

**SUSQUEHANNA VALLEY
CENTRAL SCHOOL DISTRICT**

Conklin, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2023**



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, 2023, 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, 2023, 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.

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 26, 2023, 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 26, 2023

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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, 2023. 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.

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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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.

Fund Financial Statements

The 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, 2023

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>2023</i>	<i>2022</i>	
<i>Current Assets</i>	\$ 10,802,277	\$ 8,587,712	\$ 2,214,565
<i>Noncurrent Assets</i>	6,160,027	21,681,126	(15,521,099)
<i>Capital Assets, Net</i>	52,338,729	52,038,304	300,425
<i>Total Assets</i>	69,301,033	82,307,142	(13,006,109)
<i>Total Deferred Outflows of Resources</i>	29,728,737	29,963,269	(234,532)
<i>Current Liabilities</i>	7,492,386	7,415,804	76,582
<i>Noncurrent Liabilities</i>	154,286,729	140,651,212	13,635,517
<i>Total Liabilities</i>	161,779,115	148,067,016	13,712,099
<i>Total Deferred Inflows of Resources</i>	19,430,212	42,331,331	(22,901,119)
<i>Net Investment in Capital Assets</i>	31,895,122	29,032,068	2,863,054
<i>Restricted</i>	8,211,869	10,644,047	(2,432,178)
<i>Unrestricted</i>	(122,286,548)	(117,804,051)	(4,482,497)
<i>Total Net (Deficit)</i>	\$ (82,179,557)	\$ (78,127,936)	\$ (4,051,621)

Significant changes from prior year are as follows:

- Total assets decreased 15.80%. This change mainly stems from the School District's proportionate share of the net pension assets and net pension liabilities.
- Deferred outflows of resources decreased 0.78% and deferred inflows of resources decreased 54.10%. 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.
- Total liabilities increased 9.26%. This change stems primarily from the conversion of the School District's proportionate share of the NYSTRS and NYSLRS net pension asset in the prior year to a net pension liability in the current year, and increases in the School District's OPEB liability.
- Total net (deficit) increased 5.19% which was the result of expenses exceeding revenues in the current year.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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
	2023	2022	
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 383,876	\$ 212,903	\$ 170,973
<i>Operating Grants and Contributions</i>	4,348,386	4,474,001	(125,615)
<i>Capital Grants and Contributions</i>	-	415,291	(415,291)
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	15,443,080	14,981,788	461,292
<i>Real Property Tax Items</i>	3,024,140	3,195,951	(171,811)
<i>State Sources</i>	21,186,957	20,547,042	639,915
<i>Federal Sources</i>	217,737	14,327	203,410
<i>Use of Money and Property</i>	382,791	5,727	377,064
<i>Other General Revenues</i>	448,880	594,461	(145,581)
Total Revenues	\$ 45,435,847	\$ 44,441,491	\$ 994,356
PROGRAM EXPENSES			
<i>General Support</i>	\$ 8,042,660	\$ 6,229,883	1,812,777
<i>Instruction</i>	37,092,262	32,808,800	4,283,462
<i>Pupil Transportation</i>	2,650,539	2,177,700	472,839
<i>School Lunch Program</i>	1,094,395	987,024	107,371
<i>Interest on Debt</i>	607,612	710,989	(103,377)
Total Expenses	\$ 49,487,468	\$ 42,914,396	\$ 6,573,072
CHANGE IN NET POSITION	\$ (4,051,621)	\$ 1,527,095	\$ (5,578,716)

Significant changes from prior year are as follows:

- Total revenues for the School District's Governmental Activities increased by 2.24%, and total expenses increased by 15.32%.
- The increase in state sources is due to the increase in lottery aid over the prior year.
- The increase in total expenses is primarily due to an increase in both pension and OPEB expense in comparison to the amount expended in the prior year.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 3 shows the changes in fund balances for the year for the School District's funds. The School District experienced a decrease in overall fund balance, which is primarily attributable to expenditures over revenue in the General Fund due to transfers of capital reserve funds to the Capital Fund.

Figure 3

Governmental Fund Balances	2023	2022	Total Dollar Change
<i>Major Funds:</i>			
General Fund	\$ 8,431,154	\$ 12,169,664	\$ (3,738,510)
Capital Fund	1,428,049	(1,510,630)	2,938,679
<i>Non-Major Funds:</i>			
School Lunch Fund	668,092	603,805	64,287
Debt Service Fund	1,051,682	966,100	85,582
Miscellaneous Special Revenue Fund	4,058	4,747	(689)
Total Governmental Funds	\$ 11,583,035	\$ 12,233,686	\$ (650,651)

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, 2023.

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 \$4,522,258. After these adjustments, the actual charges to appropriations (expenditures), including carry-over encumbrances, were below the final budget amounts by \$1,690,434. This was primarily due to lower than expected costs related to general support, teaching salaries, and employee benefits.

Figure 4 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ended June 30, 2023.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Figure 4

<i>Condensed Budgetary Comparison General Fund - 2023</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
<i>Real Property Taxes</i>	\$ 18,335,415	\$ 15,488,185	\$ 15,443,080	\$ (45,105)
<i>Other Tax Items</i>	182,108	3,029,338	3,024,140	(5,198)
<i>State Sources</i>	21,174,733	21,174,733	21,330,511	155,778
<i>Federal Sources</i>	-	-	217,923	217,923
<i>Other, Including Financing Sources</i>	565,000	566,500	940,525	374,025
Total Revenues and Other Financing Sources	\$ 40,257,256	\$ 40,258,756	\$ 40,956,179	\$ 697,423
Appropriated Fund Balances and Encumbrances	\$ 1,866,328	\$ 6,387,086	\$ -	\$ -
EXPENDITURES				
<i>General Support</i>	\$ 5,857,070	\$ 6,018,693	\$ 5,623,899	\$ 394,794
<i>Instruction</i>	18,856,824	18,737,088	17,973,993	763,095
<i>Pupil Transportation</i>	1,569,851	1,543,822	1,400,997	142,825
<i>Employee Benefits</i>	11,893,863	11,584,341	11,196,643	387,698
<i>Debt Service</i>	3,800,976	4,089,398	4,089,398	-
<i>Other Financing Uses</i>	145,000	4,672,500	4,670,478	2,022
Total Expenditures and Other Financing (Uses)	\$ 42,123,584	\$ 46,645,842	\$ 44,955,408	\$ 1,690,434

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the School District had invested in a broad range of capital assets totaling \$81,370,900 offset by accumulated depreciation of \$29,529,968. In addition, the School District reported intangible lease assets of \$1,832,852, offset by accumulated amortization of \$1,335,055. *Figure 5* shows the changes in the School District's capital assets.

Figure 5

<i>Changes in Capital Assets</i>	<i>2023</i>	<i>2022</i>	<i>Total Dollar Change</i>
<i>Land</i>	\$ 350,000	\$ 350,000	\$ -
<i>Construction in Progress</i>	2,762,391	1,342,736	1,419,655
<i>Buildings, Net</i>	45,263,752	46,663,664	(1,399,912)
<i>Equipment, Net</i>	3,464,789	3,312,290	152,499
<i>Intangible Lease Assets, Net</i>	497,797	369,614	128,183
Total	\$ 52,338,729	\$ 52,038,304	\$ 300,425

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Capital asset activity for the year ended June 30, 2023 included the following:

Furniture and Equipment	\$ 848,900
Buildings	32,972
Construction in Progress	1,619,655
Intangible Lease Asset Additions	509,700
Total Additions	3,011,227
(Less) Net Value of Disposals	(101,283)
(Less) Depreciation Expense	(2,228,002)
(Less) Amortization Expense	(381,517)
Net Change in Capital Assets	\$ 300,425

Debt Administration

Figure 6 shows the changes in the School District's outstanding debt, including its lease liabilities. Total indebtedness represented 25.7% of the constitutional debt limit, exclusive of building aid estimates.

Figure 6

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Bond Anticipation Notes</i>	\$ 1,515,000	\$ 1,476,526	\$ 38,474
<i>Bonds</i>	18,786,875	21,581,466	(2,794,591)
<i>Lease Liabilities</i>	128,074	89,996	38,078
<i>Total</i>	\$ 20,429,949	\$ 23,147,988	\$ (2,718,039)

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

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

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- In May of 2023, the voters approved the proposed 2023-2024 School District budget in the amount of \$43.3 million.
- In May of 2023, the voters approved the purchase of two 72 passenger buses at a total cost not to exceed \$498,000, to be paid over 5 years.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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, 2023

ASSETS

Current Assets

Cash - Unrestricted	\$ 6,746,753
Cash - Restricted	<u>1,994,598</u>
Receivables:	
State and Federal Aid	<u>1,141,768</u>
Due from Other Governments	<u>844,118</u>
Other	<u>30,741</u>
Inventories	<u>44,299</u>
Total Current Assets	<u>10,802,277</u>

Noncurrent Assets

Cash - Restricted	<u>2,205,861</u>
Investments - Restricted	<u>3,954,166</u>
Capital Assets, Net:	
Land and Construction in Progress	<u>3,112,391</u>
Depreciable Capital Assets, Net	<u>48,728,541</u>
Intangible Lease Assets, Net	<u>497,797</u>
Total Noncurrent Assets	<u>58,498,756</u>

Total Assets	<u>69,301,033</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pensions	<u>8,719,608</u>
Other Postemployment Benefits	<u>20,916,429</u>
Deferred Charges on Defeased Debt	<u>92,700</u>
Total Deferred Outflows of Resources	<u>29,728,737</u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2023

LIABILITIES

Current Liabilities

Payables:

Accounts Payable	\$ 780,103
Accrued Liabilities	430,989
Due to Other Governments	91
Bond Interest and Matured Bonds	63,603
Bond Anticipation Notes Payable	1,515,000
Overpayments and Collections in Advance	109,010
Unearned Revenues	157,913
Due to Teachers' Retirement System	1,395,968
Due to Employees' Retirement System	108,941
Current Portion of Long-Term Obligations:	
Bonds Payable	2,851,679
Lease Liabilities	79,089
Total Current Liabilities	7,492,386

Noncurrent Liabilities

Bonds Payable	15,935,196
Lease Liabilities	48,985
Compensated Absences Payable	676,925
Other Postemployment Benefits Liability	134,047,630
Net Pension Liability - Proportionate Share	3,577,993
Total Noncurrent Liabilities	154,286,729

Total Liabilities	161,779,115
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DEFERRED INFLOWS OF RESOURCES

Pensions	718,521
Other Postemployment Benefits	18,711,691
Total Deferred Inflows of Resources	19,430,212

NET POSITION

Net Investment in Capital Assets	31,895,122
Restricted	8,211,869
Unrestricted (Deficit)	(122,286,548)
Total Net (Deficit)	\$ (82,179,557)

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants	Capital Grants	
FUNCTIONS/PROGRAMS					
General Support	\$ 8,042,660	\$ -	\$ -	\$ -	\$ (8,042,660)
Instruction	37,092,262	156,307	3,646,356	-	(33,289,599)
Pupil Transportation	2,650,539	-	-	-	(2,650,539)
School Lunch Program	1,094,395	227,569	702,030	-	(164,796)
Interest on Debt	607,612	-	-	-	(607,612)
Total Functions and Programs	\$ 49,487,468	\$ 383,876	\$ 4,348,386	\$ -	(44,755,206)

GENERAL REVENUES

Real Property Taxes	15,443,080
Real Property Tax Items	3,024,140
Use of Money and Property	382,791
State Sources	21,186,957
Federal Sources	217,737
Sale of Property and Compensation for Loss	(89,530)
Miscellaneous	538,410

Total General Revenues 40,703,585

Change in Net Position (4,051,621)

Total Net (Deficit) - Beginning of Year (78,127,936)

Total Net (Deficit) - End of Year **\$ (82,179,557)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2023

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
ASSETS				
Cash - Unrestricted	\$ 4,662,827	\$ 1,976,636	\$ 107,290	\$ 6,746,753
Cash - Restricted	2,127,944	1,435,385	637,130	4,200,459
Investments - Restricted	2,976,343	-	977,823	3,954,166
Receivables:				
Due from Other Funds	897,509	-	39,555	937,064
State and Federal Aid	469,271	-	672,497	1,141,768
Due from Other Governments	844,118	-	-	844,118
Other	30,678	-	63	30,741
Inventories	-	-	44,299	44,299
Total Assets	\$ 12,008,690	\$ 3,412,021	\$ 2,478,657	\$ 17,899,368
LIABILITIES				
Payables:				
Accounts Payable	\$ 670,143	\$ 106,358	\$ 3,602	\$ 780,103
Accrued Liabilities	379,685	-	51,304	430,989
Due to Other Funds	32,476	362,614	541,974	937,064
Due to Other Governments	59	-	32	91
Bond Anticipation Notes Payable	-	1,515,000	-	1,515,000
Overpayments and Collections in Advance	109,010	-	-	109,010
Unearned Revenues	-	-	157,913	157,913
Due to Teachers' Retirement System	1,395,968	-	-	1,395,968
Due to Employees' Retirement System	108,941	-	-	108,941
Total Liabilities	2,696,282	1,983,972	754,825	5,435,079
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - BOCES and State Aid	881,254	-	-	881,254
Total Deferred Inflows of Resources	881,254	-	-	881,254
FUND BALANCES				
Nonspendable	-	-	44,299	44,299
Restricted	5,104,287	1,428,049	1,679,533	8,211,869
Assigned	1,610,719	-	-	1,610,719
Unassigned	1,716,148	-	-	1,716,148
Total Fund Balances	8,431,154	1,428,049	1,723,832	11,583,035
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,008,690	\$ 3,412,021	\$ 2,478,657	\$ 17,899,368

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, 2023

Fund Balances - Total Governmental Funds **\$ 11,583,035**

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	\$ 83,203,752	
(Less) Accumulated Depreciation	(29,529,968)	
(Less) Accumulated Amortization	<u>(1,335,055)</u>	52,338,729

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

September Aid		881,254
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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 Liability - Proportionate Share	\$ (1,322,472)	
ERS Net Pension Liability- Proportionate Share	<u>(2,255,521)</u>	(3,577,993)

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	\$ 92,700	
Other Postemployment Benefits Deferred Outflows of Resources	20,916,429	
ERS Deferred Outflows of Resources - Pension	1,612,167	
TRS Deferred Outflows of Resources - Pension	7,107,441	
Other Postemployment Benefits Deferred Inflows of Resources	(18,711,691)	
ERS Deferred Inflows of Resources - Pension	(126,527)	
TRS Deferred Inflows of Resources - Pension	<u>(591,994)</u>	10,298,525

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	\$ (16,600,000)	
Unamortized Bond Premium	(2,186,875)	
Lease Liabilities	<u>(128,074)</u>	(18,914,949)

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	\$ (134,047,630)	
Compensated Absences	(676,925)	
Accrued Interest on Debt	<u>(63,603)</u>	<u>(134,788,158)</u>

Net (Deficit) of Governmental Activities **\$ (82,179,557)**

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, 2023

	<u>Major Funds</u>		<u>Total Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>		
REVENUES				
Real Property Taxes	\$ 15,443,080	\$ -	\$ -	\$ 15,443,080
Real Property Tax Items	3,024,140	-	-	3,024,140
Charges for Services	79,065	-	-	79,065
Use of Money and Property	295,877	-	-	295,877
Sale of Property and Compensation for Loss	11,753	-	86,914	98,667
Miscellaneous	473,396	-	67,107	540,503
State Sources	21,330,511	-	461,246	21,791,757
Medicaid Reimbursement	77,242	-	-	77,242
Federal Sources	217,923	-	3,794,923	4,012,846
Sales - School Lunch	-	-	225,476	225,476
Total Revenues	40,952,987	-	4,635,666	45,588,653
EXPENDITURES				
General Support	5,389,310	-	772,556	6,161,866
Instruction	17,961,067	-	2,981,555	20,942,622
Pupil Transportation	1,387,793	-	26,364	1,414,157
Employee Benefits	11,196,643	-	382,428	11,579,071
Debt Service:				
Principal	3,237,443	-	-	3,237,443
Interest	851,955	-	-	851,955
Cost of Sales	-	-	394,061	394,061
Capital Outlay	-	2,463,650	-	2,463,650
Total Expenditures	40,024,211	2,463,650	4,556,964	47,044,825
Excess (Deficiency) of Revenues Over Expenditures	928,776	(2,463,650)	78,702	(1,456,172)
OTHER FINANCING SOURCES AND (USES)				
Proceeds of Obligations	-	323,995	-	323,995
BANs Redeemed from Appropriations	-	481,526	-	481,526
Operating Transfers In	3,192	4,600,000	70,478	4,673,670
Operating Transfers (Out)	(4,670,478)	(3,192)	-	(4,673,670)
Total Other Financing Sources (Uses)	(4,667,286)	5,402,329	70,478	805,521
Net Change in Fund Balance	(3,738,510)	2,938,679	149,180	(650,651)
Fund Balances (Deficit) - Beginning of Year	12,169,664	(1,510,630)	1,574,652	12,233,686
Fund Balances - End of Year	\$ 8,431,154	\$ 1,428,049	\$ 1,723,832	\$ 11,583,035

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, 2023

Net Change in Fund Balances - Total Governmental Funds **\$ (650,651)**

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	\$ 3,011,227	
Net Book Value of Disposed Assets	(101,283)	
Depreciation Expense	(2,228,002)	
Amortization Expense	<u>(381,517)</u>	300,425

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	\$ (466,455)	
TRS	<u>(460,550)</u>	(927,005)

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. (51,523)

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 of Leases	\$ (323,995)	
Principal Payment - Bonds	2,470,000	
Amortization of Premium on Obligation	324,591	
Amortization of Deferred Amounts on Refunding of Debt	(49,052)	
Principal Payment - Leases	<u>285,917</u>	2,707,461

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	\$ 24,919	
Other Postemployment Benefits Liability	<u>(5,424,051)</u>	(5,399,132)

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>(31,196)</u>
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Net Change in Net Position of Governmental Activities **\$ (4,051,621)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2023

	<u>Custodial Fund</u>
ASSETS	
Cash - Unrestricted	<u>\$ 123,114</u>
Total Assets	<u><u>\$ 123,114</u></u>
NET POSITION	
Unassigned	<u><u>\$ 123,114</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, 2023

	Custodial Fund
ADDITIONS	
Extraclass Cash Receipts	<u>\$ 165,702</u>
DEDUCTIONS	
Extraclass Cash Disbursements	<u>135,993</u>
Change in Net Position	29,709
Net Position - Beginning of Year	<u>93,405</u>
Net Position - End of Year	<u><u>\$ 123,114</u></u>

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023

***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, 2023

***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, 2023

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, 2023

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, 2023

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, 2023

***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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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

Postemployment Benefits - Continued

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.

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."

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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

Restricted Resources

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

Equity Classifications - 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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Equity Classifications - Governmental Fund Financial Statements - Continued

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

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

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-l) - 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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Legally Adopted Reserves - Continued

- 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.
- 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 GML §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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and became lien on July 13, 2022. Taxes were collected during the period September 1, 2022 to October 31, 2022.

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

Interfund Transfers

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

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, 2023:

- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." The School District evaluated this pronouncement and determined there was no material effect on its financial statements.

Future Changes in Accounting Standards

- 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.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 2 Participation in BOCES

During the year ended June 30, 2023, the School District's share of BOCES income amounted to \$1,927,340. The School District was billed \$5,841,861 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.

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 investments) of \$15,350,208 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, 2023:

Restricted for Debt	\$ 1,051,682
Restricted for School Lunch	566,549
Restricted for Capital Projects	1,428,049
General Fund Reserves	5,104,287
Restricted for Scholarships	<u>4,058</u>
Total	<u>\$ 8,154,625</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 \$2,976,343 and \$977,823, and cost of \$3,000,000, and \$1,000,000, within the General Fund and Debt Service Fund, respectively.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 4 Due From Other Governments

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

Description	Amount
BOCES September Aid	\$ 844,118
Total	\$ 844,118

Note 5 Interfund Balances and Activity

Interfund balances at June 30, 2023 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 897,509	\$ 32,476	\$ 3,192	\$4,670,478
Capital Fund	-	362,614	4,600,000	3,192
Non-Major Funds	39,555	541,974	70,478	-
Total	\$ 937,064	\$ 937,064	\$4,673,670	\$4,673,670

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, 2023

Note 6 Capital Assets

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

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets that are not Depreciated				
Land	\$ 350,000	\$ -	\$ -	\$ 350,000
Construction in Progress	1,342,736	1,619,655	(200,000)	2,762,391
Total Nondepreciable Historical Cost	<u>1,692,736</u>	<u>1,619,655</u>	<u>(200,000)</u>	<u>3,112,391</u>
Capital Assets That are Depreciated				
Buildings	70,121,132	32,972	200,000	70,354,104
Furniture and Equipment	7,866,548	848,900	(811,043)	7,904,405
Total Depreciable Historical Cost	<u>77,987,680</u>	<u>881,872</u>	<u>(611,043)</u>	<u>78,258,509</u>
Intangible Lease Assets				
Equipment	1,323,152	509,700	-	1,832,852
Total Historical Cost	<u>81,003,568</u>	<u>3,011,227</u>	<u>(811,043)</u>	<u>83,203,752</u>
(Less) Accumulated Depreciation				
Buildings	(23,457,468)	(1,632,884)	-	(25,090,352)
Furniture and Equipment	(4,554,258)	(595,118)	709,760	(4,439,616)
Total Accumulated Depreciation	<u>(28,011,726)</u>	<u>(2,228,002)</u>	<u>709,760</u>	<u>(29,529,968)</u>
(Less) Accumulated Amortization				
Equipment	(953,538)	(381,517)	-	(1,335,055)
Total Historical Cost, Net	<u><u>\$ 52,038,304</u></u>	<u><u>\$ 401,708</u></u>	<u><u>\$ (101,283)</u></u>	<u><u>\$ 52,338,729</u></u>

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

General Support	\$ 632,065
Instruction	1,526,421
Pupil Transportation	425,942
School Lunch	25,091
Total	<u><u>\$ 2,609,519</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023.

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>
2022 Bus BAN	3.13%	09/22/2023	\$ -	\$ 1,515,000	\$ -	\$ 1,515,000
2021 Bus BAN	0.27%	09/23/2022	1,476,526	-	(1,476,526)	-
Total			<u>\$ 1,476,526</u>	<u>\$ 1,515,000</u>	<u>\$(1,476,526)</u>	<u>\$ 1,515,000</u>

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

Interest Paid	\$ 3,987
(Less) Interest Accrued in the Prior Year	(3,101)
Plus Interest Accrued in the Current Year	<u>36,823</u>
Total	<u>\$ 37,709</u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 8 Long-Term Debt

At June 30, 2023, the total outstanding indebtedness of the School District represented 25.7% 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, 2023:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2023</u>
Serial Bonds				
Refunding Bonds - 2017	10/12/2017	06/15/2039	2.0% - 3.25%	\$ 5,045,000
Refunding Bonds - 2022	06/15/2022	06/15/2029	2.0% - 4.0%	1,870,000
Total Refunding Bonds				6,915,000
Revenue Bonds				
Revenue Bond - 2017	06/15/2017	06/15/2035	5.0%	1,380,000
Revenue Bond - 2020	06/17/2020	06/15/2035	5.0%	8,305,000
Total Revenue Bonds				9,685,000
Total				\$ 16,600,000

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

Interest Paid	\$ 845,463
(Less) Interest Accrued in the Prior Year	(29,306)
Interest Accrued in the Current Year	26,780
(Less) Amortization of Bond Premium	(324,591)
Amortization of Deferred Charges on Defeased Debt	49,052
Total	\$ 567,398

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, 2023

Note 8 Long-Term Debt - Continued

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

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Serial Bonds	\$ 19,070,000	\$ -	\$ 2,470,000	\$ 16,600,000	\$ 2,555,000
Premium on Obligations	2,511,466	-	324,591	2,186,875	296,679
Total Serial Bonds	\$ 21,581,466	\$ -	\$ 2,794,591	\$ 18,786,875	\$ 2,851,679
Deferred Charges on Deceased Debt	\$ 141,752	\$ -	\$ 49,052	\$ 92,700	\$ 39,511
Total	\$ 141,752	\$ -	\$ 49,052	\$ 92,700	\$ 39,511

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

Year	Principal	Interest	Total
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	1,240,000	360,994	1,600,994
2029-2033	4,935,000	1,008,340	5,943,340
2034-2038	1,255,000	79,740	1,334,740
2039	-	675	675
Total	\$ 16,600,000	\$ 3,814,551	\$ 20,414,551

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 \$1,955,000 at June 30, 2023.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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	\$ 701,844	\$ -	\$ (24,919)	\$ 676,925

Note 10 Lease Liabilities

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, 2023, the School District reported \$1,350,403, offset by accumulated amortization of \$980,680 in intangible lease assets that were not included in the lease liability below.

Lease liabilities as of June 30, 2023 are as follows:

Description of Lease	Issue Date	Final Maturity	Discount Rate	Outstanding June 30, 2023
IPA Sched 429	7/1/2021	8/1/2023	2.20%	\$ 32,288
IPA Sched 453	7/1/2022	8/1/2024	2.20%	95,786
Total				\$ 128,074

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

Year	Principal	Interest	Total
2024	\$ 79,089	\$ 5,188	\$ 84,277
2025	48,985	2,286	51,271
Total	\$128,074	\$ 7,474	\$135,548

Interest paid for the current year amounted to \$2,505.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023

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, 2023

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>
2023	\$ 371,438	\$1,207,732
2022	467,475	1,106,241
2021	459,281	1,030,622

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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	04/01/2022	06/30/2021
Net Pension (Asset)/Liability	\$21,444,032,790	\$ 1,918,891,690
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	2,255,521	1,322,472
School District's Share of the Plan's Net Pension (Asset)/Liability	0.0105182%	0.0689190%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023, the School District recognized pension expense of \$851,611 for ERS and \$1,753,854 for TRS in the District-wide financial statements. At June 30, 2023, 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	\$ 240,231	\$ 1,385,783	\$ 63,344	\$ 26,500
Changes of Assumptions	1,095,426	2,565,371	12,107	532,729
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,708,759	13,251	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	167,569	142,403	37,825	32,765
School District's Contributions Subsequent to the Measurement Date	108,941	1,305,125	-	-
Total	\$ 1,612,167	\$ 7,107,441	\$ 126,527	\$ 591,994

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, 2024. 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
2024	\$ 343,506	\$ 1,037,757
2025	(80,883)	553,010
2026	480,837	(195,266)
2027	633,239	3,371,091
2028	-	427,087
Thereafter	-	16,643

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Investment Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95% - 5.18%
Cost of Living Adjustments	1.5%	1.3%
Inflation Rate	2.9%	2.4%

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

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 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, 2023

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

Measurement Date	ERS	TRS
	March 31, 2023	June 30, 2022
Asset Type		
Domestic Equity	4.30%	6.50%
International Equity	6.85%	7.20%
Global Equity	-	6.90%
Real Estate	4.60%	6.20%
Private Equity	7.50%	9.90%
Opportunistic/Absolute Return Strategy	5.38%	-
Real Assets	5.84%	-
Cash	0.00%	-
Credit	1.50%	-
Domestic Fixed Income	-	1.10%
Global Bonds	-	0.60%
Private Debt	-	5.30%
Real Estate Debt	-	2.40%
High-Yield Bonds	-	3.30%
Cash Equivalents	-	(0.30)%

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, 2023

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	\$ 5,450,626	\$ 2,255,521	\$ (414,362)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 12,193,809	\$ 1,322,472	\$ (7,820,252)

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, 2023	June 30, 2022
Employers' Total Pension Liability	\$ 232,627,259	\$133,883,474
Plan Net Position	(211,183,223)	(131,964,582)
Employers' Net Pension (Asset)/Liability	\$ 21,444,036	\$ 1,918,892
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%	98.6%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$108,941.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$1,395,968.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	\$ (736,611)	\$ 2,992,132	\$ 2,255,521
Deferred Outflows of Resources	(1,518,531)	(93,636)	(1,612,167)
Deferred Inflows of Resources	2,558,568	(2,432,041)	126,527
Subtotal	303,426	466,455	769,881
TRS			
Net Pension (Asset)/Liability	(11,834,666)	13,157,138	1,322,472
Deferred Outflows of Resources	(6,955,881)	(151,560)	(7,107,441)
Deferred Inflows of Resources	13,137,022	(12,545,028)	591,994
Subtotal	(5,653,525)	460,550	(5,192,975)
Total	\$ (5,350,099)	\$ 927,005	\$ (4,423,094)

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	408
Inactive Employees Entitled to	
but Not Yet Receiving Benefit Payments	-
Active Employees	264
Total	672

Total OPEB Liability

The School District's total OPEB liability of \$134,047,630 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2022 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	3.65%
Inflation	2.40%
Actuarial Cost Method	Entry Age Normal
Healthcare Cost Trend Rates	6.4% for 2022, decreasing to an ultimate rate of 3.8% after 2073.

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, 2023

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-2021 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, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 121,130,205
Changes for the Year	
Service Cost	3,592,397
Interest Cost	4,338,927
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	3,260,848
Changes in Assumptions	6,071,112
Benefit Payments	<u>(4,345,859)</u>
Net Change	<u>12,917,425</u>
Balance at June 30, 2023	<u>\$ 134,047,630</u>

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 (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 156,182,308	\$ 134,047,630	\$ 116,261,310

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 113,767,185	\$ 134,047,630	\$ 159,941,152

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$9,769,910.

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 10,101,955
Changes in Assumptions or Other Inputs	18,711,691	10,814,474
Total	<u>\$ 18,711,691</u>	<u>\$ 20,916,429</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 2,123,373
2025	(117,864)
2026	(495,525)
2027	(592,416)
2028	1,287,170
Thereafter	-

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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	\$ 121,130,205	\$ 12,917,425	\$ 134,047,630
Deferred Outflows of Resources	(21,347,105)	430,676	(20,916,429)
Deferred Inflows of Resources	26,635,741	(7,924,050)	18,711,691
Total	<u>\$ 126,418,841</u>	<u>\$ 5,424,051</u>	<u>\$ 131,842,892</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, 2023

***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, 2023, the School District incurred premiums or contribution expenditures totaling \$8,210,704.

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, 2023, the School District incurred premiums or contribution expenditures of \$156,020.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 13 Commitments and Contingencies - Continued

Other Items

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

Note 14 Fund Balance Detail

At June 30, 2023, nonspendable, restricted, and assigned fund balance in the governmental funds was as follows.

	General Fund	Capital Projects Fund	Non-Major Funds
Nonspendable			
Inventory	\$ -	\$ -	\$ 44,299
Total Nonspendable Fund Balance	\$ -	\$ -	\$ 44,299
Restricted			
Reserve for Employees' Retirement Contributions	\$ 2,088,129	\$ -	\$ -
Reserve for Teachers' Retirement Contributions	1,194,323	-	-
Tax Certiorari Reserve	250,056	-	-
Unemployment Insurance Reserve	162,361	-	-
Employee Benefit Accrued Liability Reserve	269,603	-	-
Capital Reserve	1,139,815	-	-
Capital	-	1,428,049	-
School Lunch	-	-	623,793
Debt	-	-	1,051,682
Scholarships	-	-	4,058
Total Restricted Fund Balance	\$ 5,104,287	\$ 1,428,049	\$ 1,679,533
Assigned			
Appropriated for Next Year's Budget	\$ 1,350,000	\$ -	\$ -
Encumbered for:			
General Support	234,589	-	-
Instruction	12,926	-	-
Pupil Transportation	13,204	-	-
Total Assigned Fund Balance	\$ 1,610,719	\$ -	\$ -

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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, 2023, were as follows:

<u>General Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Reserve for Employees' Retirement Contributions	\$2,037,546	\$ -	\$ 50,583	\$ -	\$ 2,088,129
Reserve for Teachers' Retirement Contributions	927,125	244,182	23,016	-	1,194,323
Tax Certiorari Reserve	96,360	156,000	2,288	(4,592)	250,056
Unemployment Insurance Reserve	158,428	-	3,933	-	162,361
Employee Benefit Accrued Liability Reserve	304,055	-	7,548	(42,000)	269,603
Capital Reserve	5,581,588	-	58,227	(4,500,000)	1,139,815
Total Restricted General Fund	<u>\$9,105,102</u>	<u>\$ 400,182</u>	<u>\$ 145,595</u>	<u>\$ (4,546,592)</u>	<u>\$ 5,104,287</u>
Debt Service Fund	<u>\$ 966,100</u>	<u>\$ -</u>	<u>\$ 85,582</u>	<u>\$ -</u>	<u>\$ 1,051,682</u>

Note 16 Tax Abatements

For the year ended June 30, 2023 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 \$1,251,595. The School District received Payment in Lieu of Tax (PILOT) payment totaling \$140,017.

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 \$48,626. 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, 2023 the District-wide Statement of Net Position had an unrestricted net deficit of \$122,286,548. 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.

Note 18 Subsequent Event

On September 21, 2023, the School District issued bond anticipation notes totaling \$1,513,200 at an interest rate of 4.5%. The purpose of this issuance is to finance the purchase of new buses.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$ 18,335,415	\$ 15,488,185	\$ 15,443,080	\$ (45,105)
Real Property Tax Items	182,108	3,029,338	3,024,140	(5,198)
Charges for Services	80,000	80,000	79,065	(935)
Use of Money and Property	-	-	295,877	295,877
Sale of Property and Compensation for Loss	-	-	11,753	11,753
Miscellaneous	415,000	416,500	473,396	56,896
Total Local Sources	<u>19,012,523</u>	<u>19,014,023</u>	<u>19,327,311</u>	<u>313,288</u>
State Sources	21,174,733	21,174,733	21,330,511	155,778
Medicaid Reimbursement	70,000	70,000	77,242	7,242
Federal Sources	-	-	217,923	217,923
Total Revenues	<u>40,257,256</u>	<u>40,258,756</u>	<u>40,952,987</u>	<u>694,231</u>
OTHER FINANCING SOURCES				
Operating Transfers In	-	-	3,192	3,192
Total Revenues and Other Financing Sources	<u>40,257,256</u>	<u>40,258,756</u>	<u>\$ 40,956,179</u>	<u>\$ 697,423</u>
Appropriated Fund Balance	885,000	5,405,758		
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	981,328	981,328		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u>\$ 42,123,584</u>	<u>\$ 46,645,842</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, 2023

	<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	\$ 22,850	\$ 22,190	\$ 16,208	\$ -	\$ 5,982
Central Administration	456,433	465,633	448,716	850	16,067
Finance	536,712	536,186	522,038	2,130	12,018
Staff	305,939	303,435	257,006	-	46,429
Central Services	4,148,789	4,271,347	3,726,055	231,609	313,683
Special Items	386,347	419,902	419,287	-	615
Total General Support	<u>5,857,070</u>	<u>6,018,693</u>	<u>5,389,310</u>	<u>234,589</u>	<u>394,794</u>
Instruction					
Instruction, Administration, and Improvement	982,823	1,016,525	993,399	205	22,921
Teaching - Regular School	8,732,382	8,810,627	8,453,547	6,558	350,522
Programs for Children with Handicapping Conditions	4,477,638	4,428,003	4,187,274	288	240,441
Occupational Education	686,514	686,514	686,514	-	-
Teaching - Special School	43,307	50,007	41,952	-	8,055
Instructional Media	1,806,320	1,590,923	1,581,382	111	9,430
Pupil Services	2,127,840	2,154,489	2,016,999	5,764	131,726
Total Instruction	<u>18,856,824</u>	<u>18,737,088</u>	<u>17,961,067</u>	<u>12,926</u>	<u>763,095</u>
Pupil Transportation	1,569,851	1,543,822	1,387,793	13,204	142,825
Employee Benefits	11,893,863	11,584,341	11,196,643	-	387,698
Debt Service					
Principal	2,951,526	3,237,443	3,237,443	-	-
Interest	849,450	851,955	851,955	-	-
Total Debt Service	<u>3,800,976</u>	<u>4,089,398</u>	<u>4,089,398</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>41,978,584</u>	<u>41,973,342</u>	<u>40,024,211</u>	<u>260,719</u>	<u>1,688,412</u>
OTHER FINANCING USES					
Operating Transfers Out	145,000	4,672,500	4,670,478	-	2,022
Total Expenditures and Other Financing Uses	<u>\$ 42,123,584</u>	<u>\$ 46,645,842</u>	<u>44,694,689</u>	<u>\$ 260,719</u>	<u>\$ 1,690,434</u>
Net Change in Fund Balance			(3,738,510)		
Fund Balance - Beginning of Year			<u>12,169,664</u>		
Fund Balance - End of Year			<u>\$ 8,431,154</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>2023</u>	<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>
Contractually Required Contribution	\$ 371,438	\$ 467,475	\$ 459,281	\$ 438,884	\$ 426,528	\$ 451,805	\$ 431,879	\$ 521,437	\$ 511,875	\$ 496,726
Contributions in Relation to the Contractually Required Contribution	(371,438)	(467,475)	(459,281)	(438,884)	(426,528)	(451,805)	(431,879)	(521,437)	(511,875)	(496,726)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ended June 30,	3,473,389	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
Contributions as a Percentage of Covered Employee Payroll	10.7%	14.8%	13.9%	14.0%	14.0%	14.5%	15.0%	17.6%	17.3%	16.3%

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

	<u>2023</u>	<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>
Contractually Required Contribution	\$ 1,305,125	\$ 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
Contributions in Relation to the Contractually Required Contribution	(1,305,125)	(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)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll for Year Ended June 30,	12,683,431	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
Contributions as a Percentage of Covered Employee Payroll	10.3%	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%

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>2023</u>	<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	0.0105182%	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	\$ 2,255,521	\$ (736,611)	\$ 9,555	\$ 2,482,102	\$ 689,339	\$ 302,748	\$ 851,547	\$ 1,559,618	\$ 329,152
School District's Covered Employee Payroll	3,417,561	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	66.0%	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 Liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The Following is a Summary of Changes of Assumptions									
Inflation	2.90%	2.90%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	4.40%	4.40%	4.40%	4.50%	4.20%	3.80%	3.80%	3.80%	3.80%
Cost of Living Adjustments	1.50%	1.50%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	5.90%	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%
Discount Rate	5.90%	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

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 NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension (Asset)/Liability	0.0689190%	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	\$ 1,322,472	\$(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	12,683,431	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	10.4%	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 Liability	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%
The Following is a Summary of Changes of Assumptions									
Inflation	2.40%	2.20%	2.20%	2.25%	2.50%	2.50%	3.00%	3.00%	3.00%
Salary Increases	1.95% - 5.18%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	4.0% - 10.9%	4.0% - 10.9%	4.0% - 10.9%
Cost of Living Adjustments	1.30%	1.30%	1.30%	1.50%	1.50%	1.50%	1.63%	1.63%	1.63%
Investment Rate of Return	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%	8.00%
Discount Rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%	8.00%
Society of Actuaries' Mortality Scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 3,592,397	\$ 5,143,185	\$ 4,920,860	\$ 2,606,958	\$ 3,680,797	\$ 3,556,040	\$ *	\$ *	\$ *	\$ *
Interest Cost	4,338,927	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	3,260,848	-	14,820,664	-	(185,967)	909,191	*	*	*	*
Changes in Assumptions or Other Inputs	6,071,112	(29,718,569)	7,461,377	19,103,824	(11,917,076)	-	*	*	*	*
Benefit Payments	<u>(4,345,859)</u>	<u>(3,927,761)</u>	<u>(3,807,267)</u>	<u>(3,369,918)</u>	<u>(3,275,627)</u>	<u>(3,773,046)</u>	*	*	*	*
	12,917,425	(25,271,958)	26,120,764	21,819,798	(9,005,021)	3,851,153	*	*	*	*
Total OPEB Liability - Beginning of Year	<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>	*	*	*	*
Total OPEB Liability - End of Year	<u>\$ 134,047,630</u>	<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>
Covered Employee Payroll	\$ 14,729,342	\$ 14,132,777	\$ 14,132,777	\$ 13,539,998	\$ 13,539,998	\$ 15,748,290	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	910%	857%	1036%	888%	727%	682%	*	*	*	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	6.40% to 3.80%	5.30% - 4.10%	5.30% - 4.10%	5.30% - 4.10%	6.10% - 4.10%	7.50% - 4.50%	*	*	*	*
Salary Increases	2.40%	2.60%	2.60%	2.60%	2.60%	3.00%	*	*	*	*
Discount Rate	3.65%	3.54%	2.16%	2.20%	3.50%	3.00%	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2019	MP-2016	MP-2016	MP-2016	MP-2016	*	*	*	*

* 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, 2023

***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.

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, 2023.

***Note 3* 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

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten years to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

NYSTRS

Changes in Benefit Terms

Effective with the 2022 actuarial valuation, the following plan change was effective: The number of years of credited service required for vesting changed from ten years to five years for Tier 5 and 6 members for purposes of eligibility for a service retirement benefit or a deferred-vested benefit.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 41,142,256
Prior Year's Encumbrances	981,328
Original Budget	<u>42,123,584</u>

Budget Revisions

Use of Reserves	<u>4,510,686</u>
Insurance Proceeds	<u>5,046</u>
Donations	<u>6,526</u>

Total Additions

4,522,258

Final Budget

\$ 46,645,842

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u>\$ 43,296,992</u>
Maximum Allowed (4% of 2023-2024 Budget)	\$ 1,731,880

General Fund Balance Subject to §1318 of Real Property Tax Law

Unrestricted Fund Balance

Assigned Fund Balance	\$ 1,610,719
Unassigned Fund Balance	<u>1,716,148</u>
Total Unrestricted Fund Balance	<u>3,326,867</u>

(Less)

Appropriated Fund Balance	\$ 1,350,000
Encumbrances Included in Committed and Assigned Fund Balance	<u>260,719</u>
Total Adjustments	<u>1,610,719</u>

General Fund Fund Balance Subject to §1318 of Real Property Law

\$ 1,716,148

Actual Percentage

3.96%

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2023

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2023
			Prior Years	Current Year	Transfer Out	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Donnelly Elementary 0010-012	\$ 57,470	\$ 252,650	\$ 726,497	\$ -	\$ -	\$ 726,497	\$ (473,847)	\$ 414,500	\$ 415,291	\$ 168,072	\$ 997,863	\$ 271,366 *
Brookside Elementary 0003-013	219,092	135,408	186,868	-	-	186,868	(51,460)	-	-	-	-	(186,868) *
High School 0006-016	516,664	516,664	295,780	-	-	295,780	220,884	-	-	-	-	(295,780) *
High School 0006-019	100,000	100,000	100,000	-	-	100,000	-	-	-	100,000	100,000	-
High School 0006-020	100,000	100,000	-	96,903	3,097	100,000	-	-	-	100,000	100,000	-
Middle School 0014-011	186,671	186,671	143,901	-	-	143,901	42,770	-	-	-	-	(143,901) *
Concessions Building 7019-001	375,000	375,000	4,506	370,399	95	375,000	-	-	-	375,000	375,000	- *
2022 Capital Project	500,000	500,000	49,415	1,152,353	-	1,201,768	(701,768)	-	-	4,500,000	4,500,000	3,298,232 *
2022 Buses	400,000	400,000	400,000	520,000	-	920,000	(520,000)	920,000	-	-	920,000	- *
GASB 87 - Leases	323,995	323,995	-	323,995	-	323,995	-	323,995	-	-	323,995	- *
Unredeemed BANS - Buses	-	-	-	-	-	-	-	(1,515,000)	-	-	(1,515,000)	(1,515,000)
Total	\$ 2,778,892	\$ 2,890,388	\$ 1,906,967	\$ 2,463,650	\$ 3,192	\$ 4,373,809	\$ (1,483,421)	\$ 143,495	\$ 415,291	\$ 5,243,072	\$ 5,801,858	\$ 1,428,049

* 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, 2023

Capital Assets, Net	<u>\$ 52,338,729</u>
Add:	
Deferred Charges on Defeased Debt	<u>92,700</u>
(Deduct):	
Bond Anticipation Notes	<u>(1,515,000)</u>
Lease Liabilities	<u>(128,074)</u>
Short-Term Portion of Premium on Obligations	<u>(296,679)</u>
Long-Term Portion of Premium on Obligations	<u>(1,890,196)</u>
Short-Term Portion of Bonds Payable	<u>(2,555,000)</u>
Long-Term Portion of Bonds Payable	<u>(14,045,000)</u>
Capital Payables	<u>(106,358)</u>
Net Investment in Capital Assets	<u><u>\$ 31,895,122</u></u>

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
ASSETS					
Cash - Unrestricted	\$ 107,290	\$ -	\$ -	\$ -	\$ 107,290
Cash - Restricted	-	566,549	4,058	66,523	637,130
Investments - Restricted	-	-	-	977,823	977,823
Receivables:					
Due from Other Funds	-	32,219	-	7,336	39,555
State and Federal Aid	620,111	52,386	-	-	672,497
Other	-	63	-	-	63
Inventories	-	44,299	-	-	44,299
Total Assets	\$ 727,401	\$ 695,516	\$ 4,058	\$ 1,051,682	\$ 2,478,657
LIABILITIES					
Payables:					
Accounts Payable	\$ 3,602	\$ -	\$ -	\$ -	\$ 3,602
Accrued Liabilities	35,916	15,388	-	-	51,304
Due to Other Funds	541,974	-	-	-	541,974
Due to Other Governments	-	32	-	-	32
Unearned Revenues	145,909	12,004	-	-	157,913
Total Liabilities	727,401	27,424	-	-	754,825
FUND BALANCES					
Nonspendable	-	44,299	-	-	44,299
Restricted	-	623,793	4,058	1,051,682	1,679,533
Total Fund Balances	-	668,092	4,058	1,051,682	1,723,832
Total Liabilities and Fund Balances	\$ 727,401	\$ 695,516	\$ 4,058	\$ 1,051,682	\$ 2,478,657

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Special Aid Fund</u>	<u>School Lunch Fund</u>	<u>Miscellaneous Special Revenue Fund</u>		
REVENUES					
Use of Money and Property	\$ -	\$ 1,308	\$ 24	\$ 85,582	\$ 86,914
Miscellaneous	61,958	2,093	3,056	-	67,107
State Sources	343,766	117,480	-	-	461,246
Federal Sources	3,133,136	661,787	-	-	3,794,923
Sales - School Lunch	-	225,476	-	-	225,476
Total Revenues	<u>3,538,860</u>	<u>1,008,144</u>	<u>3,080</u>	<u>85,582</u>	<u>4,635,666</u>
EXPENDITURES					
General Support	772,556	-	-	-	772,556
Instruction	2,501,024	476,762	3,769	-	2,981,555
Pupil Transportation	26,364	-	-	-	26,364
Employee Benefits	277,175	105,253	-	-	382,428
Cost of Sales	-	394,061	-	-	394,061
Total Expenditures	<u>3,577,119</u>	<u>976,076</u>	<u>3,769</u>	<u>-</u>	<u>4,556,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(38,259)</u>	<u>32,068</u>	<u>(689)</u>	<u>85,582</u>	<u>78,702</u>
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers In	38,259	32,219	-	-	70,478
Total Other Financing Sources (Uses)	<u>38,259</u>	<u>32,219</u>	<u>-</u>	<u>-</u>	<u>70,478</u>
Net Change in Fund Balance	-	64,287	(689)	85,582	149,180
Fund Balances - Beginning of Year	-	603,805	4,747	966,100	1,574,652
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 668,092</u>	<u>\$ 4,058</u>	<u>\$ 1,051,682</u>	<u>\$ 1,723,832</u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America (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, 2023, 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 26, 2023.

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 School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given 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 26, 2023



**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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 2023-001. 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 District’s 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 26, 2023

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

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

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	0021230160	\$ -	\$ 501,396
Title I Grants to Local Educational Agencies	84.010	0021220160	-	37,766
Subtotal			-	539,162
Supporting Effective Instruction State Grants	84.367	0147230160	-	33,293
Supporting Effective Instruction State Grants	84.367	0147220160	-	40,333
Subtotal			-	73,626
Special Education Cluster:				
Special Education - Grants to States	84.027	0032230052	-	402,415
(COVID-19) Special Education - Grants to States	84.027X	5532220052	-	66,757
Special Education - Preschool Grants	84.173	0033230052	-	16,560
(COVID-19) Special Education - Preschool Grants	84.173X	5533220052	-	5,495
Total Special Education Cluster			-	491,227
Title IV, Part A Student Support and Academic Enrichment Program	84.424A	0204230160	-	21,041
Education Stabilization Fund				
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5890210160	-	186
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5891210160	-	500,971
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5880213355	-	860,600
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5884210160	-	293,062
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5882210160	-	1,320
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5883210160	-	95,807
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5870229282	-	256,320
Subtotal			-	2,008,266
Total U.S. Department of Education				
			-	3,133,322
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
National School Lunch	10.555	(1)	-	452,749
School Breakfast Program	10.553	(1)	-	152,848
Total Child Nutrition Cluster			-	605,597
(COVID-19) Pandemic EBT Food Benefits	10.542	N/A - Direct	-	5,942
(COVID-19) Child Nutrition Discretionary Grants Limited Availability	10.579	N/A - Direct	-	2,512
(COVID-19) State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	N/A - Direct	-	47,736
Total U.S. Department of Agriculture				
			-	661,787
U.S. Department of Homeland Security				
Passed Through NYS Department of Homeland				
(COVID-19) Disaster Grants - Public Assistance	97.036	4301-DR-NY	-	217,737
Total U.S. Department of Homeland Security				
			-	217,737
Total Expenditures of Federal Awards			\$ -	\$ 4,012,846

(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, 2023

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, 2023, the School District received \$69,741 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, 2023

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:

ALN Numbers

Name of Federal Program or Cluster

84.425

Education Stabilization Fund

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 (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2023

Section II Financial Statement Findings

None.

Section III Federal Award Findings and Questioned Costs

Finding 2023-001

Issue:	Net Cash Resources
Federal Agency:	U.S. Department of Agriculture
Federal Program:	Child Nutrition Cluster
Assistance Listing Number:	10.553/10.555
Pass-Through Agency:	NYS Department of Education

Criteria:

The School Food Authority shall limit its net cash resources to an amount that does not exceed three months' average expenditures for its School Lunch Fund or such other amount as may be approved by the NYS Department of Education in accordance with 7 CFR §210.9(b)(2).

Condition:

At June 30, 2023 net cash resources in the School Lunch Fund exceeded the allowable limit by \$330,970.

Cause:

Revenues including interfund transfers from the General Fund, exceeded expenditures by \$64,287 in the School Lunch Fund for the year ended June 30, 2023.

Effect or Potential Effect:

The School District is not in compliance with 7 CFR §210.9(b)(2).

Questioned Costs:

None.

Context:

The amount over the allowable limit of \$292,823 in the amount of \$330,970 at June 30, 2023, and compares with the amounts over the allowable limit in years ended June 30, 2022 and 2021 of \$278,875 and \$57,905, respectively. Furthermore, supply chain issues have compounded the School District's ability to spend down excess funds.

Repeat Finding:

This finding is a repeat of Finding 2022-001 from the prior year.

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.

Views of Responsible Officials of the Auditee:

The School District agrees with the condition, cause and recommendation.