SUSQUEHANNA VALLEY

CENTRAL SCHOOL DISTRICT

INTERNAL AUDITOR'S REPORT

JUNE 30, 2026

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Certified Public Accountant
A Professional Corporation

INTERNAL AUDITOR'S REPORT

The Audit Committee and
Board of Education
Susquehanna Valley Central School District
1040 Conklin Road
Conklin, NY 13748

I have performed the procedures described below, which were agreed to by the Susquehanna Valley Central School District, solely to assist you in evaluating the performance of the District for the fiscal year ended June 30, 2026, in the areas addressed. The District's management is responsible for its financial records, internal controls and compliance with State laws and regulations. This engagement was conducted in accordance with the consulting standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The District remains responsible for their accounting records, activity funds, fraud prevention and detection, and for maintaining effective internal controls over the financial statements and compliance.

The following is a recap of my assessment of risk in specific areas:

Cash Receipts and Revenue	Low
Extraclassroom Activity Fund	Low-Medium
Maintenance of Effort	Low
Monitoring Health Insurance Premiums for Retirees	Low

The procedures and the associated findings are as follows:

1. **Follow Up on Prior Year Findings**

   I reviewed the external auditor's management letter and the corrective actions taken. There were no corrective actions noted for the prior year's internal audit.

2. **Cash Receipts and Revenue**

   Inspected selected recorded receipts to determine if these receipts were properly described and classified in the accounting records and that internal controls over the selected receipt transactions were adequate to detect errors and/or irregularities.

   Inspected selected recorded receipts to determine if these receipts were recorded in the proper fiscal year and traced them to the deposits on the bank statement.

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2. Cash Receipts and Revenue - continued

Inspected selected documents for gate receipts from sporting events to determine if these receipts were properly described and classified in the accounting records and that internal controls over the selected receipt transactions were adequate to detect errors and/or irregularities.

No exceptions were found as a result of these procedures.

3. Extraclassroom Activity Fund

Disbursements were inspected for the current year and specific payees were selected to determine if proper approvals and documentation were present; that the payees agreed to the cancelled checks and that the expenditures were appropriate and applicable to the purpose of the club and of an educational benefit.

Receipts were inspected for the current year and selected specific items to determine if proper approvals and documentation were present, that the receipts were recorded properly, and timely deposited in the bank.

Club balances were verified for a selected month to determine that advisors' agreed the balance of their respective club to the Central Treasurer's records.

The establishment and approval of appropriate clubs was tested.

Our findings as a result of these procedures are presented under "Extraclassroom Activity Fund" in the Auditor's Comments.

4. Maintenance of Effort (MOE)

Reviewed Maintenance of Effort Calculator and Questar worksheet.

Reviewed General fund account expenditures and MOE reduction adjustments/exceptions, if applicable.

Reviewed IDEA Special Aid fund account expenditures.

Reviewed for compliant, accurate and properly categorized reporting.

No exceptions were found as a result of these procedures.

5. Monitoring Health Insurance Premiums for Retirees

For selected retirees we reviewed their personnel file for coverage, payment options, and tested payments calculated and received according to the respective contacts.

Our findings as a result of these procedures are presented under "Monitoring Health Insurance Premiums for Retirees" in the Auditor's Comments.

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Audit Committee and of the Board of Education of the District and is not intended to be and should not be used by anyone other than these specified parties.

Ernest Skiadas, CPA, P.C.

Ernest Skiadas, CPA, P.C.
Internal Auditor

September 16, 2026

AUDITOR'S COMMENTS AND OBSERVATIONS

A. Extraclassroom Activity Fund

1. **Finding:** Board policy indicates that all clubs be approved by the Board of Education. We could not locate their approval by the Board of Education in the board minutes. A written approval indicates that the club's purpose has fallen within the guidelines set forth by the District. Also each club advisor should be appointed by the Board. Currently only the advisors being paid a stipend are appointed by the Board.

   Recommendation: The Board of Education should annually approve all clubs at the beginning of the school year as well as their advisors.

2. **Finding:** Upon reviewing the club charters we noted several without charters or missing signatures of approval. In the middle school three clubs did not have a charter and four were lacking the advisor, principal and superintendent's signature of approval. At the high school eleven clubs did not have a charter and sixteen were lacking a combination of either the superintendent, principal or advisor's signatures.

   Recommendation: We recommend the principal review all club charters to ensure the proper signatures are present and that clubs without a charter are properly prepared and approved.

3. **Finding:** In reviewing the fundraising applications we noted one club's request was not signed by the building principal for approval. We also noted that the application is missing a separate line for the principal's signature.

   Recommendation: We recommend the advisor or Central Treasurer ensure the documents are fully executed prior to the event beginning.

4. **Finding:** During our test of the cash receipts of selected clubs we noted that there were several clubs that did not provide the Central Treasurer with detailed back up. Money collected from specific fund raisers provided only a tally sheet of the money collected at the door.

   Recommendation: This information must be provided to the Central Treasurer for further verification at the time of the submission of the money or check request.

5. **Finding:** During our test of selected disbursements we noted that a musical director and disc jockey were paid over $600 which requires a report of income, form 1099 Nonemployee Compensation, be filed with the Internal Revenue Service.

   Recommendation: The Central Treasurer should monitor payments to individuals of $600 or more and report the necessary information to the payroll department for the necessary filings. Note that for 2026 the minimum is now $2,000 and over.

AUDITOR'S COMMENTS AND OBSERVATIONS

B. Monitoring Health Insurance Premiums for Retirees

1. **Finding:** We noted the excel worksheet used to calculate the 25% retiree spouse premium was incorrect, however the actual invoice amount was correct.

   Recommendation: The worksheet had been subsequently corrected and is currently accurate.

C. Maintenance of Effort (MOE)

1. Observation: We obtained the Questar MOE worksheet, NYS compliance worksheet and the ST-3 and identified the amounts reported as spent on the MOE expenditures. The expenditures spent at the local level were $ 2,552,108 and state and local level were $5,787,118 during the 2024-25 year. The local per capita amount per student was $14,023 and the state and local per capita amount was $31,797. Each of these amounts exceeded the requirement and thus met the MOE test.

2. Observation: We traced the amounts from the district's financial report (ST-3) to the amounts used in both the Questar MOE worksheet and the NYS compliance worksheet and tested the calculations and found no exceptions.

3. Observation: We verified the child count of 182 for Students with Disabilities and found no exceptions.