

SUFFERN CENTRAL SCHOOL DISTRICT

Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report

June 30, 2023

SUFFERN CENTRAL SCHOOL DISTRICT

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## INDEPENDENT AUDITORS' REPORT

The Board of Education  
Suffern Central School District:

### 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 Suffern Central School District (the District), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position 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. 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 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 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 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 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 management's discussion and additional information on pages 51 through 55 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information and schedule of expenditures of federal awards 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 October 10, 2023 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 10, 2023

## SUFFERN CENTRAL SCHOOL DISTRICT

### Management's Discussion and Analysis

June 30, 2023

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The following is a narrative overview and analysis of the financial activities of the Suffern Central School District (District) for the fiscal year ended June 30, 2023. This discussion and analysis are intended to serve as an introduction to the District's basic financial statements, which have the following components: (1) management's discussion and analysis (MD&A), (2) District-Wide financial statements, (3) fund financial statements, and (4) notes to financial statements.

#### DISTRICT-WIDE FINANCIAL STATEMENTS

The District-Wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave).

The District-Wide financial statements can be found on pages 14 through 15 of this report.

#### FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

##### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-Wide financial statements.

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Because the focus of governmental funds is narrower than that of the District-Wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the District-Wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for each of the governmental funds as the District considers each one to be a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 and 18 of this report.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee or custodial capacity. Fiduciary funds include only Custodial funds. The Custodial Fund accounts for the collection and remittance of taxes to public libraries.

The basic fiduciary fund financial statements can be found on page 20 of this report.

NOTES TO FINANCIAL STATEMENTS

The notes to financial statements provide additional information that is essential for a full understanding of the information provided in the District-Wide and fund financial statements. The notes also present certain required supplementary information.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.



SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE DISTRICT-WIDE FINANCIAL STATEMENTS

In the District-Wide financial statements, all of the activities of the District are considered governmental activities. Governmental activities decreased the District's net position by (\$7,635,226) during year ended June 30, 2023 and increased the District's net position by \$5,546,307 during year ended June 30, 2022. Key elements of these changes are as follows:

Statement of Activities

Governmental activities for the years ended June 30, 2023 and 2022 were as follows:

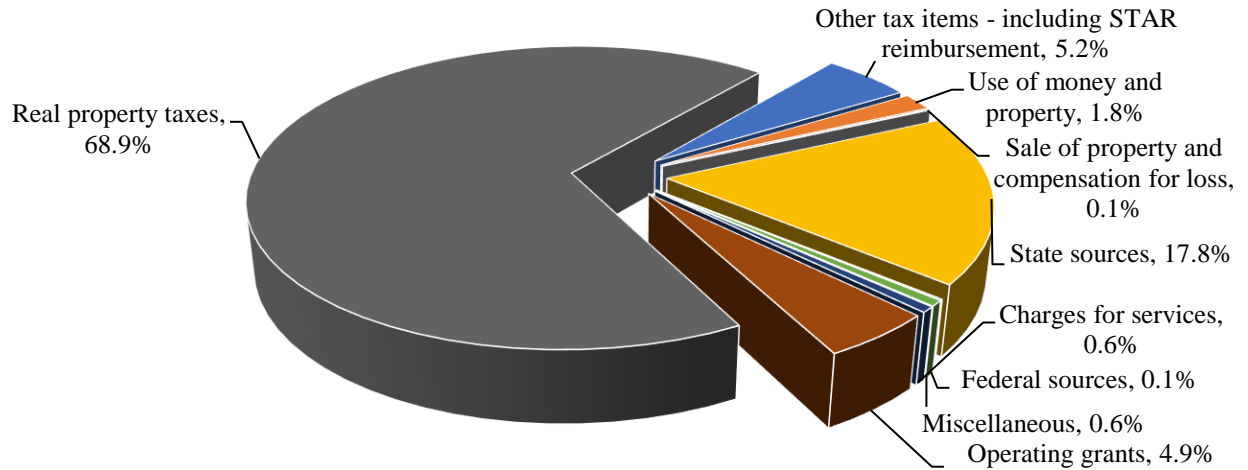
	<u>2023</u>	<u>2022</u>
Revenue:		
Program revenue:		
Charges for services	\$ 895,195	210,050
Operating grants and contributions	7,797,153	9,934,889
General revenue:		
Real property taxes	108,613,176	106,815,222
Other tax items - including STAR reimbursement	8,205,995	8,839,526
Use of money and property	2,780,290	210,939
Sale of property and compensation for loss	164,790	159,392
State sources	28,140,505	22,549,329
Federal sources	159,159	136,077
Miscellaneous	939,275	685,954
Total revenue	<u>157,695,538</u>	<u>149,541,378</u>
Expenses:		
General support	19,364,997	17,023,678
Instruction	127,131,497	109,136,919
Pupil transportation	10,793,145	9,388,346
Debt service	43,899	11,135
School lunch	2,636,217	2,647,533
Depreciation - unallocated	5,361,009	5,787,460
Total expenses	<u>165,330,764</u>	<u>143,995,071</u>
Change in net position	<u>\$ (7,635,226)</u>	<u>5,546,307</u>

During the year ended June 30, 2023 the District-Wide revenue increased from the year ended June 30, 2022 by approximately \$8.2 million, while District-Wide expenses increased by approximately \$21.4 million.

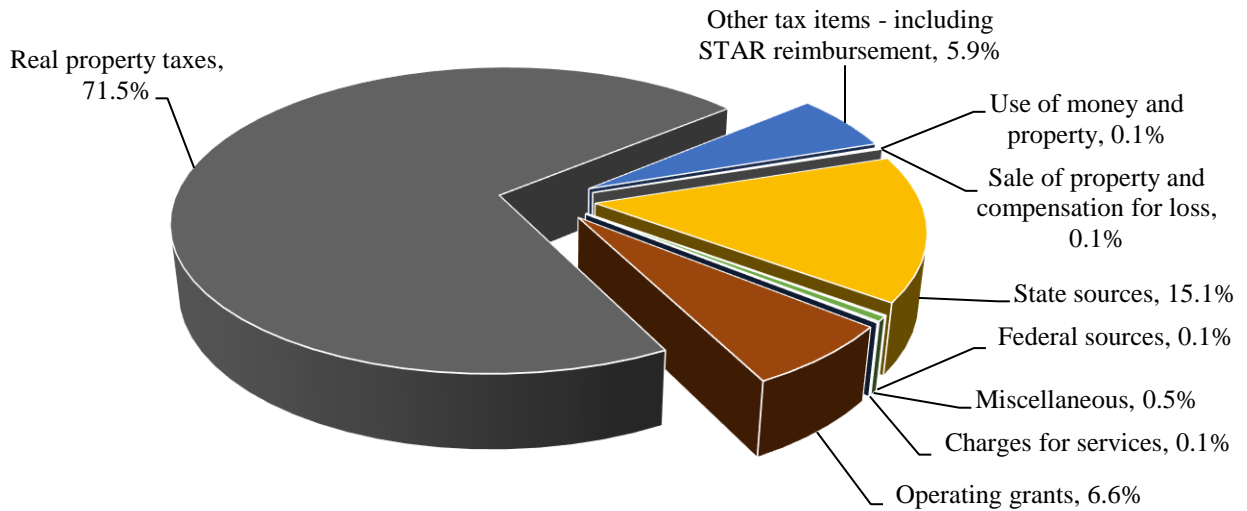
SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Revenue by Source - Governmental Activities

2023



2022



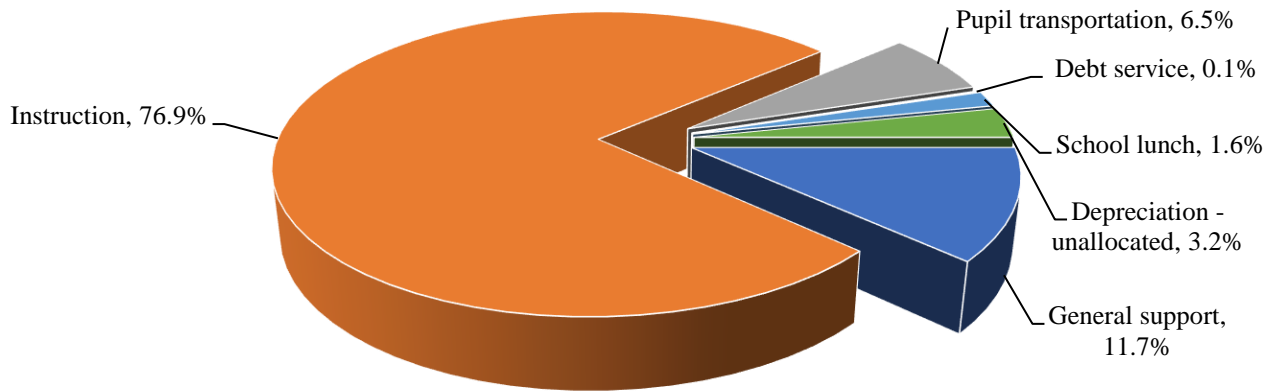
The major components of the District-Wide revenue increase were:

- Operating grants decreased by 21.5% due to fewer COVID-19 related grants.
- Property taxes increased by 1.7%.
- State aid increased by 24.8% due to the increase in general aid.

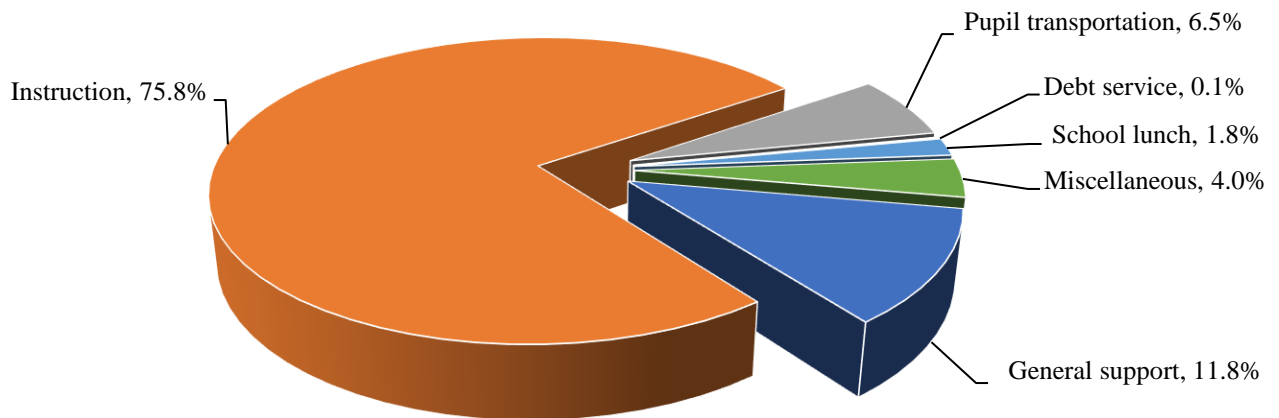
SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Expenses - Governmental Activities

2023



2022



The major components of District-Wide expenses were:

- General support and instructional expenses increased by 13.8% and 16.5% due to the allocation of the changes in actuarial assumptions related to ERS and TRS.

SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Statement of Net Position

Governmental Activities at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 62,578,326	59,759,736
Non-current assets:		
Pension assets	-	58,589,378
Capital assets	<u>44,367,013</u>	<u>46,781,411</u>
Total assets	<u>106,945,339</u>	<u>165,130,525</u>
Deferred outflows of resources	<u>57,069,212</u>	<u>51,798,013</u>
Current liabilities	12,304,386	11,304,019
Long-term liabilities	<u>299,592,369</u>	<u>266,555,442</u>
Total liabilities	<u>311,896,755</u>	<u>277,859,461</u>
Deferred inflows of resources	<u>41,971,281</u>	<u>121,287,336</u>
Net position:		
Net investment in capital assets	41,459,382	40,456,476
Restricted	37,117,525	39,710,131
Unrestricted (deficit)	<u>(268,430,392)</u>	<u>(262,384,866)</u>
Total net position	<u>\$ (189,853,485)</u>	<u>(182,218,259)</u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District ended the year ended June 30, 2023, with a general fund balance of \$41,641,889 of which \$20,083,307 is in the Reserve for Tax Certiorari, \$734,879 is in the Reserve for Insurance, \$3,180,796 is in the Reserve for Capital, \$225,675 is in the Reserve for Unemployment Insurance, \$1,658,247 is in the Reserve for Employees Retirement System Liability, \$1,489,801 in the Reserve for Employee Benefit Accrued Liability and \$1,091,697 in the Reserve for Teacher's Retirement System Liability. Additionally, the District assigned \$3,100,000 for expenditures in year ended June 30, 2024 and \$4,971,812 for encumbrances.

SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

Fund balances at June 30, 2023 and 2022 consist of the following:

	<u>June 30, 2023</u>			
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General	\$ -	28,464,402	8,071,812	5,105,675
Special Aid	-	-	-	-
School Food Service	73,269	-	612,743	-
Capital Projects	-	6,795,899	-	-
Debt Service	-	1,545,647	-	-
Miscellaneous Revenue	<u>-</u>	<u>311,577</u>	<u>-</u>	<u>-</u>
Total	\$ <u>73,269</u>	<u>37,117,525</u>	<u>8,684,555</u>	<u>5,105,675</u>
	<u>June 30, 2022</u>			
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General	\$ -	28,375,100	7,294,124	3,647,575
Special Aid	-	-	-	-
School Food Service	43,760	-	1,140,116	-
Capital Projects	-	9,522,003	-	-
Debt Service	-	1,539,838	-	-
Miscellaneous Revenue	<u>-</u>	<u>273,190</u>	<u>-</u>	<u>-</u>
Total	\$ <u>43,760</u>	<u>39,710,131</u>	<u>8,434,240</u>	<u>3,647,535</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The following information is presented to assist the reader in comparing the original budget and the final amended budget (final budget) and how actual results compared with these budgeted amounts. The final budget can be modified subsequent to the end of the year.

SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

General Fund Revenue

The following table summarizes actual revenue by category for the year ended June 30, 2022 and compares the amounts to the year ended June 30, 2023 revenue to the year ended June 30, 2023 original budget and final budget.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual 2023</u>	<u>Actual 2022</u>
Revenue:				
Real property tax	\$ 108,322,209	108,322,209	108,613,176	106,815,222
Other tax items	3,000,000	3,000,000	1,739,052	1,728,473
School tax relief - STAR	-	-	6,466,943	7,111,053
Charges for services	125,000	125,000	384,640	157,423
Use of money and property	100,000	100,000	2,772,498	210,373
Sale of property and compensation for loss	-	-	164,790	159,392
Miscellaneous	-	2,171	619,532	432,559
State sources	33,186,792	33,186,792	28,140,505	22,549,329
Federal sources	-	-	159,159	136,077
Total revenue	<u>144,734,001</u>	<u>144,736,172</u>	<u>149,060,295</u>	<u>139,299,901</u>
Other financing sources - operating transfers in	<u>4,391,963</u>	<u>4,391,963</u>	<u>-</u>	<u>-</u>
Total revenue and other sources	<u>\$ 149,125,964</u>	<u>149,128,135</u>	<u>149,060,295</u>	<u>139,299,901</u>

General Fund Expenditures

The following table summarizes actual expenditures by function/program for the year ended June 30, 2022 and compares the amounts to the year ended June 30, 2023 expenditures to the year ended June 30, 2023 original budget and final budget.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual 2023</u>	<u>Encumbrances</u>	<u>Actual 2022</u>
Expenditures:					
General support	\$ 15,346,737	16,501,855	15,535,606	1,566,098	14,869,944
Instruction	81,991,673	84,296,010	81,253,493	2,493,094	79,218,725
Pupil transportation	13,094,054	13,024,154	10,445,647	912,360	9,051,889
Employee benefits	35,328,943	36,069,946	35,818,477	260	31,328,052
Debt service	3,474,557	3,474,557	3,474,557	-	4,488,231
Total expenditures	<u>149,235,964</u>	<u>153,366,522</u>	<u>146,527,780</u>	<u>4,971,812</u>	<u>138,956,841</u>
Other uses - operating transfers out	<u>2,990,000</u>	<u>2,990,000</u>	<u>207,385</u>	<u>-</u>	<u>2,354,454</u>
Total expenditures and other uses	<u>\$ 152,225,964</u>	<u>156,356,522</u>	<u>146,735,165</u>	<u>4,971,812</u>	<u>141,311,295</u>

The final budget includes encumbrances from the year ended June 30, 2022 fiscal year.

SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

CAPITAL ASSETS

The District's investment in capital assets includes land, buildings, equipment, and infrastructure, including such things as parking lots and curbing. All projects were approved by bond resolution. The following table lists the capital assets net of accumulated depreciation as of June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Land	\$ 347,658	347,658
Construction in progress	1,830,585	887,817
Buildings	38,221,571	41,324,763
Land improvement	2,262,394	2,482,204
Machinery and equipment	1,566,314	1,560,498
Transportation equipment	<u>138,491</u>	<u>178,471</u>
Capital assets, net	<u>\$ 44,367,013</u>	<u>46,781,411</u>

DEBT ADMINISTRATION

During the year ended June 30, 2023, the District made interest payments on the long-term debt of \$151,860. At the end of the year, the District had total long-term debt principal outstanding of \$2,907,631. This amount is backed by the full faith and credit of the District. Activity in debt outstanding during the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
2014 Serial Bonds	\$ 2,640,000	-	2,640,000	-
Energy performance	<u>3,590,328</u>	<u>-</u>	<u>682,697</u>	<u>2,907,631</u>
Total long-term debt	<u>\$ 6,230,328</u>	<u>-</u>	<u>3,322,697</u>	<u>2,907,631</u>

The long-term debt also included an unamortized bond premium related to the 2014 serial bond. This premium was being amortized over the life of the bond, which matured during the year ended June 30, 2023.

SUFFERN CENTRAL SCHOOL DISTRICT  
Management's Discussion and Analysis, Continued

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- There are currently pending tax certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. To the extent that funds are not available in the District's operating budget for the payment of future tax refunds, the District is authorized to issue bonds to fund such payments. Due to ongoing filing of tax certiorari petitions and the uncertainty of the resolution thereof, management feels that it is prudent to maintain healthy Tax Certiorari Reserve balances.
- The District has experienced significant decline in public school student enrollment over the past several years while non-public school enrollment has increased and this trend is projected to continue. Additional non-public school enrollment may lead to increased costs related to transportation and special education services.
- COVID-19 impacted the District in prior years as the District used the hybrid model. Although the District brought back most of the students in the late spring of 2022, the District still had many students using the remote option. All students were supplied with chrome books. With the current school year of 2022-2023, the District has discontinued the remote option. The District has, however, ensured that all students have electronic devices in case the District needs to return to some sort of hybrid or remote option in the future. The District used the federal stimulus, Coronavirus Aid, Relief, and Economic Security Act (CARES) money for this along with some of the Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA) money received from the federal government. In order to return full time in person, there was a lot of work that had to be completed including purchasing desks, barriers, cleaning equipment and supplies, etc. The District used the CRSSA money for this and also purchased additional electronic devices and have done a lot of work on the District's buildings. Most of this will be one time costs. The District also used funds to run a summer program for the children which allowed them, in person learning, to maintain their skills. The District believes that costs for COVID will continue into the future years with more supplies and updating of technology for hybrid situations. Overall, COVID did not have a significant financial impact as COVID related costs were covered mostly by federal funding.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Suffern Central School District, Hillburn, New York.



SUFFERN CENTRAL SCHOOL DISTRICT  
Statement of Net Position - Governmental Activities  
June 30, 2023

Assets:	
Cash and equivalents:	
Unrestricted	\$ 26,056,141
Restricted	28,782,044
Receivables:	
State and Federal aid	5,109,929
Due from other governments	2,358,073
Accounts receivable	198,870
Inventory	73,269
Capital assets, net	<u>44,367,013</u>
Total assets	<u>106,945,339</u>
Deferred outflows of resources:	
Pensions	37,062,976
OPEB	<u>20,006,236</u>
Total deferred outflows of resources	<u>57,069,212</u>
Liabilities:	
Payables:	
Accounts payable	2,926,332
Accrued liabilities	1,927,353
Bond interest payable	7,144
Due to teachers' retirement system	6,378,012
Due to employees' retirement system	365,605
Long-term liabilities:	
Due and payable within one year - bonds payable	699,940
Due and payable after one year:	
Compensated absences payable	227,875
Bonds payable	2,207,691
Net pension asset - proportionate share - ERS System	6,061,553
Net pension asset - proportionate share - TRS System	6,043,624
Total OPEB liability	<u>285,051,626</u>
Total liabilities	<u>311,896,755</u>
Deferred inflows of resources:	
Pensions	3,106,857
OPEB	<u>38,864,424</u>
Total deferred inflows of resources	<u>41,971,281</u>
Net position:	
Net investment in capital assets	41,459,382
Restricted	37,117,525
Unrestricted (deficit)	<u>(268,430,392)</u>
Total net position (deficit)	<u><u>\$(189,853,485)</u></u>

See accompanying notes to financial statements.

SUFFERN CENTRAL SCHOOL DISTRICT  
Statement of Activities - Governmental Activities  
Year ended June 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
Functions and programs:				
General support	\$ 19,364,997	-	-	(19,364,997)
Instruction	127,131,497	384,640	6,171,338	(120,575,519)
Pupil transportation	10,793,145	-	-	(10,793,145)
Debt service	43,899	-	-	(43,899)
School lunch	2,636,217	510,555	1,625,815	(499,847)
Depreciation - unallocated	<u>5,361,009</u>	<u>-</u>	<u>-</u>	<u>(5,361,009)</u>
Total functions and programs	<u>\$ 165,330,764</u>	<u>895,195</u>	<u>7,797,153</u>	<u>(156,638,416)</u>
General revenue:				
Real property taxes				108,613,176
Other tax items - including STAR reimbursement				8,205,995
Use of money and property				2,780,290
Sale of property and compensation for loss				164,790
State sources				28,140,505
Federal sources				159,159
Miscellaneous				<u>939,275</u>
Total general revenue				<u>149,003,190</u>
Change in net position				(7,635,226)
Net position (deficit) at beginning of year				<u>(182,218,259)</u>
Net position (deficit) at end of year				<u>\$ (189,853,485)</u>

See accompanying notes to financial statements.

SUFFERN CENTRAL SCHOOL DISTRICT  
Balance Sheet - Governmental Funds  
June 30, 2023

<u>Assets</u>	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Miscellaneous Revenue</u>	<u>Total Governmental Funds</u>
Cash and equivalents:							
Unrestricted	\$ 24,510,926	1,540,363	4,852	-	-	-	26,056,141
Restricted	28,464,402	-	-	6,065	-	311,577	28,782,044
Receivables:							
State and Federal aid	779,870	4,245,033	85,026	-	-	-	5,109,929
Due from other governments	2,358,073	-	-	-	-	-	2,358,073
Due from other funds	2,745,977	-	1,042,711	6,843,960	1,545,647	-	12,178,295
Accounts receivable	198,870	-	-	-	-	-	198,870
Inventory	-	-	73,269	-	-	-	73,269
Total assets	<u>\$ 59,058,118</u>	<u>5,785,396</u>	<u>1,205,858</u>	<u>6,850,025</u>	<u>1,545,647</u>	<u>311,577</u>	<u>74,756,621</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>							
Liabilities:							
Accounts payable	2,641,051	136,197	94,958	54,126	-	-	2,926,332
Accrued liabilities	1,502,465	-	424,888	-	-	-	1,927,353
Due to other funds	6,529,096	5,649,199	-	-	-	-	12,178,295
Due to teachers' retirement system	6,378,012	-	-	-	-	-	6,378,012
Due to employees' retirement system	365,605	-	-	-	-	-	365,605
Compensated absences	-	-	-	-	-	-	-
Total liabilities	<u>17,416,229</u>	<u>5,785,396</u>	<u>519,846</u>	<u>54,126</u>	<u>-</u>	<u>-</u>	<u>23,775,597</u>
Fund balance:							
Nonspendable	-	-	73,269	-	-	-	73,269
Restricted	28,464,402	-	-	6,795,899	1,545,647	311,577	37,117,525
Assigned	8,071,812	-	612,743	-	-	-	8,684,555
Unassigned	5,105,675	-	-	-	-	-	5,105,675
Total fund balance	<u>41,641,889</u>	<u>-</u>	<u>686,012</u>	<u>6,795,899</u>	<u>1,545,647</u>	<u>311,577</u>	<u>50,981,024</u>
Total liabilities and fund balance	<u>\$ 59,058,118</u>	<u>5,785,396</u>	<u>1,205,858</u>	<u>6,850,025</u>	<u>1,545,647</u>	<u>311,577</u>	<u>74,756,621</u>

See accompanying notes to financial statements.

SUFFERN CENTRAL SCHOOL DISTRICT  
Reconciliation of Balance Sheet - Governmental Funds  
to the Statement of Net Position  
June 30, 2023

Total governmental fund balance \$ 50,981,024

Amounts reported for governmental activities in the statement of net position are different because:

The costs of building and acquiring capital assets (land, buildings, expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the statement of net position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Non-depreciable capital assets	\$ 2,178,243	
Capital assets, net	42,188,770	44,367,013

Long-term liabilities are reported in the statement of net position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end consist of:

Bonds payable	(2,907,631)	
Accrued interest on bonds payable	(7,144)	
Total OPEB liability	(285,051,626)	
Compensated absences payable	(227,875)	(288,194,276)

Some deferred inflows and outflows are not reported in the funds.

These consist of the following:

Deferred outflows of resources - pensions	37,062,976	
Deferred outflows of resources - OPEB	20,006,236	
Deferred inflows of resources - pensions	(3,106,857)	
Deferred inflows of resources - OPEB	(38,864,424)	15,097,931

The proportionate share of net pension asset and liability reported in the statement of net position does not provide for or require the use of current financial resources and therefore are not reported as an asset and liability in the governmental funds.

Teachers' retirement system asset	(6,043,624)	
Employees' retirement system asset	(6,061,553)	(12,105,177)

Total net position		\$(189,853,485)
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See accompanying notes to financial statements.

SUFFERN CENTRAL SCHOOL DISTRICT  
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds  
Year ended June 30, 2023

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Miscellaneous Revenue</u>	<u>Total Governmental Funds</u>
Revenue:							
Real property taxes	\$ 108,613,176	-	-	-	-	-	108,613,176
Other tax items	1,739,052	-	-	-	-	-	1,739,052
School tax relief - STAR	6,466,943	-	-	-	-	-	6,466,943
Charges for services	384,640	-	-	-	-	-	384,640
Use of money and property	2,772,498	-	1,983	-	5,809	-	2,780,290
Sale of property and compensation for loss	164,790	-	-	-	-	-	164,790
Miscellaneous	619,532	-	-	-	-	319,743	939,275
State sources	28,140,505	1,510,707	36,094	-	-	-	29,687,306
Federal sources (including surplus food)	159,159	4,660,631	1,589,721	-	-	-	6,409,511
School lunch	-	-	510,555	-	-	-	510,555
Total revenue	<u>149,060,295</u>	<u>6,171,338</u>	<u>2,138,353</u>	<u>-</u>	<u>5,809</u>	<u>319,743</u>	<u>157,695,538</u>
Expenditures:							
General support	15,535,606	-	-	-	-	-	15,535,606
Instruction	81,253,493	5,757,980	-	-	-	281,356	87,292,829
Pupil transportation	10,445,647	215,436	-	-	-	-	10,661,083
Employee benefits	35,818,477	405,307	-	-	-	-	36,223,784
Debt service - principal	3,322,697	-	-	-	-	-	3,322,697
Debt service - interest	151,860	-	-	-	-	-	151,860
Cost of sales	-	-	2,636,217	-	-	-	2,636,217
Capital outlay	-	-	-	2,726,104	-	-	2,726,104
Total expenditures	<u>146,527,780</u>	<u>6,378,723</u>	<u>2,636,217</u>	<u>2,726,104</u>	<u>-</u>	<u>281,356</u>	<u>158,550,180</u>
Excess (deficiency) of revenue over expenditures	<u>2,532,515</u>	<u>(207,385)</u>	<u>(497,864)</u>	<u>(2,726,104)</u>	<u>5,809</u>	<u>38,387</u>	<u>(854,642)</u>
Other financing sources and (uses):							
Operating transfers in	-	207,385	-	-	-	-	207,385
Operating transfers (out)	(207,385)	-	-	-	-	-	(207,385)
Total other financing sources (uses)	<u>(207,385)</u>	<u>207,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,325,130	-	(497,864)	(2,726,104)	5,809	38,387	(854,642)
Fund balance at beginning of year	39,316,759	-	1,183,876	9,522,003	1,539,838	273,190	51,835,666
Fund balance at end of year	<u>\$ 41,641,889</u>	<u>-</u>	<u>686,012</u>	<u>6,795,899</u>	<u>1,545,647</u>	<u>311,577</u>	<u>50,981,024</u>

See accompanying notes to financial statements.

SUFFERN CENTRAL SCHOOL DISTRICT  
Reconciliation of Statement of Revenue, Expenditures and  
Changes in Fund Balances - Governmental Funds to the Statement of Activities  
Year ended June 30, 2023

Net change in fund balance	\$	(854,642)
Amounts reported for governmental activities in the statement of activities are different because:		
Long-term revenue and expense difference - in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid) - changes in:		
Compensated absences liability		3,481
Total OPEB liability		(21,635,171)
Long-term debt transactions:		
Repayment of bond principal and energy performance debt principal is an expenditure in the governmental funds, but reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
Principal paid on bonds	\$ 3,322,697	
Amortization on bond premium	118,987	
Amortization on deferred loss on refunding	<u>(24,380)</u>	3,417,304
Interest on long-term debt in the statement of activities differs from the the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it is due. The change in accrued interest from June 30, 2022 to June 30, 2023.		
		13,354
Capital related items - when the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense as summarized below:		
Capital outlay	2,946,611	
Depreciation expense	<u>(5,361,009)</u>	(2,414,398)
Changes in proportionate share of net pension assets reported in the statement of activities does not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Employee's retirement system	(8,302,906)	
Teachers' retirement system	<u>(62,391,649)</u>	(70,694,555)
Some items reported as expenditures in governmental funds are required to be deferred in the statement of net position. In the current period those amounts changed by:		
Deferred outflows of resources - pensions	359,053	
Deferred outflows of resources - OPEB	4,936,526	
Deferred inflows of resources - pensions	67,537,520	
Deferred inflows of resources - OPEB	<u>11,696,302</u>	<u>84,529,401</u>
Changes in net position of governmental activities	\$	<u>(7,635,226)</u>
See accompanying notes to financial statements.		

SUFFERN CENTRAL SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended June 30, 2023

	<u>Custodial Funds</u>
Additions - real property taxes	<u>\$ 3,617,022</u>
Deductions - payments to library	<u>3,617,022</u>
Net position at beginning of year	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

# SUFFERN CENTRAL SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2023

### (1) Summary of Significant Accounting Policies

The financial statements of the Suffern Central School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

#### (a) Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity consists of the primary government, 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 financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the 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 District has determined that there are no component units to be included within their reporting entity.

#### Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to financial transactions and designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in the miscellaneous revenue fund.



## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (b) Joint Venture

The District is a component district in the Rockland Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES board are nominated and elected by their component member boards in accordance with provisions of § 1950 of the New York State Education Law. 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 New York State General Municipal Law.

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). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$17,438,821 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$3,455,286.

Financial statements for the BOCES are available from the BOCES administrative office at Parrott Road, West Nyack, New York 10994.

##### (c) Basis of Presentation

###### (1) District-Wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the 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 sources, intergovernmental revenue, 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.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

(1) District-Wide statements, continued:

The Statement of Net Position presents the financial position of the district at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue 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. Revenue that are not classified as program revenue, including all taxes, are presented as general revenue.

During the year ended June 30, 2023, the District adopted provisions of GASB Statement No 96 - "Subscription-Based Information Technology Arrangements." The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. The District has performed an evaluation of its related transactions, and determined that the implementation of this Statement will have no material impact on the financial statements of the District.

(2) Fund statements:

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

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are three classes of special revenue funds:

Special Aid Fund - Is used to account for and report the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

(2) Fund statements, continued:

School Food Service Fund - Is used to account for and report the activities of the school lunch operations.

Miscellaneous Revenue Fund - Is used to account for the extraclassroom activity funds, scholarships and various deposits in which the District has administrative control over.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Fiduciary Funds - Fiduciary activities are those in which the 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 District, and are not available to be used. There is one class included as a fiduciary fund:

Custodial Funds - These funds are used to collect and remit taxes to the Public Libraries.

(d) Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 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.

## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (d) Measurement Focus and Basis of Accounting, Continued

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue are recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue are collected 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.

##### (e) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien during the following May. Taxes were collected during the period September 1, 2022 to March 31, 2023. Uncollected real property taxes are subsequently enforced by the County of Rockland.

##### (f) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

##### (g) Interfund Transfers

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with inter-fund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These inter-fund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenue to provide financing or other services.

In the District-Wide statements, the amounts reported on the Statement of Net Position for inter-fund receivables and payables represent amounts due between different fund types (governmental activities, and fiduciary funds). Eliminations have been made for all inter-fund receivables and payables between the funds, with the exception of those due to or from the fiduciary funds.

Refer to note 9 for a detailed disclosure by individual fund for interfund receivables, payables, transfers in and transfers out activity.

## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (h) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue 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.

##### (i) Cash and Investments

Cash - The 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 District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State.

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 or its municipalities and Districts.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The District follows the provisions of GASB Statement No. 72 - "Fair Value Measurements and Application," which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs related to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 input are unobservable inputs and are used to the extent that observable inputs do not exist.

##### Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the District does not invest in any long-term investment obligations.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Cash and Investments, Continued

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. 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, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the district's name. The District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the Entity's complete failure. The District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The District's investment policy limits the amount on deposit at each of its banking institutions.

(j) 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 since it is believed that such allowance would not be material.

(k) Inventory and Prepaid Items

Inventories of food and/or supplies 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 market. Purchases of inventory items 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 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 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 prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on direct costing, standard costing or normal costing methods were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ -	N/A	N/A
Construction in progress	-	N/A	N/A
Buildings and improvements	5,000	Straight Line	7 - 50
Land improvements	5,000	Straight Line	10 - 30
Machinery and equipment	5,000	Straight Line	5 - 15
Transportation equipment	5,000	Straight Line	8 - 15

(m) Deferred Outflows of Resources and Inflows of Resources

Deferred outflows of resources represent 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 District has three items that qualify for reporting in this category. The first item is the deferred loss the District incurred on its debt refunding transaction. The second item is related to pensions reported in the statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Additionally, this item includes District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item is related to OPEB reported on the statement of net position. The amount represents differences between expected and actual experience and the changes of assumptions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first instance relates to cash received before the related revenue is earned and is reported as unearned revenue. The second item is related to pensions reported in the statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The third item is related to OPEB reported in the statement of net position. The amount represents changes of assumptions.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Vested Employee Benefits

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

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

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

Consistent with GASB Statement 101 - "Compensated Absences," the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-Wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

(o) Other Benefits

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the district. Health care benefits are provided through an insurance company. The cost of providing post-retirement benefits is shared between the District and the retired employees. Survivor beneficiaries reimburse the District monthly for 100% of the premiums. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the year paid.



## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (p) Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenue. 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 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 District may issue Bond Anticipation Notes (BAN), 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.

##### (q) 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 from current financial resources. Claims and judgements, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds 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 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.

##### (r) Equity Classifications

District-Wide statements - In the District-Wide statements there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Restricted net position - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Fund Statements - In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school food service fund of \$73,269.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Tax Certiorari

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings.

Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies.

## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (r) Equity Classifications, Continued

###### Capital

According to Education Law §3651, must be 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. Expenditure 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 and capital projects fund.

###### Employees' Retirement System Liability

Reserve for employees' retirement system liability GML§6-r must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the general fund.

###### Teachers' Retirement System Liability

Reserve for teachers' retirement system liability GML§6-r must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the general fund.

###### Employee Benefit Accrued Liability

According to GML§6-p, must be used to pay the cost of accrued employee benefits due to employees at termination. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The reserve is accounted for in the general fund.

###### Debt Service

Mandatory reserve for debt service GML §6-1 is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvements that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the debt service fund.

###### Unemployment Insurance Payment

According to GML §6-m, must be used to pay benefits to claimants and charged to the account of the District in accordance with Labor Law Section 581(1)(e). The reserve is accounted for in the general fund.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Insurance

Reserve for insurance GML §6-n, must be used to pay liability, casualty, and other types of uninsured losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. The reserve is accounted for in the general fund.

The District has classified the following reserves as restricted:

General Fund:

Tax certiorari	\$ 20,083,307
Capital	3,180,796
Employees' retirement system liability	1,658,247
Teachers' retirement system liability	1,091,697
Employee benefit accrued liability	1,489,801
Unemployment insurance	225,675
Insurance	<u>734,879</u>
Total General Fund	28,464,402
Capital Projects Fund	6,795,899
Debt Service Fund	1,545,647
Miscellaneous Revenue Fund	<u>311,577</u>
Total restricted fund balance	<u>\$ 37,117,525</u>

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balance as of June 30, 2023.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to District management through Board policies. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund. The District has classified the following as assigned:

SUFFERN CENTRAL SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

General Fund:	
Appropriated fund balance	\$ 3,100,000
Encumbrances	<u>4,971,812</u>
Total General Fund	8,071,812
School Food Service Fund	<u>612,743</u>
Total assigned fund balance	\$ <u>8,684,555</u>

Unassigned - Includes all other general fund fund balance that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance - The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

(s) Subsequent Events

The District has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) Explanation of Certain Differences Between Governmental Fund Statements and District-Wide Statements

Due to the differences in the measurement focus and the basis of accounting used in the governmental fund statements and the District-Wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (2) Explanation of Certain Differences Between Governmental Fund Statements and District-Wide Statements, Continued

##### (a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

##### (b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenue, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

- Long-term revenue differences - Long-term revenue differences arise because governmental funds report revenue only when they are considered "available", whereas the Statement of Activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
- Capital related differences - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.
- Pension differences - Pension differences occur as a result of changes in the District's proportionate share of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.
- OPEB differences - OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (3) Stewardship, Compliance and Accountability

##### (a) Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the general fund. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program level.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the fiscal year end, unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These 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 GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the district's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

##### (b) Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations assigned fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(4) Cash and Investments

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes. In addition, the District has its own written investment policy.

The District's aggregate bank balances, included balances not covered by depository insurance at year-end, collateralized as follows:

Covered by FDIC insurance	\$ 1,126,005
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u>50,930,271</u>
	<u>\$ 52,056,276</u>

Investment Pool

The District participates in the Cooperative Liquid Assets Securities System - New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Articles 3A and 5G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

The June 30, 2022 NYCLASS financial statements are the most recent available financial statements as of the date of these financial statements. Total investments of the cooperative at June 30, 2022 are \$4,223,478,681, which consisted of \$1,151,932,927 in repurchase agreements, \$2,228,081,678 in U.S. Treasury Securities and \$843,464,076 in collateralized bank deposits with various interest rates and due dates.

The District's share in the amount of \$46,513,207 is included as cash and equivalents the general fund.

The above amounts represent the cost of the investment pool shares, which approximates market value. The lead participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at [www.newyorkclass.org](http://www.newyorkclass.org).



SUFFERN CENTRAL SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(5) Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Disposals</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 347,658	-	-	347,658
Construction in progress	<u>887,817</u>	<u>942,768</u>	-	<u>1,830,585</u>
Total nondepreciable	<u>1,235,475</u>	<u>942,768</u>	-	<u>2,178,243</u>
Capital assets that are depreciated:				
Buildings	124,581,090	1,783,337	-	126,364,427
Land improvements	4,853,585	-	-	4,853,585
Machinery and equipment	3,847,606	220,506	-	4,068,112
Transportation equipment	<u>499,594</u>	<u>-</u>	<u>(21,510)</u>	<u>478,084</u>
Total depreciable	<u>133,781,875</u>	<u>2,003,843</u>	<u>(21,510)</u>	<u>135,764,208</u>
Less accumulated depreciation:				
Buildings	83,256,327	4,886,529	-	88,142,856
Land improvements	2,371,381	219,810	-	2,591,191
Machinery and equipment	2,287,108	214,690	-	2,501,798
Transportation equipment	<u>321,123</u>	<u>39,980</u>	<u>(21,510)</u>	<u>339,593</u>
Total accumulated depreciation	<u>88,235,939</u>	<u>5,361,009</u>	<u>(21,510)</u>	<u>93,575,438</u>
Capital assets, net	<u>\$ 46,781,411</u>	<u>(2,414,398)</u>	<u>-</u>	<u>44,367,013</u>

Depreciation expense was not allocated to governmental functions.

(6) Short-Term Debt

There were no short-term debt transactions for the year ended June 30, 2023.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(7) Long-Term Debt

Long-term liability balances and activity for the year ended June 30, 2023 are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 6,230,328	-	3,322,697	2,907,631	699,940
Premium on bonds payable	118,987	-	118,987	-	-
Compensated absences	231,356	-	3,481	227,875	-
Net pension liability (asset)					
proportionate share - TRS	(56,348,025)	62,391,649	-	6,043,624	-
Net pension liability (asset)					
proportionate share - ERS	(2,241,353)	8,302,906	-	6,061,553	-
Total OPEB liability	<u>263,416,455</u>	<u>21,635,171</u>	<u>-</u>	<u>285,051,626</u>	<u>-</u>
Total long-term debt	<u>\$ 211,407,748</u>	<u>92,329,726</u>	<u>3,445,165</u>	<u>300,292,309</u>	<u>699,940</u>

Existing serial and statutory bond obligations:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2023
Energy performance	2010	2027	1.500%-3.000%	\$ <u>2,907,631</u>

The following is a summary of debt service requirements:

Year ending	Principal	Interest
2024	\$ 699,940	68,617
2025	717,619	50,938
2026	735,744	32,813
2027	<u>754,328</u>	<u>14,230</u>
	\$ <u>2,907,631</u>	<u>166,598</u>

Interest on long-term debt for the year ended June 30, 2023 was composed of:

Interest paid	\$ 151,860
Less interest accrued in the prior year	(20,498)
Plus interest accrued in the current year	7,144
Plus amortization of deferred loss on refunding	24,380
Less amortization of premium on bonds payable	(118,987)
Total interest expense	\$ <u>43,899</u>

## SUFFERN CENTRAL SCHOOL DISTRICT

### Notes to Financial Statements, Continued

#### (7) Long-Term Debt, Continued

##### Additional Disclosures

Refunding Serial Bonds, Series 2014 - The District was the issuer of \$33,235,000 in Refunding Serial Bonds, Series 2014. Proceeds of these bonds were used for the advanced refunding of the General Obligation Bonds, Series 2003, 2004 and 2005. As a result, the bonds are considered defeased and the liability for these bonds have been removed from the financial statements. The balance of the defeased debt was fully paid as of June 30, 2023.

Upon default of the payment of principal or interest on the serial bonds of the District, the bondholders have the right to litigate and the New York State Comptroller is required under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance to the District, and to apply the amount so withheld to the payment of defaulted principal and interest with respect to the serial bonds.

#### (8) Pension Plans

##### (a) Plan Descriptions and Benefits Provided

###### Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS is governed by a 10 member Board of Trustees. 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 TRS, 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 TRS, 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 NYSSTR Comprehensive Annual Financial report which can be found on TRS's website at [www.nystrs.org](http://www.nystrs.org).

###### Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. ERS provides retirement benefits as well as death and disability benefits. The net position of ERS 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 ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. Benefits are established under the provision of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System (ERS), Continued

elects to participate in ERS, 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 District also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. ERS 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](http://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, NY 12244.

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annual certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

At June 30, 2023, the District reported the following liability for its proportionate share of the net pension liability for each of TRS and ERS. The net pension liabilities were measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to TRS and ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2022	June 30, 2021
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 6,061,553	6,043,624
District's proportion of the Plan's net pension liability	0.0282669%	0.314954%
Change in proportionate share	0.0008484	0.0102110

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

For the year ended June 30, 2023, the District's recognized pension expense of \$2,384,204 for ERS and \$7,665,815 for TRS in the statement of activities. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 645,603	6,332,953	170,231	121,104
Changes of assumptions	2,943,881	11,723,609	32,535	2,434,543
Net difference between projected and actual investment earnings on pension plan investments	-	7,808,936	35,611	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	647,959	620,916	45,296	267,537
District's contributions subsequent to the measurement date	<u>365,605</u>	<u>5,973,514</u>	<u>-</u>	<u>-</u>
Total	\$ <u>4,603,048</u>	<u>32,459,928</u>	<u>283,673</u>	<u>2,823,184</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 1,011,569	4,526,805
2025	(143,659)	2,413,073
2026	1,370,763	(896,175)
2027	1,715,097	15,433,310
2028	-	2,036,735
Thereafter	<u>-</u>	<u>149,482</u>
	\$ <u>3,953,770</u>	<u>23,663,230</u>

(c) Actuarial Assumptions

The total pension liability as of the measurement 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:

SUFFERN CENTRAL SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2022	June 30, 2021
Measurement date	March 31, 2023	June 30, 2022
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary scale	4.40%	1.95% - 5.18%
Cost of living adjustments	1.5% annually	1.3% annually
Inflation rate	2.90%	2.40%

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

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

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selections 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 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 as of the valuation date are summarized as follows:

SUFFERN CENTRAL SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

Measurement date	<u>ERS</u>		<u>TRS</u>	
	March 31, 2023		June 30, 2022	
	Long-term expected real rate of of return*	Target allocation	Long-term expected real rate of return*	Target allocation
Asset class:				
Domestic equity	4.30%	32%	6.50%	33%
International equity	6.85%	15%	7.20%	16%
Real estate equity	4.60%	9%	6.20%	11%
Global equity	-	-	6.90%	4%
Domestic fixed income	-	-	1.10%	16%
Global bonds	-	-	0.60%	2%
High-yield bonds	-	-	3.30%	1%
Real estate debt	-	-	2.40%	6%
Private equity	7.50%	10%	9.90%	8%
Private debt	-	-	5.30%	2%
Real assets	5.84%	3%	-	-
Fixed income	1.50%	23%	-	-
Opportunistic/ARS portfolio	5.38%	3%	-	-
Credit	5.43%	4%	-	-
Cash	-	1%	(0.30%)	1%
		100%		100%

\* Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.5% for ERS.

(d) 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 that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon 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.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Pension Plans, Continued

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

The following presents the District's proportionate share of the ERS and TRS net pension liabilities calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rates referred to above:

ERS	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	\$ (14,648,175)	(6,061,553)	1,113,568
TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (55,725,050)	(6,043,624)	35,738,129

(f) Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ (232,627)	(133,883)
Plan net position	211,183	131,964
Employers' net pension liability	\$ (21,444)	(1,919)
Ratio of plan net position to the employers' total pension liability	90.78%	98.6%

(g) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the system's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$365,605. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2023 were \$1,280,203.



SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Pension Plans, Continued

(g) Contributions to the Pension Plans, Continued

TRS employer and employee contributions for the year ended June 30, 2023 are paid to the system in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued employer retirement contributions to TRS as of June 30, 2023 amounted to \$6,378,012 including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2023 were \$5,973,514.

(9) Interfund Balances and Activities

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ 2,745,977	6,529,096	-	207,385
Special aid fund	-	5,649,199	207,385	-
School food service fund	1,042,711	-	-	-
Capital projects fund	6,843,960	-	-	-
Debt service fund	<u>1,545,647</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>12,178,295</u>	<u>12,178,295</u>	<u>207,385</u>	<u>207,385</u>

The District typically transfers from the General Fund to the Special Aid Fund, for the District's share of the Summer School Handicapped Program. The District typically transfers from the General Fund to the Capital Projects Fund to finance capital construction projects.

(10) Other Postemployment Benefits (OPEB)

(a) Plan Description and Benefits

The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board.

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Other Postemployment Benefits (OPEB), Continued

(b) Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	787
Active employees	<u>585</u>
Total	<u>1,372</u>

(c) Total OPEB Liability

The District's total OPEB liability of \$285,051,626 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date. There are no assets accumulated in a trust that meet the criteria in GASB Statement No. 75, paragraph 4.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases including inflation	2.40%
Discount rate	3.65%
Healthcare cost trend rates	5.1% to 4.1% over 54 years

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2023 the District recognized \$8,616,422 for its share of insurance costs for currently enrolled retirees.

(e) Changes in the Total OPEB Liability

Balance as of June 30, 2022	\$ <u>263,416,455</u>
Changes for the year:	
Service cost	8,694,569
Interest	9,496,992
Changes of assumptions	11,179,710
Benefit payments	<u>(7,736,100)</u>
Net changes	<u>21,635,171</u>
Balance as of June 30, 2023	\$ <u>285,051,626</u>

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Other Postemployment Benefits (OPEB), Continued

(f) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Total OPEB liability	\$ <u>331,625,524</u>	<u>285,051,626</u>	<u>247,310,456</u>

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ <u>238,313,117</u>	<u>285,051,626</u>	<u>344,965,348</u>

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$12,738,443. On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,281,411	21,232,243
Changes of assumptions or other inputs	<u>18,724,825</u>	<u>17,632,181</u>
Total	\$ <u>20,006,236</u>	<u>38,864,424</u>

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

<u>Year ending</u>	
2024	\$ (5,453,118)
2025	(3,442,325)
2026	(3,999,388)
2027	(6,328,677)
2028	<u>365,320</u>
	\$ <u>(18,858,188)</u>

SUFFERN CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(11) Risk Management

(a) General

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; certain health claims; and 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 two years.

(b) Consortiums and Self Insured Plans

The District participates in the Rockland School Cooperative Workers' Compensation Self-Insurance Plan (the Plan), a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. 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.

The most recently issued report for the Plan is for June 30, 2022. As of June 30, 2022, the Plans' total plan benefit obligations were \$16,940,056. The total Plan assets were \$23,983,771. During the year ended June 30, 2023, the District's contribution to the Plan was \$170,875. Based on the June 30, 2022 report, the District's portion is undeterminable and is considered immaterial.

(12) Commitments and Contingencies

(a) Tax Abatements

As of June 30, 2023 the District abatement programs include abatements on property taxes. All abatement agreements are made by the County of Rockland Industrial Development Agency (the Agency).

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by the Agency. The PILOT agreements are made to support hotels, housing and retail operations. Total taxes abated by the Agency for the year ended June 30, 2023 were \$3,603,144. Taxes abated by category for the year ended is as follows:

Hotels	\$ 42,198
Retail	1,233,028
Housing	<u>2,327,918</u>
Total	\$ <u>3,603,144</u>

(b) Grants

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District' administration believes that disallowances, if any, would be immaterial.

SUFFERN CENTRAL SCHOOL DISTRICT  
Notes to Financial Statements, Continued

(12) Commitments and Contingencies, Continued

(c) Litigation

Counsel for the District has indicated that there are ongoing tax certiorari proceedings involving the District, but it is impossible to determine at this time the extent of the liability for all proceedings of the District with respect to these cases. Any such reduction in assessed value of property may result in the District being required to refund taxes collected in prior years. Such refunds, if any, will be provided for in the annual budgets in the years in which payments are due. As of June 30, 2023, the District accrued approximately \$1,192,000 for refunds that will be paid during the 2023 - 2024 school year. The District has also reserved \$20,083,307 at June 30, 2023 to fund any required repayments.

(16) Accounting Standards Issued But Not Yet Implemented

The GASB has issued Statement No. 99 - Omnibus 2022, effective for various periods through fiscal years beginning after June 15, 2023. This statement will be implemented in the years required. The effects of the implementation of the pronouncement is not known at this time.

REQUIRED SUPPLEMENTARY INFORMATION

SUFFERN CENTRAL SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	Actual (Budgetary Basis)	Final Budget Variance With Budgetary <u>Actual</u>
Revenue:				
Real property taxes	\$ 108,322,209	108,322,209	108,613,176	290,967
Other tax items	3,000,000	3,000,000	1,739,052	(1,260,948)
School tax relief - STAR	-	-	6,466,943	6,466,943
Charges for services	125,000	125,000	384,640	259,640
Use of money and property	100,000	100,000	2,772,498	2,672,498
Sale of property and compensation for loss	-	-	164,790	164,790
Miscellaneous	-	2,171	619,532	617,361
State sources	33,186,792	33,186,792	28,140,505	(5,046,287)
Federal sources	-	-	159,159	159,159
	<u>144,734,001</u>	<u>144,736,172</u>	<u>149,060,295</u>	<u>4,324,123</u>
Other financing sources - operating transfers in	<u>4,391,963</u>	<u>4,391,963</u>	-	<u>(4,391,963)</u>
	<u>149,125,964</u>	<u>149,128,135</u>	<u>149,060,295</u>	<u>(67,840)</u>
Appropriated fund balance	3,100,000	3,100,000		
Prior year encumbrances	<u>-</u>	<u>4,128,387</u>		
Total revenue and other financing sources, appropriated fund balance, and prior year encumbrances	<u>\$ 152,225,964</u>	<u>156,356,522</u>		

(Continued)

SUFFERN CENTRAL SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures and Changes in Fund Balance -  
 Budget and Actual - General Fund, Continued

	Original <u>Budget</u>	Final <u>Budget</u>	Actual (Budgetary <u>Basis</u> )	Year-End <u>Encumbrances</u>	Final Budget Variance With Budgetary Actual and <u>Encumbrances</u>
Expenditures:					
General support:					
Board of Education	\$ 223,000	264,771	322,450	41,172	(98,851)
Central administration	428,451	432,872	566,971	2,920	(137,019)
Finance	1,223,386	1,293,177	1,054,127	85,192	153,858
Staff	1,079,942	1,102,993	887,141	122,363	93,489
Central services	10,931,958	11,654,674	10,159,128	1,217,942	277,604
Special items	1,460,000	1,753,368	2,545,789	96,509	(888,930)
Instruction:					
Instruction, administration	5,062,839	5,093,024	4,980,309	82,165	30,550
Teaching - regular school	45,567,643	45,870,690	45,266,769	369,866	234,055
Programs for children with handicapping conditions	23,635,902	25,035,637	22,857,532	1,341,540	836,565
Occupational education	500,000	500,000	949,766	-	(449,766)
Teaching - special schools	6,269,522	6,813,481	6,296,190	675,192	(157,901)
Instructional media	59,000	59,000	77,052	-	(18,052)
Pupil services	896,767	924,178	825,875	24,331	73,972
Pupil transportation	13,094,054	13,024,154	10,445,647	912,360	1,666,147
Employee benefits	35,328,943	36,069,946	35,818,477	260	251,209
Debt service:					
Principal	3,322,697	3,322,697	3,322,697	-	-
Interest	151,860	151,860	151,860	-	-
Total expenditures	149,235,964	153,366,522	146,527,780	4,971,812	1,866,930
Other financing uses - operating transfers out	2,990,000	2,990,000	207,385	-	2,782,615
Total expenditures and other financing uses	<u>\$152,225,964</u>	<u>156,356,522</u>	<u>146,735,165</u>	<u>4,971,812</u>	<u>4,649,545</u>
Net change in fund balance			2,325,130		
Fund balance at beginning of year			<u>39,316,759</u>		
Fund balance at end of year			<u>\$ 41,641,889</u>		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.



SUFFERN CENTRAL SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of Changes in the District's  
Total OPEB Liability and Related Ratios  
June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Service cost	\$ 8,694,569	10,161,059	11,072,701	8,540,897
Interest	9,496,992	6,721,802	6,616,805	9,158,924
Changes of demographic gains or losses	-	(31,488,660)	-	3,331,667
Changes of assumptions	11,179,710	(19,294,169)	2,470,655	21,596,033
Benefit payments	<u>(7,736,100)</u>	<u>(7,394,583)</u>	<u>(7,517,682)</u>	<u>(7,340,158)</u>
Net change in total OPEB liability	21,635,171	(41,294,551)	12,642,479	35,287,363
Total OPEB liability - beginning	<u>263,416,455</u>	<u>304,711,006</u>	<u>292,068,527</u>	<u>256,781,164</u>
Total OPEB liability - ending	<u>\$ 285,051,626</u>	<u>263,416,455</u>	<u>304,711,006</u>	<u>292,068,527</u>
Covered payroll	\$ 61,093,324	61,093,324	59,315,258	59,315,258
Total OPEB liability as a percentage of covered payroll	466.58%	431.17%	513.71%	492.40%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
3.65%	2.16%	3.54%	2.21%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

SUFFERN CENTRAL SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability  
Year ended June 30, 2023

<u>TRS System - Asset (Liability)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
The District's proportion of the net pension asset (liability)	0.314954%	0.325165%	0.317804%	0.318328%	0.320309%	0.319945%	0.317550%	0.313791%	0.305907%	0.318805%
The District's proportionate share of the net pension asset (liability)	\$ (6,043,624)	56,348,025	(8,782,000)	8,270,000	5,792,000	2,432,000	(3,401,000)	32,593,000	34,076,000	2,099,000
The District's covered payroll	\$58,051,641	55,795,380	55,191,000	53,134,000	52,175,000	50,701,000	49,001,000	47,136,000	46,148,000	46,182,000
The District's proportionate share of the net pension asset/liability as a percentage of covered payroll	10.41%	100.99%	15.91%	15.56%	11.10%	4.80%	6.94%	69.15%	73.84%	4.55%
Plan fiduciary net position as a percentage of the total pension asset/liability	98.60%	113.25%	97.80%	102.17%	100.53%	100.66%	99.01%	110.46%	111.48%	100.70%
<u>ERS System - Asset (Liability)</u>										
The District's proportion of the net pension asset (liability)	0.0282669%	0.0274185%	0.0273319%	0.0286310%	0.0290565%	0.0285930%	0.0287700%	0.0305000%	0.0305820%	N/A
The District's proportionate share of the net pension asset (liability)	\$ (6,061,553)	2,241,353	(27,215)	(7,431,000)	(2,059,000)	(923,000)	(2,704,000)	(4,895,000)	(1,033,000)	N/A
The District's covered payroll	\$11,300,297	9,693,801	9,629,000	8,992,000	8,992,000	8,461,000	8,618,000	8,449,000	8,617,000	N/A
The District's proportionate share of the net pension asset/liability as a percentage of covered payroll	53.64%	23.12%	0.28%	82.64%	22.90%	10.91%	31.38%	57.94%	11.99%	N/A
Plan fiduciary net position as a percentage of the total pension asset/liability	90.78%	103.65%	99.95%	86.39%	86.27%	98.24%	94.70%	90.70%	97.90%	N/A

SUFFERN CENTRAL SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of the District's Pension Contributions  
Year ended June 30, 2023

<u>TRS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,973,514	5,467,947	5,260,000	4,779,000	5,305,000	5,258,000	5,917,000	6,528,000	8,263,000	7,499,000
Contribution in relation to the contractually required contribution	<u>5,973,514</u>	<u>5,467,947</u>	<u>5,260,000</u>	<u>4,779,000</u>	<u>5,305,000</u>	<u>5,258,000</u>	<u>5,917,000</u>	<u>6,528,000</u>	<u>8,263,000</u>	<u>7,499,000</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	<u>\$ 58,051,641</u>	<u>55,795,380</u>	<u>55,191,000</u>	<u>53,134,000</u>	<u>53,134,000</u>	<u>52,175,000</u>	<u>50,701,000</u>	<u>49,231,000</u>	<u>47,136,000</u>	<u>46,148,000</u>
Contribution as a percentage of covered payroll	10.29%	9.80%	9.53%	8.99%	9.98%	10.08%	11.67%	13.26%	17.53%	16.25%
<u>ERS System</u>										
Contractually required contribution	\$ 1,280,203	1,449,892	1,570,000	1,358,000	1,175,000	1,296,000	1,338,000	1,604,000	1,627,000	N/A
Contribution in relation to the contractually required contribution	<u>1,280,203</u>	<u>1,449,892</u>	<u>1,544,000</u>	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,296,000</u>	<u>1,338,000</u>	<u>1,604,000</u>	<u>1,627,000</u>	<u>N/A</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>26,000</u>	<u>183,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>N/A</u>
District's covered payroll	<u>\$ 11,300,297</u>	<u>9,693,801</u>	<u>9,629,000</u>	<u>8,992,000</u>	<u>8,992,000</u>	<u>8,461,000</u>	<u>8,618,000</u>	<u>8,485,000</u>	<u>8,617,000</u>	<u>N/A</u>
Contribution as a percentage of covered payroll	11.33%	14.96%	16.03%	13.07%	13.07%	15.32%	15.53%	18.90%	18.88%	N/A

OTHER SUPPLEMENTARY INFORMATION

SUFFERN CENTRAL SCHOOL DISTRICT  
 Other Supplementary Information  
 Schedule of Change from Adopted Budget to Final Budget and  
 the Real Property Tax Law Limit - General Fund  
 Year ended June 30, 2023

Change from adopted budget to final budget:	
Original budget	\$ 152,225,964
Add budget revisions	2,171
Add prior year's encumbrances	<u>4,128,387</u>
Final budget	<u><u>\$ 156,356,522</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2023-2024 expenditure budget	<u>\$ 158,565,661</u>
Maximum allowed 4% of 2023-2024 budget	<u>\$ 6,342,626</u>

General fund fund balance subject to Section 1318 of

Real Property Tax Law\*:

Unrestricted fund balance:

Encumbrances	\$ 4,971,812	
Appropriated fund balance	3,100,000	
Unassigned fund balance	<u>5,105,675</u>	
Total unrestricted fund balance		13,177,487

Less:

Encumbrances	4,971,812	
Appropriated fund balance	<u>3,100,000</u>	
Total adjustments		<u>8,071,812</u>

General fund fund balance subject to Section 1318  
of Real Property Tax Law

\$ 5,105,675

Actual percentage 3.22%

\* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: 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.

SUFFERN CENTRAL SCHOOL DISTRICT  
Other Supplementary Information  
Schedule of Project Expenditures - Capital Projects Fund  
Year ended June 30, 2023

Project title	Expenditures					Methods of Financing				Fund Balance (Deficit) 6/30/2023	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State and Federal Aid	Local Sources		Total
SHS Chiller Pump	\$ 110,000	166,000	165,203	-	165,203	797	-	-	166,000	166,000	797
SHS Library Roof	483,270	483,270	358,026	-	358,026	125,244	-	-	483,270	483,270	125,244
SMS Challenge Course	269,000	269,000	348,358	-	348,358	(79,358)	-	-	269,000	269,000	(79,358)
SMS Track	452,900	452,900	371,405	-	371,405	81,495	-	-	452,900	452,900	81,495
Sloatsburg Transformer	412,500	144,500	112,400	-	112,400	32,100	-	-	144,500	144,500	32,100
SMS Bleachers	324,500	349,500	394,677	-	394,677	(45,177)	-	-	349,500	349,500	(45,177)
SMS Fire Alarm	581,500	581,340	480,389	-	480,389	100,951	-	-	581,340	581,340	100,951
RPC Front Entrance	322,900	322,900	16,875	6,650	23,525	299,375	-	-	322,900	322,900	299,375
SHS Front Entrance	746,450	746,450	40,500	16,150	56,650	689,800	-	-	746,450	746,450	689,800
Viola Front Entrance	391,950	366,950	21,613	7,600	29,213	337,737	-	-	366,950	366,950	337,737
SMS façade phase I	98,000	86,192	85,192	-	85,192	1,000	-	-	86,192	86,192	1,000
SMS façade phase II	550,000	550,000	719,397	-	719,397	(169,397)	-	-	601,635	601,635	(117,762)
Districtwide fire alarm	750,000	750,000	276,536	573,360	849,896	(99,896)	-	-	750,000	750,000	(99,896)
Districtwide LED lighting	1,500,000	1,500,000	532,293	189,162	721,455	778,545	-	-	1,500,000	1,500,000	778,545
SMS gym roof	300,000	300,000	343,273	-	343,273	(43,273)	-	-	300,000	300,000	(43,273)
Sloatsburg library roof	250,000	250,000	219,952	-	219,952	30,048	-	-	250,000	250,000	30,048
Cherry Lane Roof	830,000	830,000	54,550	633,611	688,161	141,839	-	-	830,000	830,000	141,839
RP Connor Boiler	2,912,000	2,912,000	169,600	-	169,600	2,742,400	-	-	2,912,000	2,912,000	2,742,400
Suffern Middle School Roof	1,070,000	1,070,000	59,595	1,149,725	1,209,320	(139,320)	-	-	1,070,000	1,070,000	(139,320)
SMS Roof Restorations	550,400	550,400	-	40,989	40,989	509,411	-	-	550,400	550,400	509,411
SHS Roof Restorations	<u>1,558,800</u>	<u>1,558,800</u>	<u>-</u>	<u>108,857</u>	<u>108,857</u>	<u>1,449,943</u>	<u>-</u>	<u>-</u>	<u>1,558,800</u>	<u>1,558,800</u>	<u>1,449,943</u>
Total	<u>\$ 14,464,170</u>	<u>14,240,202</u>	<u>4,769,834</u>	<u>2,726,104</u>	<u>7,495,938</u>	<u>6,744,264</u>	<u>-</u>	<u>-</u>	<u>14,291,837</u>	<u>14,291,837</u>	<u>6,795,899</u>

SUFFERN CENTRAL SCHOOL DISTRICT  
Other Supplementary Information  
Net Investment in Capital Assets  
June 30, 2023

Capital assets, net		\$ 44,367,013
Deduct:		
Short-term portion of bonds payable	\$ 699,940	
Long-term portion of bonds payable	<u>2,207,691</u>	<u>2,907,631</u>
Net investment in capital assets		<u>\$ 41,459,382</u>

SUFFERN CENTRAL SCHOOL DISTRICT  
Federal Grant Compliance Audit  
June 30, 2023



**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**

The Board of Education  
Suffern Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Suffern Central School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 the 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

#### The District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District 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 of 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 the 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 entity'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 10, 2023

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

The Board of Education  
Suffern Central School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Suffern Central School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

## Responsibilities of Management for Compliance

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

## Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York  
October 10, 2023

SUFFERN CENTRAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2023

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
Passed-through New York State Education Department -				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 287,407	-
National School Lunch Program	10.555	N/A	1,137,861	-
Commodity Supplemental Food Program	10.555	N/A	<u>164,453</u>	-
Total U.S. Department of Agriculture			<u>1,589,721</u>	<u>-</u>
<u>U.S. Department of Education</u>				
Passed-through New York State Education Department:				
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0777	1,480,578	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-0777	<u>41,059</u>	-
Total Special Education Cluster			<u>1,521,637</u>	<u>-</u>
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-22-2565	37,491	-
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-23-2565	782,582	-
Title I Grants to Local Educational Agencies (LEAs)	84.010	0011-22-3118	8,397	-
Title I Grants to Local Educational Agencies (LEAs)	84.010	0011-23-3118	<u>81,378</u>	-
			<u>909,848</u>	<u>-</u>
Supporting Effective Instruction State Grant	84.367	0147-22-2565	20,409	-
Supporting Effective Instruction State Grant	84.367	0147-23-2565	<u>74,381</u>	-
			<u>94,790</u>	<u>-</u>
Student Support and Academic Enrichment Program	84.424	0204-22-2565	11,059	-
Student Support and Academic Enrichment Program	84.424	0204-23-2565	<u>59,963</u>	-
			<u>71,022</u>	<u>-</u>
English Language Acquisition State Grants	84.365	0293-23-2565	96,223	-
English Language Acquisition State Grants	84.365	0149-23-2565	<u>31,675</u>	-
			<u>127,898</u>	<u>-</u>
Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-2565	545,992	-
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-2565	<u>1,389,444</u>	-
Total Education Stabilization Fund			<u>1,935,436</u>	<u>-</u>
Total U.S. Department of Education			<u>4,660,631</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$6,250,352</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

SUFFERN CENTRAL SCHOOL DISTRICT  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2023

(1) Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for applicable programs and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

(2) Subrecipients

No amounts were provided to subrecipients.

(3) Indirect Costs

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District does not use 10% de minimis election.

(4) Nonmonetary Federal Program

The District is the recipient of a federal award program (Assistance Listing No. 10.555) that does not result in cash receipts or disbursements termed a "nonmonetary program." During the year ended June 30, 2023, the District used \$164,453 worth of food commodities as reported in the schedule of expenditures of federal awards.

SUFFERN CENTRAL SCHOOL DISTRICT  
 Schedule of Findings and Questioned Costs  
 June 30, 2023

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statement audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified? \_\_\_ Yes  x  No
- 2. Significant deficiency(ies)?  x  Yes \_\_\_ None reported
- 3. Noncompliance material to financial statements noted? \_\_\_ Yes  x  No

Federal Awards:

Internal control over major programs:

- 4. Material weakness(es) identified? \_\_\_ Yes  x  No
- 5. Significant deficiency(ies)? \_\_\_ Yes  x  None reported

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

- 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? \_\_\_ Yes  x  No

7. The District's major programs audited were:

<u>Name of Federal Program</u>	<u>Assisted Listing Number</u>
Special Education Cluster	84.027/84.173
Education Stabilization Fund	84.425D/84.425U

- 8. Dollar threshold used to distinguish between Type A and Type B programs. \$750,000
- 9. Auditee qualified as low-risk auditee?  x  Yes \_\_\_ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See 2023-001 on page 67.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings.



SUFFERN CENTRAL SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

(2023-001) Significant Audit Adjusting Journal Entries

Criteria - Management is responsible for maintaining accurate accounting records.

Condition - The accounting records did not accurately reflect appropriate balances for several of the balance sheet accounts across multiple funds.

Effect of Condition - Nine audit adjusting journal entries amounting to \$7,919,247 across all funds were required in order to correct the balances of the accounting records of the District.

Recommendation - We recommend that significant balance sheet accounts be reconciled at year-end to ensure accounting records accurately reflect appropriate balances.

Management's Response - See accompanying Corrective Action Plan provided by management on page 69.

SUFFERN CENTRAL SCHOOL DISTRICT  
Status of Prior Audit Findings  
Year ended June 30, 2023

Reference: 2022-001

Criteria - Management is responsible for maintaining accurate accounting records. Nine audit adjusting journal entries amounting to \$2,765,144 across all funds were required in order to correct the balances of the accounting records of the District.

Status - This finding was repeated as finding 2023-001 in the current year.

SUFFERN CENTRAL SCHOOL DISTRICT

Corrective Action Plan

Year ended June 30, 2023

Name of Auditee: Suffern Central School District

Name of Audit Firm: EFPR Group, CPAs, PLLC

Period Covered by the Audit: Year ended June 30, 2023

CAP Prepared by: William S. Castellane, School Business Administrator

Phone: 845-357-7783

(A) Current Finding on the Schedule of Findings and Responses

(1) Audit Finding 2023-001 - Significant Audit Adjusting Journal Entries

- (a) Comments on the finding and recommendation: The District agrees with the finding. The District also agrees with the recommendation. See below for actions taken.
- (b) Actions Taken: Management will reconcile significant asset and liability accounts at year end to ensure accounting records accurately reflect appropriate balances.
- (c) Anticipated Completion Date: Management anticipates this finding will be resolved by June 30, 2024.