuarial valuation, 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 7.50%. 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 2.40% for 2021 and 2.20% for 2019 and 2020. 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 2021 actuarial valuation, the assumed scale for mortality improvement was changed from MP2019 to MP2020. Effective with the 2020 actuarial valuation, the assumed scale for mortality improvement was changed from MP2018 to MP2019. Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement was changed from MP-2014 to MP-2018.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

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

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of School Districts' Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the School District's contributions in 2021. For assumptions and plan provisions used in contributions reported for years prior to 2021, refer to the Annual Actuarial Report for two years prior to the end of the fiscal year in which contributions are reported.

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.
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Asset Valuation Method	Five-year phased-in deferred recognition of each year's net investment income/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20% per year, until fully recognized after five years.
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Inflation	2.20%
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Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
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Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return	7.10% compounded annually, net of investment expenses, including inflation.
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Cost of Living Adjustments	1.3% compounded annually.
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SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 40,782,768
Prior Year's Encumbrances	<u>685,775</u>
Original Budget	<u>41,468,543</u>
Budget Revisions:	
Use of Reserves	25,000
Donations	<u>350</u>
Total Additions	<u>25,350</u>
Final Budget	<u><u>\$ 41,493,893</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u><u>\$ 41,142,256</u></u>	
Maximum Allowed (4% of 2022-2023 Budget)		\$ 1,645,690
General Fund Balance Subject to §1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 1,481,328	
Unassigned Fund Balance	<u>1,583,234</u>	
Total Unrestricted Fund Balance	<u>3,064,562</u>	
Less:		
Appropriated Fund Balance	\$ 500,000	
Encumbrances Included in Committed and Assigned Fund Balance	<u>981,328</u>	
Total Adjustments	<u>1,481,328</u>	
General Fund Fund Balance Subject to §1318 of Real Property Law		<u><u>\$ 1,583,234</u></u>
Actual Percentage		3.85%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2022
			Prior Years	Current Year	Transfer Out	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Donnelly Elementary 0010-012	57,470	252,650	667,360	59,137	-	726,497	(473,847)	414,500	415,291	168,072	997,863	271,366 *
Brookside Elementary 0003-013	219,092	135,408	93,886	92,982	-	186,868	(51,460)	-	-	-	-	(186,868) *
High School 0006-016	516,664	516,664	156,417	139,363	-	295,780	220,884	-	-	-	-	(295,780) *
High School 0006-019	100,000	100,000	-	96,162	3,838	100,000	-	-	-	100,000	100,000	-
Middle School 0014-011	186,671	186,671	77,701	66,200	-	143,901	42,770	-	-	-	-	(143,901) *
Concessions Building 7019-001	375,000	375,000	-	4,506	-	4,506	370,494	-	-	375,000	375,000	370,494 *
2022 Capital Project	-	-	-	49,415	-	49,415	(49,415)	-	-	-	-	(49,415) *
2022 Buses	400,000	400,000	-	386,141	13,859	400,000	-	400,000	-	-	400,000	- *
GASB 87 - Leases	99,014	99,014	-	96,700	-	96,700	2,314	96,700	-	-	96,700	- *
Unredeemed BANS - Buses	-	-	-	-	-	-	-	(1,476,526)	-	-	(1,476,526)	(1,476,526)
Total	\$ 1,953,911	\$ 2,065,407	\$ 995,364	\$ 990,606	\$ 17,697	\$ 2,003,667	\$ 61,740	\$ (565,326)	\$ 415,291	\$ 643,072	\$ 493,037	\$ (1,510,630)

* 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, 2022

Capital Assets, Net	<u>\$ 52,038,304</u>
Add:	
Deferred Charges on Defeased Debt	<u>141,752</u>
Deduct:	
Bond Anticipation Notes	<u>(1,476,526)</u>
Lease Liabilities	<u>(89,996)</u>
Short-Term Portion of Premium on Obligations	<u>(324,591)</u>
Long-Term Portion of Premium on Obligations	<u>(2,186,875)</u>
Short-Term Portion of Bonds Payable	<u>(2,470,000)</u>
Long-Term Portion of Bonds Payable	<u>(16,600,000)</u>
Net Investment in Capital Assets	<u><u>\$ 29,032,068</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
ASSETS					
Cash - Unrestricted	\$ 37,772	\$ -	\$ -	\$ -	\$ 37,772
Cash - Restricted	-	393,891	4,747	966,046	1,364,684
Receivables:					
Due from Other Funds	-	-	-	54	54
State and Federal Aid	722,522	199,540	-	-	922,062
Other	-	2,024	-	-	2,024
Inventories	-	35,707	-	-	35,707
Total Assets	\$ 760,294	\$ 631,162	\$ 4,747	\$ 966,100	\$ 2,362,303
Payables:					
Accounts Payable	\$ 19,324	\$ 2,468	\$ -	\$ -	\$ 21,792
Accrued Liabilities	21,096	14,226	-	-	35,322
Due to Other Funds	536,383	-	-	-	536,383
Due to Other Governments	-	27	-	-	27
Unearned Revenues	183,491	10,636	-	-	194,127
Total Liabilities	760,294	27,357	-	-	787,651
FUND BALANCES					
Nonspendable	-	35,707	-	-	35,707
Restricted	-	568,098	4,747	966,100	1,538,945
Total Fund Balances	-	603,805	4,747	966,100	1,574,652
Total Liabilities and Fund Balances	\$ 760,294	\$ 631,162	\$ 4,747	\$ 966,100	\$ 2,362,303

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
REVENUES					
Use of Money and Property	\$ -	\$ 25	\$ 1	\$ 193	\$ 219
Miscellaneous	40,238	10,197	500	-	50,935
State Sources	119,426	119,684	-	-	239,110
Federal Sources	2,708,252	1,061,234	-	-	3,769,486
Sales - School Lunch	-	49,356	-	-	49,356
Total Revenues	2,867,916	1,240,496	501	193	4,109,106
EXPENDITURES					
General Support	99,056	-	-	68,219	167,275
Instruction	2,306,654	461,597	3,316	-	2,771,567
Pupil Transportation	29,393	-	-	-	29,393
Employee Benefits	345,373	117,936	-	-	463,309
Cost of Sales	-	384,542	-	-	384,542
Total Expenditures	2,780,476	964,075	3,316	68,219	3,816,086
Excess (Deficiency) of Revenues Over Expenditures	87,440	276,421	(2,815)	(68,026)	293,020
OTHER FINANCING SOURCES AND (USES)					
Proceeds of Obligations	-	-	-	2,180,000	2,180,000
Premium on Obligations	-	-	-	191,109	191,109
Payment to Escrow	-	-	-	(2,302,890)	(2,302,890)
Operating Transfers In	29,857	-	-	13,859	43,716
Operating Transfers (Out)	(117,297)	-	-	(32,690)	(149,987)
Total Other Financing Sources (Uses)	(87,440)	-	-	49,388	(38,052)
Net Change in Fund Balance	-	276,421	(2,815)	(18,638)	254,968
Fund Balances - Beginning of Year	-	327,384	7,562	984,738	1,319,684
Fund Balances - End of Year	\$ -	\$ 603,805	\$ 4,747	\$ 966,100	\$ 1,574,652



**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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information the Susquehanna Valley Central School District (the School District) as of and for the year ended June 30, 2022, 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 28, 2022.

Report on 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 28, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM; REPORT 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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School Districts’ response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Districts’ response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 Auditors’ Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 28, 2022

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN #	Pass-Through Grantor #	Passed Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021220160	\$ -	\$ 341,821
Title I Grants to Local Educational Agencies	84.010	0021210160	-	25,105
Subtotal			-	366,926
Supporting Effective Instruction State Grants	84.367	0147220160	-	18,740
Supporting Effective Instruction State Grants	84.367	0147210160	-	44,065
Subtotal			-	62,805
Special Education Cluster:				
Special Education - Grants to States	84.027	0032220052	-	427,467
Special Education - Grants to States	84.027X	5532220052	-	2,138
Special Education - Preschool Grants	84.173	0033220052	-	18,344
Special Education - Preschool Grants	84.173X	5533220052	-	1,500
Total Special Education Cluster			-	449,449
Title IV, Part A Student Support and Academic Enrichment Program	84.424A	0204220160	-	30,951
Education Stabilization Fund				
(COVID-19) Governor's Emergency Education Relief Fund	84.425C	5895210160	-	52,215
(COVID-19) Governor's Emergency Education Relief Fund	84.425C	5896210160	-	40,404
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5890210160	-	309,781
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5891210160	-	807,081
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880213355	-	534,203
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5884210160	-	149,367
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5870229282	-	256,320
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425W	5218210160	-	10,746
Subtotal			-	2,160,117
Total U.S. Department of Education			-	3,070,248
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
National School Lunch	10.555	(1)	-	810,673
School Breakfast Program	10.553	(1)	-	216,463
Total Child Nutrition Cluster			-	1,027,136
(COVID-19) Pandemic EBT Food Benefits	10.542	N/A - Direct	-	2,404
(COVID-19) State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	N/A - Direct	-	31,694
Total U.S. Department of Agriculture			-	1,061,234
U.S. Department of Homeland Security				
Passed Through NYS Department of Homeland				
(COVID-19) Disaster Grants - Public Assistance	97.036	4322-DR-NY	-	14,327
Total U.S. Department of Homeland Security			-	14,327
Total Expenditures of Federal Awards			\$ -	\$ 4,145,809

(1) - Unable to determine.

See Notes to Schedule of Expenditures of Federal Awards

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2022

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 (the School District), an entity as defined in Note 1 to the 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 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 School District's share of certain program costs, are not included in the reported expenditures.

Note 5 Non-Monetary Federal Program

The 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, 2022, the School District received \$67,104 worth of commodities under the National School Lunch Program (ALN #10.555).

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, 2022

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:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425</u>	<u>Education Stabilization Fund</u>

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, 2022

Section II Financial Statement Findings

None.

Section III Federal Award Findings and Questioned Costs

10.553, 10.555 - Child Nutrition Cluster

2022-001 Net Cash Resources

Condition: At June 30, 2022, net cash resources in the School Lunch Fund exceeded the allowable limit of cash by \$278,875.

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 \$276,421 in the School Lunch Fund for the year ended June 30, 2022.

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.