SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

Conklin, New York

FINANCIAL REPORT

For the Year Ended
June 30, 2026

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, 2026, 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, 2026, 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 School 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), 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, 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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 28, 2026

Management's Discussion and Analysis
The purpose of management's discussion and analysis (MD&A) is to help School District residents and other readers understand what the financial statements and notes in this financial report say about the School District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the School District's finances.

If you have questions about this report or require further information, contact the School District at 607-775-0170.

Overview of the Financial Statements
The School District's financial report contains basic financial statements. Those financial statements present the School District's finances at both an overall and a detailed level. The first two; the Government-wide financial statements cover the School District's governmental activities (See the diagram in Figure A-1.)

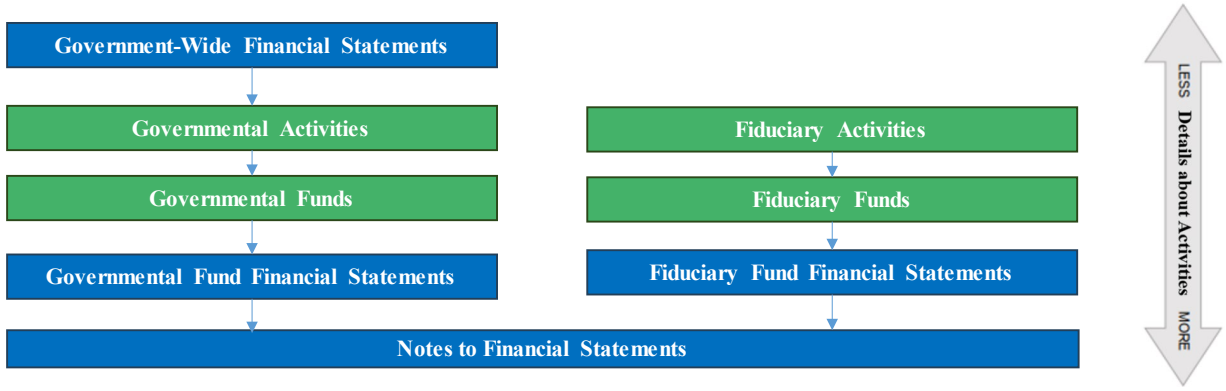
- **Governmental Activities**: comprise the School District's most basic functions, such as general governmental activities, instruction, transportation, and school lunch program. Governmental activities primarily are financed by taxes paid by School District residents and businesses and grants from the State of New York and the federal government.

The remaining basic financial statements present the School District's finances in greater detail and also present fiduciary activities. As their name implies, the fund financial statements disaggregate financial information into separate funds to report on the specific purposes for which resources are used or for which they are restricted. The School District reports two groups of funds:

- **Governmental Fund Financial Statements:** These statements report all of the governmental activities except those that involve providing services to School District departments. In addition to the School District's main operating fund, the General Fund, those financial statements report Special Revenue Funds to track the School District's school lunch program, state and federal grants, and scholarship funds, a Debt Service Fund to record the repayment of outstanding bonds, and a Capital Projects Fund to account for resources used to acquire transportation infrastructure and certain other long-lived assets.

- **Fiduciary Fund Financial Statements:** These statements report resources for which the School District acts as a trustee or custodian, including the School District Extraclassroom Activity funds. The resources in those funds do not belong to the School District and cannot be used to provide services, which is why they are not included in the Government-wide financial statements.

Figure A-1. Contents of the School District's Basic Financial Statements



The next section of this financial report contains notes to financial statements, which delve deeper into the School District's finances as reported in the financial statements. The information in the notes is as important to understanding the School District's finances as the information in the financial statements. The School District uses notes to (1) present information in greater detail than is possible within the financial statements themselves; (2) explain the nature of amounts reported in the financial statements and how those amounts were determined; and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

All of the School District's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

- **Assets:** The School District's resources, from short-term assets including cash to long-term assets such as buildings and equipment.

- **Liabilities:** Amounts the School District owes, from short-term liabilities such as salaries payable to long-term liabilities including outstanding debt and net amounts owed to employees for pensions.

- **Deferred Outflows of Resources and Deferred Inflows of Resources:** Resource flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the year for which they are related.

- **Revenues and Expenses:** Inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flow of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on construction of a School District building.

Figure A-2. Types of Information Reported in the School District's Financial Statements

	Financial Statements		
	Government-Wide	Fiduciary Fund	Governmental Fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term.		Only current financial resources, such as cash, accounts receivable, and accounts payable.
Types of revenues/additions	All types of revenue/additions that flow into the government during the year that relate to that year, regardless of when cash is received.		Only revenues that are measurable and available to finance expenditures of that year.
Types of expenses/deductions/ expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid.		Only expenditures for which the related governmental fund liability is incurred in that year.
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year.		Current financial resources that flow into and out of the governmental funds during the year that relate to a future year.

More detail about the measurement focuses and bases of accounting can be found in Note 1 to the financial statements, the Summary of Significant Accounting Policies, beginning on page 15.

Analysis of the School District's Finances

Table A-1 shows the School District's net deficit, assets and deferred outflows less liabilities and deferred inflows, was $71,946,016, a decrease of $6,843,374 compared to 2025. Various items contributed to changes in assets, liabilities, deferred outflows and inflows of resources; however, the primary factors affecting the change are as follows:

- Issuance of Debt
- Capital Asset Activity
- Actuarial Assumptions

Table A-1
School District's Net Position

Condensed Statement of Net Position	*Governmental Activities and Total School District*		*Total Dollar Change*
	2026	*2025*	
Current Assets	**$ 31,264,305**	$ 19,129,222	$ 12,135,083
Noncurrent Assets	**3,838,994**	1,958,114	1,880,880
Capital Assets, Net	**79,336,844**	72,803,288	6,533,556
Total Assets	**114,440,143**	93,890,624	20,549,519
Total Deferred Outflows of Resources	**14,953,264**	13,659,636	1,293,628
Current Liabilities	**33,919,870**	28,824,259	5,095,611
Noncurrent Liabilities	**138,888,460**	118,396,261	20,492,199
Total Liabilities	**172,808,330**	147,220,520	25,587,810
Total Deferred Inflows of Resources	**28,531,093**	39,119,130	(10,588,037)
Net Investment in Capital Assets	**36,647,702**	38,068,702	(1,421,000)
Restricted	**10,667,605**	9,950,263	717,342
Unrestricted	**(119,261,323)**	(126,808,355)	7,547,032
Total Net (Deficit)	**$ (71,946,016)**	$ (78,789,390)	$ 6,843,374

Issuance of Debt

During the year, the School District issued long term debt through the Dormitory Authority of the State of New York totaling $11,125,000. This issuance was made through a conversion of short-term bond anticipation notes totaling $17,500,000 and carried a premium on obligations of $1,118,733. Additionally, the School District issued short-term bond anticipation notes of $24,440,000 and $1,790,648. These funds were for construction on various School District buildings as well as for the purchase of school buses and resulted in an overall increase in current liabilities and an increase in noncurrent liabilities, as well as a decrease in net investment in capital assets.

Capital Asset Activity
Based on the previously mentioned debt issuance, the School District used those proceeds on various construction projects and purchase of school buses totaling $7,744,506 and $638,469, respectively. The School District started major renovations to its high school through a multi-stage capital project. This resulted in an overall increase in capital assets, net.

Actuarial Assumptions
The School District participates in two pension plans at the state level, the New York Teachers' Retirement System (NYSTRS) and the New York State and Local Retirement System (NYSLRS). In accordance with Government Accounting Standards Board (GASB) Statement No. 68, the School District is required to report its proportionate share of the net pension asset and/or liability for participating employers, as well as the related deferred inflows and outflows of resources. Amounts to be reported from the pension plans are based on actuarial determined balances with built-in assumptions. Actuarial assumptions are established by the respective systems and are periodically updated based on experience studies and current economic conditions. Changes in these assumptions can affect the calculation of reportable balances for the net pension asset and/or liability, deferred inflows and outflows of resources, and pension expense reported in the School District's financial statements.

During the year, differences between expected and actual experience, changes of assumptions, as well as net differences between expected and actual earnings on pension plan investments resulted in fluctuations in the School District's proportionate share of the net pension asset/liability and related deferred inflows and outflows of resources of $(3,021,683), $1,616,539, and $21,299, respectively.

In addition to its pension plans, the School District provides other postemployment benefits (OPEB) to eligible employees and reports its activity in accordance with GASB Statement No 75 The OPEB liability and related deferred inflows and outflows of resources are based on actuarial valuations using economic and demographic assumptions. These assumptions include healthcare cost trend rates, discount rates, inflation, mortality and employee participation rates. Changes in actuarial assumptions may result in significant year-to-year fluctuations in the School District's total OPEB liability, deferred inflows and outflows of resources, and OPEB expense.

During the year, changes to the discount rate as well as differences between expected and actual experience resulted in fluctuations in the School District's OPEB liability, deferred inflows and outflows of resources of $11,124,356, $(12,204,576), and $1,328,575, respectively.

Unrestricted Net Position
The School District's unrestricted net position reports a deficit of $119,261,323. This deficit is primarily attributable to the requirement that the School District report its total OPEB liability and related deferred inflows and outflows of resources, which together total $132,189,235. The School District's OPEB plan is financed on a pay-as-you-go basis, whereby the School District budgets for, and pays, the employer portion of retiree health insurance premiums as the costs are incurred. No prefunding mechanism exists under New York State law for school districts to set aside assets to fund this obligation, resulting in the recognition of a substantial long-term liability that contributes to the unrestricted net position (deficit).

Additionally, certain items within the current and noncurrent assets categories were reclassified in 2025 to conform with current year presentation

Governmental Activities

Table A-2 shows revenues exceeded expenses in the current year, resulting in an increase in total net position (deficit). Various items contributed to this increase in net position (deficit); however, the primary factors affecting the change are as follows.

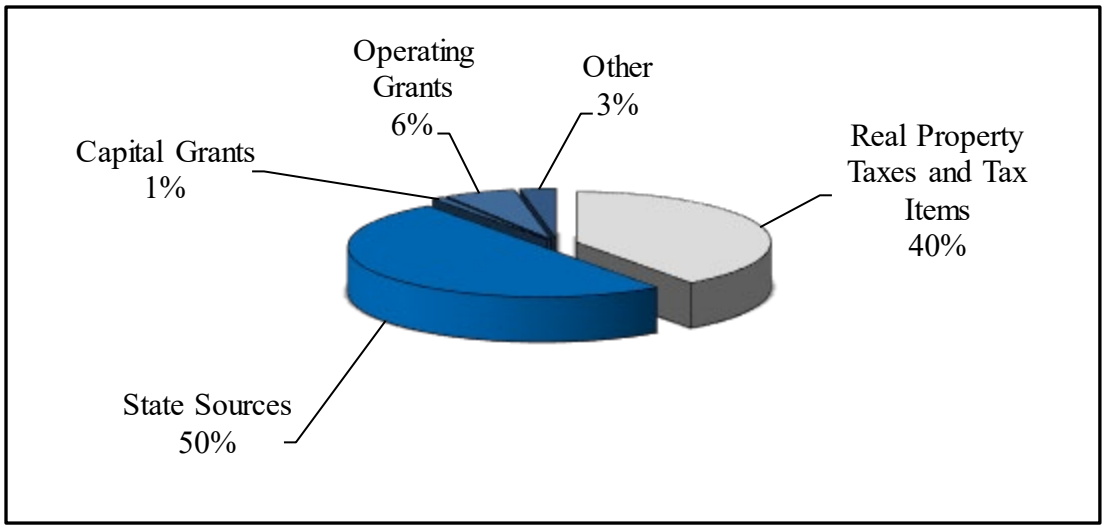
- Real property taxes
- State sources
- Use of money and property
- Reimbursements
- Fluctuations in expenses for certain programs and functions

Table A-2
Changes in the School District's Net Position

Changes in Net Position	*Governmental Activities and Total School District*		*Total Dollar Change*
	2026	*2025*	
REVENUES			
Program Revenues:			
Charges for Services	**$ 137,180**	$ 164,197	$ (27,017)
Operating Grants and Contributions	**3,108,528**	3,218,631	(110,103)
Capital Grants and Contributions	**287,847**	-	287,847
General Revenues:			
Real Property Taxes	**17,266,386**	16,692,426	573,960
Real Property Tax Items	**2,651,508**	2,747,112	(95,604)
State Sources	**24,382,533**	22,334,406	2,048,127
Federal Sources	**12,742**	-	12,742
Use of Money and Property	**618,928**	878,177	(259,249)
Other General Revenues	**776,891**	315,103	461,788
Total Revenues	**$ 49,242,543**	$ 46,350,052	$ 2,892,491
PROGRAM EXPENSES			
General Support	**$ 6,426,144**	$ 6,158,803	$ 267,341
Instruction	**30,953,408**	30,752,858	200,550
Pupil Transportation	**2,608,027**	2,138,107	469,920
School Lunch Program	**1,239,049**	1,174,389	64,660
Interest on Debt	**1,172,541**	1,040,442	132,099
Total Expenses	**$ 42,399,169**	$ 41,264,599	$ 1,134,570
CHANGE IN NET POSITION	**$ 6,843,374**	$ 5,085,453	$ 1,757,921

Figure A-3
Governmental Activities Revenues by Source

2026



Real Property Taxes
The second largest source of governmental activities revenue for the School District is real property taxes, totaling $17,266,386. Real property tax revenues increased primarily due to an increase in the tax levy.

State Sources
The largest source of governmental activities revenue for the School District is state sources, totaling $24,382,533. State sources increased from the prior year, reflecting an increase in basic formula aid.

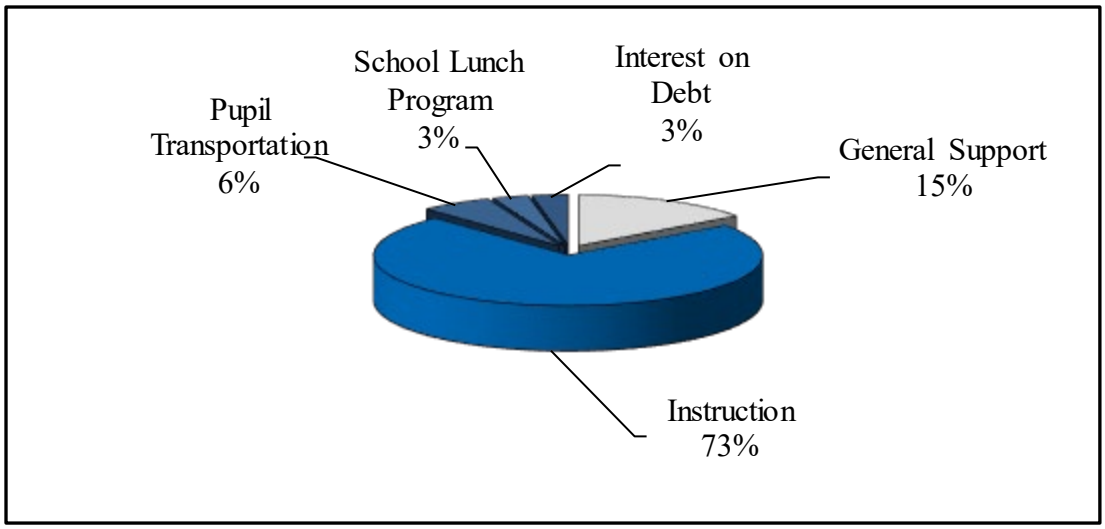
Use of Money and Property
In comparison to the prior year, the School District saw less favorable interest rates on its deposits, resulting in an overall reduction in interest earnings during the year of $270,596, causing an overall reduction in use of money and property.

Reimbursements
The School District receives reimbursements from various entities throughout the year, most notably from the health insurance consortium the School District participates in, as well as the BOCES joint venture. Current year reimbursements from the consortium and BOCES totaled $279,990, exceeded those of prior year, resulting in an increase in other general revenue.

Capital Grants
The School District received funding during the current year for a SMART Schools Bond Act project. The total funding received was $287,847.

Figure A-4
Governmental Activities Expenses by Function

2026



Fluctuations in Expenses for Certain Programs and Functions

Personnel Costs
Personnel costs and employee benefits make up approximately $31,508,381 or 74% of total expenses, making it the largest source of governmental activities expenses. The School District saw increases in salaries of $377,220, and $613,740 in employee benefits. The School District continues to experience increases in medical and dental insurance costs, with a total of $9,526,227, an increase of $611,236 from prior year.

Pension and Other Postemployment Expenses
As previously mentioned below Figure A-1, the School District reports activity associated with its pensions and OPEB in accordance with GASB Statement Nos. 68 and 75. Based on previously mentioned changes in actuarial assumptions, the School District's pension and OPEB expense changed by $(1,066,281) and $264,692, respectively.

Governmental Funds

The School District reports major funds individually in the governmental fund financial statements. Those funds are the General Fund and Capital Projects Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the School District's current financial health are more apparent in the fund financial statements than in the Government-wide financial statements. Significant changes to the funds are shown in Table A-3 and are discussed in more detail below.

Table A-3
Revenues, Expenditures, and Changes in Fund Balances

	General Fund		*Capital Projects Fund*	
	2026	*2025*	*2026*	*2025*
Total Revenues	$ 45,665,580	$ 43,072,521	$ 287,847	$ -
Total Expenditures	(45,400,868)	(42,302,359)	(8,762,235)	(17,131,332)
Excess (Deficiency) of Revenues over Expenditures	264,712	770,162	(8,474,388)	(17,131,332)
Total Other Financing Sources (Uses)	91,772	(131,360)	13,849,480	901,529
Net Change in Fund Balances	356,484	638,802	5,375,092	(16,229,803)
Fund Balances - Beginning of Year	10,830,992	10,192,190	(18,899,986)	(2,670,183)
Fund Balances - End of Year	**$ 11,187,476**	**$ 10,830,992**	**$ (13,524,894)**	**$ (18,899,986)**

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General Fund

Fund balance of the School District's General Fund increased by 3.3%. This change is the result of previously mentioned increases in both real property tax revenue as well as reimbursements, offset by salaries and employee benefit costs.

Capital Projects Fund

The deficit fund balance of the School District's Capital Projects fund improved by 28.4%. This change is the result of previously mentioned DASNY bond issuances leading to revenues exceeding expenses for construction and bus purchases.

Significant Capital Asset and Long-Term Financing Activity

Table A-4
Changes in Capital Assets, Net

Changes in Capital Assets	*2026*	*2025*	*Total Dollar Change*
Land	**$ 350,000**	$ 350,000	$ -
Construction in Progress	**32,794,993**	24,797,011	7,997,982
Buildings	**71,694,119**	71,559,639	134,480
Equipment	**9,140,388**	9,059,836	80,552
Intangible Lease Assets	**2,594,906**	2,215,463	379,443
Accumulated Depreciation	**(35,149,982)**	(33,411,917)	(1,738,065)
Accumulated Amortization	**(2,087,580)**	(1,766,744)	(320,836)
Total	**$ 79,336,844**	$ 72,803,288	$ 6,533,556

The School District had invested in a broad range of capital assets totaling $113,979,500, offset by accumulated depreciation as noted in Table A-4. In addition, the School District reported intangible lease assets, offset by accumulated amortization. As previously mentioned, the School District undertook a capital project for its high school, resulting in significant additional costs for Construction in Progress. Additionally, the School District purchased buses and other equipment, as well as entered into new lease agreements totaling $379,443. These additions were offset by depreciation and amortization expense of $2,360,250 and $320,836, respectively.

Table A-5
Changes in Long-Term Debt

Outstanding Debt	*Governmental Activities and Total School District*		*Total Dollar Change*
	2026	*2025*	
Bond Anticipation Notes	**$ 26,230,648**	$ 19,212,400	$ 7,018,248
Bonds	**22,259,155**	13,020,020	9,239,135
Lease Liabilities	**177,694**	115,852	61,842
Total	**$ 48,667,497**	$ 32,348,272	$ 16,319,225

As previously mentioned, the School District converted short-term bond anticipation notes into long-term DASNY bonds and issued additional short-term debt to finance construction and bus purchases, increasing total outstanding debt by 50.1%. See description following Table A-1 regarding debt issuances.

The School District also made principal payments on its existing long-term obligations totaling $2,785,000.

Currently Known Facts, Decisions, or Conditions
The School District is aware of the developments below that will have an impact on the School District's finances in the future:

- Future Budget
- Health Insurance Premiums
- State Aid
- BOCES Placements
- Pension Costs
- Federal Funding

Future Budget
Voters approved the 2026-27 budget totaling $48,445,442, with a 2.07% tax levy increase, the maximum allowable under the property tax levy limit. Over the past 10 years, the School District's average annual tax levy increase has been 2.16%.

Health Insurance Premiums
Health insurance premiums through the BTD Health Insurance Consortium increased 17.05% for the 2026-27 school year. The School District continues to evaluate strategies to manage the long-term impact of rising health insurance costs.

State Aid
State aid increased 2.47% for 2026-27. Combined with the 2.07% tax levy increase, additional revenue was insufficient to offset rising expenditures, particularly health insurance and contractual salary increases. The School District reduced expenditures through attrition and other budget adjustments and anticipates continued budgetary pressure if Foundation Aid growth remains limited.

BOCES Placements
Broome-Tioga BOCES is expanding its special education facilities, with completion anticipated in 2027-28. The additional classroom capacity is expected to reduce regional placement waitlists which will result in increased tuition costs to component districts.

Pension Costs
The School District anticipates increased employer pension costs beginning in 2027-28 due to recent changes enacted in the New York State budget.

Federal Funds
The School District anticipates a reduction of approximately $65,000 in federal Title program funding beginning in the 2026-27 school year. This will require future program or budget adjustments.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2026

ASSETS	
Current Assets	
Cash - Unrestricted	$ 3,532,919
Cash - Restricted	14,760,208
Investments - Restricted	8,883,958
Receivables:	
State and Federal Aid	2,757,044
Due From Other Governments	1,217,944
Other	69,159
Inventories	43,073
Total Current Assets	31,264,305
Noncurrent Assets	
Net Pension Asset - Proportionate Share	3,838,994
Capital Assets, Net:	
Land and Construction in Progress	33,144,993
Depreciable Capital Assets, Net	45,684,525
Intangible Lease Assets, Net	507,326
Total Noncurrent Assets	83,175,838
Total Assets	114,440,143
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	5,709,723
Other Postemployment Benefits	9,232,617
Deferred Charges on Defeased Debt	10,924
Total Deferred Outflows of Resources	14,953,264

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2026

LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	$ 908,800
Accrued Liabilities	810,448
Due to Other Governments	70
Bond Interest and Matured Bonds	1,027,779
Retainage Payable	1,570,699
Bond Anticipation Notes Payable	26,230,648
Overpayments and Collections in Advance	92,372
Unearned Revenues	48,356
Due to Teachers' Retirement System	1,362,530
Due to Employees' Retirement System	185,188
Current Portion of Long-Term Obligations:	
Bonds Payable	1,570,270
Lease Liabilities	106,058
Compensated Absences	6,652
Total Current Liabilities	33,919,870
Noncurrent Liabilities	
Bonds Payable	20,688,885
Lease Liabilities	71,636
Compensated Absences Payable	553,188
Other Postemployment Benefits Liability	117,013,264
Net Pension Liability - Proportionate Share	561,487
Total Noncurrent Liabilities	138,888,460
Total Liabilities	172,808,330
DEFERRED INFLOWS OF RESOURCES	
Pensions	4,122,505
Other Postemployment Benefits	24,408,588
Total Deferred Inflows of Resources	28,531,093
NET POSITION	
Net Investment in Capital Assets	36,647,702
Restricted	10,667,605
Unrestricted (Deficit)	(119,261,323)
Total Net (Deficit)	**$ (71,946,016)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
General Support	$ 6,426,144	$ -	$ -	$ -	$ (6,426,144)
Instruction	30,953,408	71,128	1,800,662	287,847	(28,793,771)
Pupil Transportation	2,608,027	-	-	-	(2,608,027)
School Lunch Program	1,239,049	66,052	1,307,866	-	134,869
Interest on Debt	1,172,541	-	-	-	(1,172,541)
Total Functions and Programs	**$ 42,399,169**	**$ 137,180**	**$ 3,108,528**	**$ 287,847**	(38,865,614)
GENERAL REVENUES					
Real Property Taxes					17,266,386
Real Property Tax Items					2,651,508
Use of Money and Property					618,928
State Sources					24,382,533
Federal Sources					12,742
Sale of Property and Compensation for Loss					(114,630)
Miscellaneous					891,521
Total General Revenues					45,708,988
Change in Net Position					6,843,374
Total Net (Deficit) - Beginning of Year					(78,789,390)
Total Net (Deficit) - End of Year					**$ (71,946,016)**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	Major Funds			
	General Fund	Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash - Unrestricted	$ 3,532,919	$ -	$ -	$ 3,532,919
Cash - Restricted	1,367,436	12,880,659	512,113	14,760,208
Investments - Restricted	6,690,787	-	2,193,171	8,883,958
Receivables:				
Due From Other Funds	928,926	-	92,863	1,021,789
State and Federal Aid	1,998,673	-	758,371	2,757,044
Due From Other Governments	1,217,944	-	-	1,217,944
Other	68,425	-	734	69,159
Inventories	-	-	43,073	43,073
Total Assets	**$ 15,805,110**	**$ 12,880,659**	**$ 3,600,325**	**$ 32,286,094**
LIABILITIES				
Payables:				
Accounts Payable	$ 731,792	$ 173,641	$ 3,367	$ 908,800
Accrued Liabilities	766,259	-	44,189	810,448
Due to Other Funds	168,594	1,264	851,931	1,021,789
Due to Other Governments	43	-	27	70
Bond Anticipation Notes Payable	-	26,230,648	-	26,230,648
Overpayments and Collections in Advance	92,372	-	-	92,372
Unearned Revenues	-	-	48,356	48,356
Due to Teachers' Retirement System	1,362,530	-	-	1,362,530
Due to Employees' Retirement System	185,188	-	-	185,188
Total Liabilities	3,306,778	26,405,553	947,870	30,660,201
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - BOCES and State Aid	1,310,856	-	-	1,310,856
Total Deferred Inflows of Resources	1,310,856	-	-	1,310,856
FUND BALANCES				
Nonspendable	-	-	43,073	43,073
Restricted	8,058,223	-	2,609,382	10,667,605
Assigned	1,221,710	-	-	1,221,710
Unassigned	1,907,543	(13,524,894)	-	(11,617,351)
Total Fund Balances	11,187,476	(13,524,894)	2,652,455	315,037
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 15,805,110**	**$ 12,880,659**	**$ 3,600,325**	**$ 32,286,094**

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, 2026

Fund Balances (Deficit) - Total Governmental Funds		**$ 315,037**
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	$ 116,574,406	
Less Accumulated Depreciation	(35,149,982)	
Less Accumulated Amortization	(2,087,580)	79,336,844
Certain assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
September Aid		1,310,856
The School District's proportionate share of the employee retirement systems' collective net pension (asset)/liability is not reported in the funds.		
TRS Net Pension Asset - Proportionate Share	$ 3,838,994	
ERS Net Pension Liability- Proportionate Share	(561,487)	3,277,507
Deferred outflows of resources, including deferred charges on defeased debt, pensions, and other postemployment benefits, represent 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, represent an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
Deferred Charges on Defeased Debt	$ 10,924	
Other Postemployment Benefits Deferred Outflows of Resources	9,232,617	
ERS Deferred Outflows of Resources - Pension	796,099	
TRS Deferred Outflows of Resources - Pension	4,913,624	
Other Postemployment Benefits Deferred Inflows of Resources	(24,408,588)	
ERS Deferred Inflows of Resources - Pension	(1,067,657)	
TRS Deferred Inflows of Resources - Pension	(3,054,848)	(13,577,829)
Long-term liabilities, including bonds payable and lease liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	$ (19,735,000)	
Unamortized Bond Premium	(2,524,155)	
Lease Liabilities	(177,694)	(22,436,849)
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	$ (117,013,264)	
Compensated Absences	(559,840)	
Retainage Payable	(1,570,699)	
Accrued Interest on Debt	(1,027,779)	(120,171,582)
Net (Deficit) of Governmental Activities		**$ (71,946,016)**

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, 2026

	Major Funds		Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund		
REVENUES				
Real Property Taxes	$ 17,266,386	$ -	$ -	$ 17,266,386
Real Property Tax Items	2,651,508	-	-	2,651,508
Charges for Services	25,678	-	-	25,678
Use of Money and Property	478,949	-	-	478,949
Sale of Property and Compensation for Loss	5,963	-	139,979	145,942
Miscellaneous	820,348	-	71,699	892,047
State Sources	24,358,556	287,847	1,147,272	25,793,675
Medicaid Reimbursement	45,450	-	-	45,450
Federal Sources	12,742	-	1,879,414	1,892,156
Sales - School Lunch	-	-	65,526	65,526
Total Revenues	45,665,580	287,847	3,303,890	49,257,317
EXPENDITURES				
General Support	5,169,034	-	243,733	5,412,767
Instruction	20,007,029	-	2,137,371	22,144,400
Pupil Transportation	1,493,036	-	16,923	1,509,959
Employee Benefits	12,904,993	-	289,736	13,194,729
Debt Service:				
Principal	4,473,401	-	875,000	5,348,401
Interest	1,353,375	-	-	1,353,375
Cost of Sales	-	-	521,908	521,908
Capital Outlay	-	8,762,235	-	8,762,235
Total Expenditures	45,400,868	8,762,235	4,084,671	58,247,774
Excess (Deficiency) of Revenues Over Expenditures	264,712	(8,474,388)	(780,781)	(8,990,457)
OTHER FINANCING SOURCES AND (USES)				
Proceeds of Obligations	-	11,504,443	-	11,504,443
Premium on Obligations	-	-	1,327,839	1,327,839
BANs Redeemed From Appropriations	-	2,245,800	-	2,245,800
Operating Transfers In	222,183	100,000	30,991	353,174
Operating Transfers (Out)	(130,411)	(763)	(222,000)	(353,174)
Total Other Financing Sources (Uses)	91,772	13,849,480	1,136,830	15,078,082
Net Change in Fund Balance	356,484	5,375,092	356,049	6,087,625
Fund Balances (Deficit) - Beginning of Year	10,830,992	(18,899,986)	2,296,406	(5,772,588)
Fund Balances (Deficit) - End of Year	**$ 11,187,476**	**$ (13,524,894)**	**$ 2,652,455**	**$ 315,037**

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, 2026

Net Change in Fund Balances - Total Governmental Funds		**$ 6,087,625**
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	$ 9,335,235	
Net Book Value of Disposed Assets	(120,593)	
Depreciation Expense	(2,360,250)	
Amortization Expense	(320,836)	6,533,556
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	$ (6,603)	
TRS	1,390,448	1,383,845
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.		105,819
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the Governmental Funds, but the repayment reduces long-term debt in the Statement of Net Position.		
Proceeds on Obligations	$ (11,125,000)	
Premium on Obligations	(1,118,733)	
Proceeds of Leases	(379,443)	
Principal Payment - Bonds	2,785,000	
Amortization of Premium on Obligation	219,598	
Amortization of Deferred Amounts on Refunding of Debt	(13,648)	
Principal Payment - Leases	317,601	(9,314,625)
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	$ 226,057	
Other Postemployment Benefits Liability	2,408,795	2,634,852
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.		
Retainage Payable	$ (353,476)	
Interest Payable	(234,222)	(587,698)
Net Change in Net Position of Governmental Activities		**$ 6,843,374**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2026

	Custodial Fund
ASSETS	
Cash - Unrestricted	$ 109,654
Total Assets	**109,654**
NET POSITION	
Unassigned	**$ 109,654**

See Notes to Basic Financial Statements

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

	Custodial Fund
ADDITIONS	
Extraclass Cash Receipts	$ 117,848
DEDUCTIONS	
Extraclass Cash Disbursements	116,124
Change in Net Position	1,724
Net Position - Beginning of Year	107,930
Net Position - End of Year	**$ 109,654**

See Notes to Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

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 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.

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.

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.

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.

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:

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

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

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 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.

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.

Vacation, Sick Leave, and Compensatory Absences
A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off, (b) other cash payments, such as payment for unused leave upon termination of employment, or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The payment or settlement could occur during employment or upon termination of employment. Examples of compensated absences include vacation leave, sick leave, and other paid time off. The rate at which different leave types are earned, the maximum amount of those leave types allowed to be accumulated, and the eligibility to earn the leave types are generally specified in negotiated labor contracts or outlined in individual employment contracts. Consistent with GASB Statement No. 101, "Compensated Absences," a liability is recognized when the leave is attributed to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay rates in effect as of the financial statement date and includes salary-related payments, where applicable.

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.

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."

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.

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 nonspendable 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.

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

Legally Adopted Reserves - Continued

- Capital Reserve (Education Law §3651) - Used to pay the cost of any object or purpose for which bonds may be issued. The creation of a Capital Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

- Retirement Contribution Reserves (GML §6-r) - Used to reserve funds for the purpose of financing retirement contributions. These reserves 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, the 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 sub-fund 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.

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 August 20, 2025. Taxes were collected during the period September 1, 2025 to October 31, 2025.

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 Statements of the Governmental Accounting Standards Board (GASB) effective for the year ended June 30, 2026:

- GASB Statement No. 103, "Financial Reporting Model Improvements."

- GASB Statement No. 104, "Disclosure of Certain Capital Assets."

Future Changes in Accounting Standards

- GASB has issued Statement No. 105, "Subsequent Events," effective for the year ending June 30, 2027.

School District management will evaluate the impact future pronouncements may have on its financial statements and will implement as applicable and when material.

Note 2 **Participation in BOCES**

During the year ended June 30, 2026, the School District's share of BOCES income amounted to $2,483,797. The School District was billed $7,059,349 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 and cash with fiscal agents) of $27,571,811 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

Restricted cash and investments consist of the following at June 30, 2026:

Restricted for Debt	2,038,023
Restricted for School Lunch	588,491
Restricted for Capital Projects	12,879,577
Restricted for Special Aid	75,152
General Fund Reserves	8,058,223
Restricted for Scholarships	4,700
Total	**$ 23,644,166**

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

Note 3 **Cash, Cash Equivalents and Investments - Custodial and Concentration of Credit Risk - Continued**

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 $6,690,787 and cost of $6,672,360, fair value of $446,589 and cost of $445,985, and fair value of $1,746,582 and cost of $1,746,257 within the General Fund, School Lunch Fund, and Debt Service Fund, respectively.

Note 4 **Due From Other Governments**

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

Description	Amount
BOCES September Aid	$ 1,217,944
Total	**$ 1,217,944**

Note 5 **Interfund Balances and Activity**

Interfund balances at June 30, 2026 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 928,926	$ 168,594	$ 222,183	$ 130,411
Capital Fund	-	1,264	100,000	763
Non-Major Funds	92,863	851,931	30,991	222,000
Total	**$ 1,021,789**	**$ 1,021,789**	**$ 353,174**	**$ 353,174**

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 the Capital Projects Fund, as needed, to fund capital projects.

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

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2026 were as follows:

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets That are not Depreciated				
Land	$ 350,000	$ -	$ -	$ 350,000
Constructiong in Progress - Retainage	1,217,223	353,476	-	1,570,699
Construction in Progress	23,579,788	7,744,506	(100,000)	31,224,294
Total Nondepreciable Historical Cost	25,147,011	8,097,982	(100,000)	33,144,993
Capital Assets That are Depreciated				
Buildings	71,559,639	34,480	100,000	71,694,119
Furniture and Equipment	9,059,836	823,330	(742,778)	9,140,388
Total Depreciable Historical Cost	80,619,475	857,810	(642,778)	80,834,507
Intangible Lease Assets				
Equipment	2,215,463	379,443	-	2,594,906
Total Historical Cost	107,981,949	9,335,235	(742,778)	116,574,406
Less Accumulated Depreciation				
Buildings	(28,234,723)	(1,686,816)	-	(29,921,539)
Furniture and Equipment	(5,177,194)	(673,434)	622,185	(5,228,443)
Total Accumulated Depreciation	(33,411,917)	(2,360,250)	622,185	(35,149,982)
Less Accumulated Amortization				
Equipment	(1,766,744)	(320,836)	-	(2,087,580)
Total Historical Cost, Net	**$ 72,803,288**	**$ 6,654,149**	**$ (120,593)**	**$ 79,336,844**

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

General Support	$ 252,470
Instruction	1,821,459
Pupil Transportation	532,635
School Lunch	74,522
Total	**$ 2,681,086**

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. Two BANs were outstanding at June 30, 2026.

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

Description of Issue	Interest Rate	Maturity Date	Beginning Balance	Issued	Renewed/ Redeemed	Ending Balance
2024 Bus BAN	4.50%	09/19/2025	$ 1,712,400	$ -	$ (1,712,400)	$ -
2024 Construction BAN	4.00%	09/19/2025	17,500,000	-	(17,500,000)	-
2025 Construction BAN	4.00%	07/16/2026	-	24,440,000	-	24,440,000
2025 Bus BAN	3.75%	09/18/2026	-	1,790,648	-	1,790,648
Total			**$19,212,400**	**$ 26,230,648**	**$ (19,212,400)**	**$ 26,230,648**

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

Interest Paid	$ 814,434
Less Premiums on BANs	(209,106)
Less Interest Accrued in the Prior Year	(771,536)
Plus Interest Accrued in the Current Year	987,346
Total	**$ 821,138**

Note 8 **Long-Term Debt**

At June 30, 2026, the total outstanding indebtedness of the School District represented 52.4% of its statutory debt limit, exclusive of building aid. Long-term debt is classified as follows.

- Serial Bonds and Revenue Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

The following is a summary of the School District's long-term debt for the year ended June 30, 2026:

	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2026
Serial Bonds				
Refunding Bonds - 2017	10/12/2017	06/15/2039	2.00% - 3.25%	$ 250,000
Refunding Bonds - 2022	06/15/2022	06/15/2029	2.00% - 4.00%	915,000
Total Refunding Bonds				1,165,000
Revenue Bonds				
Revenue Bond - 2017	06/15/2017	06/15/2035	5.00%	940,000
Revenue Bond - 2020	06/17/2020	06/15/2035	5.00%	6,505,000
Revenue Bond - 2026	06/15/2026	06/15/2041	5.00%	11,125,000
Total Revenue Bonds				18,570,000
Total				**$ 19,735,000**

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

Interest Paid	$ 531,963
Less Interest Accrued in the Prior Year	(22,021)
Interest Accrued in the Current Year	40,433
Less Amortization of Bond Premium	(219,598)
Amortization of Deferred Charges on Defeased Debt	13,648
Total	**$ 344,425**

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

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	$ 11,395,000	$ 11,125,000	$ 2,785,000	$ 19,735,000	$ 1,315,000
Premium on Obligations	1,625,020	1,118,733	219,598	2,524,155	255,270
Total Serial Bonds	**$ 13,020,020**	**$ 12,243,733**	**$ 3,004,598**	**$ 22,259,155**	**$ 1,570,270**
Deferred Charges on Defeased Debt	$ 24,572	$ -	$ 13,648	$ 10,924	$ 1,403
Total	**$ 24,572**	**$ -**	**$ 13,648**	**$ 10,924**	**$ 1,403**

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

Year	Principal	Interest	Total
2027	$ 1,315,000	$ 1,134,603	$ 2,449,603
2028	1,800,000	910,494	2,710,494
2029	1,725,000	824,488	2,549,488
2030	1,590,000	740,838	2,330,838
2031	1,660,000	661,788	2,321,788
2032-2036	6,775,000	2,116,640	8,891,640
2037-2041	4,870,000	748,001	5,618,001
Total	**$ 19,735,000**	**$ 7,136,852**	**$ 26,871,852**

During March 2022, the School District issued $2,180,000 in general obligation bonds, with interest rates of 2.00% to 4.00%. The School District issued the bonds to advance refund $2,270,000 of outstanding general obligation bonds with interest rates ranging from 2.00% to 3.00%. 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 $950,000 at June 30, 2026.

Note 9 **Compensated Absences**

Represents the value of accumulated hours earned that will be used or paid out to employees.

Compensated absences balance and activity are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Compensated Absences	$ 785,897	$ -	$ (226,057)	**$ 559,840**	**$ 6,652**

Changes to compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

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, 2026, the School District reported $2,267,962, offset by accumulated amortization of $1,938,330 in intangible lease assets that were not included in the lease liability below.

Lease liabilities as of June 30, 2026 are as follows:

Description of Lease	Issue Date	Final Maturity	Discount Rate	Outstanding June 30, 2026
IPA Sched 482	07/01/2024	08/01/2026	5.21%	$ 37,691
IPA Sched 503	07/01/2025	08/01/2027	4.68%	140,003
Total				**$ 177,694**

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

Year	Principal	Interest	Total
2027	$106,058	$ 8,707	$ 114,765
2028	71,636	3,425	75,061
Total	**$177,694**	**$ 12,132**	**$ 189,826**

Interest paid for the current year amounted to $6,978.

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 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 3.00% 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 3.50% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3.00% and 6.00% 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 5.00% 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.

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.

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:

	ERS	TRS
2026	**$ 638,273**	**$1,303,221**
2025	578,317	1,243,323
2024	483,909	1,305,125

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

At June 30, 2026, 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, 2026 for ERS and June 30, 2025 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.

	ERS	TRS
Actuarial Valuation Date	April 1, 2025	June 30, 2024
Net Pension (Asset)/Liability	$ 5,641,750,360	$ (5,921,057,223)
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	561,487	(3,838,994)
School District's Share of the Plan's Net Pension (Asset)/Liability	0.0099524%	0.064836%

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, 2026, the School District recognized pension expense of $660,060 for ERS and $(158,666) for TRS in the District-wide financial statements. At June 30, 2026, 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	$ 321,316	$ 2,012,489	$ -	$ -
Changes of Assumptions	96,383	1,519,738	-	41,391
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-	1,006,778	2,998,245
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	193,212	141,435	60,879	15,212
School District's Contributions Subsequent to the Measurement Date	185,188	1,239,962	-	-
Total	**$ 796,099**	**$ 4,913,624**	**$ 1,067,657**	**$ 3,054,848**

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, 2027. 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
2027	$ 270,216	$ 1,979,086
2028	(329,991)	(791,256)
2029	(189,363)	(839,122)
2030	(207,608)	(152,284)
2031	-	349,250
Thereafter	-	73,140

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:

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Actuarial Valuation Date	April 1, 2025	June 30, 2024
Investment Rate of Return	5.9%	6.95%
Salary Increases	5.2%	2.04% - 5.80%
Cost of Living Adjustments	1.5%	1.4%
Inflation Rate	2.9%	2.5%

For ERS, annuitant mortality rates are based on April 1, 2020 - March 31, 2025 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, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025. For TRS, the actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2024.

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:

Note 11 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Actuarial Assumptions - Continued

	ERS	TRS
Measurement Date	March 31, 2026	June 30, 2025
Asset Type		
Domestic Equity	3.29%	6.70%
International Equity	5.85%	7.40%
Global Equity	-	7.00%
Real Estate	5.20%	6.50%
Private Equity	7.00%	9.80%
Opportunistic/ARS Portfolio	5.13%	-
Real Assets	5.54%	-
Cash	0.25%	-
Credit	5.10%	-
Domestic Fixed Income	1.75%	2.60%
Global Bonds	-	2.40%
Private Debt	-	6.10%
Real Estate Debt	-	3.80%
High-Yield Bonds	-	4.70%
Cash Equivalents	-	0.60%

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.

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	$ 3,834,805	$ 561,487	$ (2,175,151)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	$ 7,376,677	$ (3,838,994)	$ (13,276,398)

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, 2026	June 30, 2025
Employers' Total Pension Liability	$ 253,773,040	$148,272,068
Plan Net Position	(248,131,290)	(154,193,125)
Employers' Net Pension (Asset)/Liability	**$ 5,641,750**	**$ (5,921,057)**
Ratio of Plan Net Position to the Employers' Total Pension Liability	97.8%	104.0%

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, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $185,188.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026 are paid to the System in September, October, and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 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, 2026 amounted to $1,362,530.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	$ 1,702,290	$ (1,140,803)	$ 561,487
Deferred Outflows of Resources	(988,088)	191,989	(796,099)
Deferred Inflows of Resources	112,240	955,417	1,067,657
Subtotal	826,442	6,603	833,045
TRS			
Net Pension (Asset)/Liability	(1,958,114)	(1,880,880)	(3,838,994)
Deferred Outflows of Resources	(4,742,934)	(170,690)	(4,913,624)
Deferred Inflows of Resources	2,393,726	661,122	3,054,848
Subtotal	(4,307,322)	(1,390,448)	(5,697,770)
Total	**$ (3,480,880)**	**$ (1,383,845)**	**$ (4,864,725)**

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 as 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, 2026, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	385
Active Employees	238
Total	**623**

Total OPEB Liability

The School District's total OPEB liability of $117,013,264 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2024 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	4.67%
Inflation	2.40%
Actuarial Cost Method	Entry Age Normal
Healthcare Cost Trend Rates	6.6% for 2026, decreasing to an ultimate rate of 3.80% after 2073.

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

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 with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

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 the assumptions used in the June 30, 2023 Actuarial Valuation Report for the New York State Teachers' Retirement System and the 2024 Annual Report to the Comptroller on Actuarial Assumptions for the New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2024 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2025	$ 105,888,908
Changes for the Year	
Service Cost	2,283,619
Interest Cost	5,507,218
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	7,920,611
Benefit Payments	(4,587,092)
Net Change	11,124,356
Balance at June 30, 2026	**$ 117,013,264**

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 (3.67%)	Discount Rate (4.67%)	1% Increase (5.67%)
Total OPEB Liability	$ 134,559,431	$ 117,013,264	$ 102,742,914

Changes of assumptions and other inputs reflect a change in the discount rate from 5.20% for 2025 to 4.67% for 2026.

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 99,679,285	$ 117,013,264	$ 138,918,885

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2026, the School District recognized OPEB expense of $2,178,297

At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	$ 7,299,553	$ 1,011,988
Changes in Assumptions or Other Inputs	17,109,035	8,220,629
Total	**$ 24,408,588**	**$ 9,232,617**

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

Fiscal Year Ending June 30,	Amount
2027	$ (5,709,431)
2028	(3,829,845)
2029	(4,389,734)
2030	(1,246,961)
2031	-
Thereafter	-

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

Current Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
OPEB Liability	$ 105,888,908	$ 11,124,356	$ 117,013,264
Deferred Outflows of Resources	(7,904,042)	(1,328,575)	(9,232,617)
Deferred Inflows of Resources	36,613,164	(12,204,576)	24,408,588
Total	**$ 134,598,030**	**$ (2,408,795)**	**$ 132,189,235**

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.

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, 2026, the School District incurred premiums or contribution expenditures totaling $9,526,227.

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, 2026, the School District incurred premiums or contribution expenditures of $139,248.

Note 13 **Commitments and Contingencies - Continued**

Financial Concentrations and Constraints
The School District has reviewed its concentrations and constraints in accordance with GASB Statement No. 102, "Certain Risk Disclosures." Based on this review, no events associated with said concentrations or constraints have been identified that are more likely than not to cause a substantial impact requiring additional disclosure.

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, 2026, nonspendable, restricted, and assigned fund balance in the governmental funds was as follows.

	General Fund	Non-Major Funds
Nonspendable		
Inventory	$ -	$ 43,073
Total Nonspendable Fund Balance	**$ -**	**$ 43,073**
Restricted		
Reserve for Employees' Retirement Contributions	$4,365,131	$ -
Reserve for Teachers' Retirement Contributions	1,263,933	-
Unemployment Insurance Reserve	179,980	-
Employee Benefit Accrued Liability Reserve	397,119	-
Capital Reserve	1,852,060	-
School Lunch	-	788,659
Debt	-	1,816,023
Scholarships	-	4,700
Total Restricted Fund Balance	**$8,058,223**	**$2,609,382**
Assigned		
Appropriated for Next Year's Budget	$ 750,000	$ -
Encumbered for:		
General Support	311,097	-
Instruction	110,922	-
Pupil Transportation	49,691	-
Total Assigned Fund Balance	**$1,221,710**	**$ -**

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, 2026, were as follows:

General Fund	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Reserve for Employees' Retirement Contributions	$4,079,497	$ 165,000	$120,634	$ -	$ 4,365,131
Reserve for Teachers' Retirement Contributions	1,250,588	-	38,345	(25,000)	1,263,933
Unemployment Insurance Reserve	174,767	-	5,213	-	179,980
Employee Benefit Accrued Liability Reserve	385,617	-	11,502	-	397,119
Capital Reserve	1,801,605	-	50,455	-	1,852,060
Total Restricted General Fund	**$7,692,074**	**$ 165,000**	**$226,149**	**$ (25,000)**	**$ 8,058,223**
Debt Service Fund	**$1,699,262**	**$ 1,328,419**	**$129,075**	**$ (1,340,733)**	**$ 1,816,023**

Note 16 **Tax Abatements**

For the year ended June 30, 2026 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 $1,355,235. The School District received Payment in Lieu of Tax (PILOT) payment totaling $141,243.

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 $50,676. The School District received Payment in Lieu of Tax (PILOT) payment totaling $9,245.

Note 17 **Stewardship, Compliance, and Accountability**

Deficit Net Position

At June 30, 2026 the District-wide Statement of Net Position had an unrestricted net deficit of $119,261,323. This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 12). The deficit is not expected to be eliminated during the normal course of operations.

Deficit Fund Balance

The Capital Fund has a deficit fund balance of $13,524,894 at year end. This deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

Note 18 **Subsequent Event**

On July 15, 2026, the School District issued bond anticipation notes totaling $12,215,000 at an interest rate of 4.0%. The purpose of this issuance is to finance capital improvements.

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)		Variance with Actual Amounts Over (Under)
	Original	Final	Original Budget	Actual	Final Budget
REVENUES					
Local Sources					
Real Property Taxes	$ 19,732,703	$ 17,270,355	$ (2,462,348)	$ 17,266,386	$ (3,969)
Real Property Tax Items	182,838	2,645,186	2,462,348	2,651,508	6,322
Charges for Services	80,000	80,000	-	25,678	(54,322)
Use of Money and Property	305,000	305,000	-	478,949	173,949
Sale of Property and Compensation for Loss	-	-	-	5,963	5,963
Miscellaneous	501,211	533,860	32,649	820,348	286,488
Total Local Sources	20,801,752	20,834,401	32,649	21,248,832	414,431
State Sources	24,415,319	24,415,319	-	24,358,556	(56,763)
Medicaid Reimbursement	60,000	60,000	-	45,450	(14,550)
Federal Sources	-	-	-	12,742	12,742
Total Revenues	45,277,071	45,309,720	32,649	45,665,580	355,860
OTHER FINANCING SOURCES					
Operating Transfers In	222,000	222,000	-	222,183	183
Total Revenues and Other Financing Sources	45,499,071	45,531,720	**$ 32,649**	**$ 45,887,763**	**$ 356,043**
Appropriated Fund Balance	750,000	750,000			
Appropriated Reserves	967,016	1,002,016			
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	514,939	514,939			
Total Revenues, Appropriated Reserves, and Designated Fund Balance	**$ 47,731,026**	**$ 47,798,675**			

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, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)			Variance with Actual Amounts (Over) Under
	Original	Final	Original Budget	Actual	Encumbrances	Final Budget
EXPENDITURES						
General Support						
Board of Education	$ 46,100	$ 44,164	$ (1,936)	$ 34,579	$ -	$ 9,585
Central Administration	492,384	511,384	19,000	488,006	2,593	20,785
Finance	648,761	647,561	(1,200)	616,204	-	31,357
Staff	317,273	317,811	538	224,424	4,000	89,387
Central Services	3,689,607	3,608,013	(81,594)	3,230,205	304,504	73,304
Special Items	565,667	579,667	14,000	575,616	-	4,051
Total General Support	5,759,792	5,708,600	$ (51,192)	5,169,034	311,097	228,469
Instruction						
Instruction, Administration, and Improvement	1,108,534	1,142,245	$ 33,711	1,098,259	1,354	42,632
Teaching - Regular School	8,958,109	8,948,881	(9,228)	8,861,500	21,804	65,577
Programs for Children with Handicapping Conditions	5,067,374	5,062,294	(5,080)	4,713,599	32,361	316,334
Occupational Education	1,063,956	1,073,956	10,000	1,072,661	-	1,295
Teaching - Special School	149,011	182,561	33,550	161,575	-	20,986
Instructional Media	2,002,983	1,831,904	(171,079)	1,775,114	44,581	12,209
Pupil Services	2,418,678	2,463,805	45,127	2,324,321	10,822	128,662
Total Instruction	20,768,645	20,705,646	(62,999)	20,007,029	110,922	587,695
Pupil Transportation	1,755,286	1,732,702	(22,584)	1,493,036	49,691	189,975
Employee Benefits	13,810,006	13,689,851	(120,155)	12,904,993	-	784,858
Debt Service						
Principal	4,155,800	4,473,401	317,601	4,473,401	-	-
Interest	1,346,397	1,353,375	6,978	1,353,375	-	-
Total Debt Service	5,502,197	5,826,776	324,579	5,826,776	-	-
Total Expenditures	47,595,926	47,663,575	67,649	45,400,868	471,710	1,790,997
OTHER FINANCING USES						
Operating Transfers Out	135,100	135,100	-	130,411	-	4,689
Total Expenditures and Other Financing Uses	**$ 47,731,026**	**$ 47,798,675**	**$ 67,649**	45,531,279	**$ 471,710**	**$ 1,795,686**
Net Change in Fund Balance				356,484		
Fund Balance - Beginning of Year				10,830,992		
Fund Balance - End of Year				**$ 11,187,476**		

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

NOTES TO BUDGETARY COMPARISON SCHEDULES (NON-U.S. GAAP)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

BUDGETARY REVENUES	**General Fund Over (Under)**
Differences - Original Budget to Final Budget	
The School District experienced an increase in revenue for School Tax Relief Reimbursement from budgeted amounts primarily due to the unknown amount to be received during budget development, causing a variance in both Real Property Taxes and Tax Items.	$ 2,462,348
Differences - Final Budget to Actual	
No significant changes.	

BUDGETARY EXPENDITURES	
Differences - Original Budget to Final Budget	
No significant changes.	
Differences - Final Budget to Actual	
The School District budgeted for larger expenses related to its employee benefits, however actual premiums and claims were lower than expected, causing a large variance in employee benefits.	$ 784,858

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	**$ 638,273**	$ 578,317	$ 483,909	$ 371,438	$ 467,475	$ 459,281	$ 438,884	$ 426,528	$ 451,805	$ 431,879
Contributions in Relation to the Contractually Required Contribution	**(638,273)**	(578,317)	(483,909)	(371,438)	(467,475)	(459,281)	(438,884)	(426,528)	(451,805)	(431,879)
Contribution Deficiency (Excess)	**-**	-	-	-	-	-	-	-	**-**	**-**
School District's Covered Employee Payroll for Year Ended June 30,	**4,136,332**	4,255,297	4,076,604	3,473,389	3,166,913	3,304,838	3,132,135	3,038,062	3,105,211	2,884,250
Contributions as a Percentage of Covered Employee Payroll	**15.4%**	13.6%	11.9%	10.7%	14.8%	13.9%	14.0%	14.0%	14.5%	15.0%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	**$ 1,239,962**	$ 1,303,221	$ 1,243,323	$ 1,305,125	$ 1,207,732	$ 1,106,241	$ 1,030,622	$ 1,234,491	$ 1,140,243	$ 1,362,380
Contributions in Relation to the Contractually Required Contribution	**(1,239,962)**	(1,303,221)	(1,243,323)	(1,305,125)	(1,207,732)	(1,106,241)	(1,030,622)	(1,234,491)	(1,140,243)	(1,362,380)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	**-**	**-**
School District's Covered Employee Payroll for Year Ended June 30,	**12,929,739**	12,890,415	12,738,965	12,683,431	12,323,796	11,607,985	11,632,302	11,624,209	11,635,133	11,624,403
Contributions as a Percentage of Covered Employee Payroll	**9.6%**	10.1%	9.8%	10.3%	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%

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,

	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
School District's Proportion of the Net Pension (Asset)/Liability	**0.0099524%**	0.0099284%	0.0107733%	0.0105182%	0.0090110%	0.0095957%	0.0093733%	0.0097291%	0.0093804%	0.0090626%
School District's Proportionate Share of the Net Pension (Asset)/Liability	**$ 561,487**	$ 1,702,290	$ 1,586,265	$ 2,255,521	$ (736,611)	$ 9,555	$ 2,482,102	$ 689,339	$ 302,748	$ 851,547
School District's Covered Employee Payroll	**4,077,265**	4,320,489	3,995,309	3,417,561	3,127,483	3,256,080	3,090,820	3,020,476	3,126,732	2,902,640
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	**13.8%**	39.4%	39.7%	66.0%	23.6%	0.3%	80.3%	22.8%	9.7%	29.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**97.8%**	93.1%	93.9%	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%
The Following is a Summary of Changes of Assumptions										
Inflation	**2.90%**	2.90%	2.90%	2.90%	2.90%	2.70%	2.50%	2.50%	2.50%	2.50%
Salary Increases	**5.20%**	4.30%	4.40%	4.40%	4.40%	4.40%	4.50%	4.20%	3.80%	3.80%
Cost of Living Adjustments	**1.50%**	1.50%	1.50%	1.50%	1.50%	1.40%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	**5.90%**	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%
Discount Rate	**5.90%**	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2021	MP-2021	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014

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,

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net Pension (Asset)/Liability	**0.064836%**	0.0656290%	0.0675280%	0.0689190%	0.0682940%	0.0683610%	0.0698720%	0.0708260%	0.0728750%	0.0733800%
School District's Proportionate Share of the Net Pension (Asset)/Liability	**$ (3,838,994)**	$ (1,958,114)	$ 772,238	$ 1,322,472	$ (11,834,666)	$ 1,888,985	$ (1,815,289)	$(1,280,724)	$ (553,926)	$ 785,932
School District's Covered Employee Payroll	**12,890,415**	12,738,965	12,683,431	12,323,796	11,607,985	9,704,539	11,624,209	11,635,133	11,624,403	11,438,944
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	**29.8%**	15.4%	6.1%	10.7%	102.0%	19.5%	15.6%	11.0%	4.8%	6.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**104.0%**	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%
The Following is a Summary of Changes of Assumptions										
Inflation	**2.50%**	2.40%	2.40%	2.40%	2.20%	2.20%	2.25%	2.50%	2.50%	3.00%
Salary Increases	**2.04-5.80%**	1.95% - 5.18%	1.95% - 5.18%	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%
Cost of Living Adjustments	**1.40%**	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.50%	1.50%	1.63%
Investment Rate of Return	**6.95%**	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%
Discount Rate	**6.95%**	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2021	MP-2021	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA

See Notes to Required Supplementary Information

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	**$ 2,283,619**	$ 3,171,679	$ 3,896,596	$ 3,592,397	$ 5,143,185	$ 4,920,860	$ 2,606,958	$ 3,680,797	$ 3,556,040	$ *
Interest Cost	**5,507,218**	5,263,563	4,953,473	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	**-**	(11,470,727)	-	3,260,848	-	14,820,664	-	(185,967)	909,191	*
Changes in Assumptions or Other Inputs	**7,920,611**	(19,671,192)	(5,506,539)	6,071,112	(29,718,569)	7,461,377	19,103,824	(11,917,076)	-	*
Benefit Payments	**(4,587,092)**	(4,289,908)	(4,505,667)	(4,345,859)	(3,927,761)	(3,807,267)	(3,369,918)	(3,275,627)	(3,773,046)	*
	11,124,356	(26,996,585)	(1,162,137)	12,917,425	(25,271,958)	26,120,764	21,819,798	(9,005,021)	3,851,153	*
Total OPEB Liability - Beginning of Year	**105,888,908**	132,885,493	134,047,630	121,130,205	146,402,163	120,281,399	98,461,601	107,466,622	103,615,469	*
Total OPEB Liability - End of Year	**$ 117,013,264**	$ 105,888,908	$ 132,885,493	$ 134,047,630	$ 121,130,205	$ 146,402,163	$ 120,281,399	$ 98,461,601	$ 107,466,622	$ 103,615,469
Covered Employee Payroll	**$ 15,089,470**	$ 15,089,470	$ 14,729,342	$ 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	**775%**	702%	902%	910%	857%	1036%	888%	727%	682%	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	**6.60% to 3.80%**	6.60% to 3.80%	6.40% to 3.80%	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%**	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	3.00%	*
Discount Rate	**4.67%**	5.20%	3.93%	3.65%	3.54%	2.16%	2.20%	3.50%	3.00%	*
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2021	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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

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 Aid 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, 2026.

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

There were no significant legislative changes in benefits for the April 1, 2025 actuarial valuation.

NYSTRS

Changes in Benefit Terms

Effective with the 2024 actuarial valuation, the following plan change was effective: Chapter 56 on the Laws of 2024 amended Section 512 of Retirement and Social Security Law to change the definition of final average salary (FAS) for Tier 6 members to be based on the wages earned during any three consecutive years which provide the highest average wages, instead of five years. The legislation also reduced the lookback to the same requirements as applicable to Tier 4; namely, the FAS calculation will exclude any yearly increases in salary that exceeds 10% of the average previous two years' salaries.

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, 2026

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET		
Adopted Budget		$ 47,216,087
Prior Year's Encumbrances		514,939
Original Budget		47,731,026
Budget Revisions		
Appropriated Reserves		35,000
Donations		32,649
Total Additions		67,649
Final Budget		**$ 47,798,675**
§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
Next Year's Budget is a Voter Approved Budget	**$ 48,445,442**	
Maximum Allowed (4% of 2026-2027 Budget)		**$ 1,937,818**
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		
Unrestricted Fund Balance		
Assigned Fund Balance	$ 1,221,710	
Unassigned Fund Balance	1,907,543	
Total Unrestricted Fund Balance	3,129,253	
Less:		
Appropriated Fund Balance	$ 750,000	
Encumbrances Included in Committed and Assigned Fund Balance	471,710	
Total Adjustments	1,221,710	
General Fund Fund Balance Subject to §1318 of Real Property Law		**$ 1,907,543**
Actual Percentage		**3.94%**

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2026

PROJECT TITLE	Original Budget	Revised Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Transfer Out	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance (Deficit) June 30, 2026	
Donnelly Elementary 0010-012	$ 57,470	$ 192,772	$ 726,497	$ 34,889	$ -	$ 761,386	$ (568,614)	$ 414,500	$ 415,291	$ 168,072	$ 997,863	$ 236,477	*
Brookside Elementary 0003-013	219,092	195,496	186,868	39,481	-	226,349	(30,853)	-	-	-	-	(226,349)	*
High School 0006-016	516,664	516,664	404,617	87,613	-	492,230	24,434	-	287,846	-	287,846	(204,384)	*
High School 0006-023	100,000	100,000	100,000	-	-	100,000	-	-	-	100,000	100,000	-	
Middle School 0014-011	186,671	186,671	322,910	38,082	-	360,992	(174,321)	-	234,016	-	234,016	(126,976)	*
Concessions Building 7019-001	375,000	375,000	375,000	-	-	375,000	-	-	-	375,000	375,000	-	
Brookside Elementary 0003-017	4,760,000	5,233,267	5,514,891	221,847	-	5,736,738	(503,471)	8,439,908	-	899,611	9,339,519	3,602,781	*
High School 0006-021	12,792,500	10,724,399	10,050,832	367,107	-	10,417,939	306,460	14,488,331	-	2,354,691	16,843,022	6,425,083	*
Donnelly Elementary 0010-016	500,000	5,932,623	2,366,775	3,315,061	-	5,681,836	250,787	6,177,674	-	139,617	6,317,291	635,455	*
Industrial Arts Bldg 0012-007	500,000	112,278	70,188	61,337	-	131,525	(19,247)	134,511	-	28,452	162,963	31,438	*
Middle School 0014-012	500,000	7,642,327	4,048,136	3,179,285	-	7,227,421	414,906	7,666,806	-	1,899,177	9,565,983	2,338,562	*
Bus Garage 5002-010	500,000	532,865	77,751	299,805	-	377,556	155,309	342,771	-	28,452	371,223	(6,333)	*
Bus Garage 5002-011	100,000	100,000	-	99,817	183	100,000	-	-	-	100,000	100,000	-	
Buses	400,000	400,000	2,123,998	638,468	580	2,763,046	(2,363,046)	1,695,446	-	1,067,600	2,763,046	-	*
GASB 87 - Leases	379,443	379,443	-	379,443	-	379,443	-	379,443	-	-	379,443	-	*
Unredeemed BANS - Buses	-	-	-	-	-	-	-	(1,790,648)	-	-	(1,790,648)	(1,790,648)	
Unredeemed BANS - Capital Project	-	-	-	-	-	-	-	(24,440,000)	-	-	(24,440,000)	(24,440,000)	
Total	**$21,886,840**	**$ 32,623,805**	**$26,368,463**	**$ 8,762,235**	**$ 763**	**$35,131,461**	**$ (2,507,656)**	**$ 13,508,742**	**$ 937,153**	**$ 7,160,672**	**$21,606,567**	**$ (13,524,894)**	

** 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, 2026

Capital Assets, Net	**$ 79,336,844**
Add:	
Unspent Bond Proceeds	7,711,771
Deferred Charges on Defeased Debt	10,924
(Deduct):	
Bond Anticipation Notes	(26,230,648)
Lease Liabilities	(177,694)
Short-Term Portion of Premium on Obligations	(255,270)
Long-Term Portion of Premium on Obligations	(2,268,885)
Short-Term Portion of Bonds Payable	(1,315,000)
Long-Term Portion of Bonds Payable	(18,420,000)
Retainage Payable	(1,570,699)
Capital Fund Payables	(173,641)
Net Investment in Capital Assets	**$ 36,647,702**

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

	Special Revenue Funds				Total
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Non-Major Governmental Funds
ASSETS					
Cash - Restricted	$ 75,152	$ 141,902	$ 4,700	$ 290,359	$ 512,113
Investments - Restricted	-	446,589	-	1,746,582	2,193,171
Receivables:					
Due From Other Funds	-	91,781	-	1,082	92,863
State and Federal Aid	613,181	145,190	-	-	758,371
Other	-	734	-	-	734
Inventories	-	43,073	-	-	43,073
Total Assets	**$ 688,333**	**$ 869,269**	**$ 4,700**	**$ 2,038,023**	**$ 3,600,325**
LIABILITIES					
Payables:					
Accounts Payable	$ 2,275	$ 1,092	$ -	$ -	$ 3,367
Accrued Liabilities	17,366	26,823	-	-	44,189
Due to Other Funds	629,931	-	-	222,000	851,931
Due to Other Governments	-	27	-	-	27
Unearned Revenues	38,761	9,595	-	-	48,356
Total Liabilities	688,333	37,537	-	222,000	947,870
FUND BALANCES					
Nonspendable	-	43,073	-	-	43,073
Restricted	-	788,659	4,700	1,816,023	2,609,382
Total Fund Balances	-	831,732	4,700	1,816,023	2,652,455
Total Liabilities and Fund Balances	**$ 688,333**	**$ 869,269**	**$ 4,700**	**$ 2,038,023**	**$ 3,600,325**

SUSQUEHANNA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Special Revenue Funds				Total
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Non-Major Governmental Funds
REVENUES					
Use of Money and Property	$ -	$ 10,881	$ 23	$ 129,075	$ 139,979
Miscellaneous - Local Sources	70,579	526	594	-	71,699
State Sources	671,338	475,934	-	-	1,147,272
Federal Sources	952,506	926,908	-	-	1,879,414
Sales - School Lunch	-	65,526	-	-	65,526
Total Revenues	1,694,423	1,479,775	617	129,075	3,303,890
EXPENDITURES					
General Support	-	-	-	243,733	243,733
Instruction	1,542,381	594,190	800	-	2,137,371
Pupil Transportation	16,923	-	-	-	16,923
Employee Benefits	165,477	124,259	-	-	289,736
Principal	-	-	-	875,000	875,000
Cost of Sales	-	521,908	-	-	521,908
Total Expenditures	1,724,781	1,240,357	800	1,118,733	4,084,671
Excess (Deficiency) of Revenues Over Expenditures	(30,358)	239,418	(183)	(989,658)	(780,781)
OTHER FINANCING SOURCES AND (USES)					
Premium on Obligations	-	-	-	1,327,839	1,327,839
Operating Transfers In	30,358	53	-	580	30,991
Operating Transfers (Out)	-	-	-	(222,000)	(222,000)
Total Other Financing Sources (Uses)	30,358	53	-	1,106,419	1,136,830
Net Change in Fund Balance	-	239,471	(183)	116,761	356,049
Fund Balances - Beginning of Year	-	592,261	4,883	1,699,262	2,296,406
Fund Balances - End of Year	**$ -**	**$ 831,732**	**$ 4,700**	**$ 1,816,023**	**$ 2,652,455**

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, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 28, 2026.

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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 28, 2026