

GENESEE VALLEY CENTRAL SCHOOL DISTRICT

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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2023 REPORTING PACKAGE

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GENESEE VALLEY CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

**To the President and Members of
The Board of Education
Genesee Valley Central School District
Belmont, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of **Genesee Valley Central School District** as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise **Genesee Valley Central School 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 **Genesee Valley Central School 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **Genesee Valley Central School District** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited the **Genesee Valley Central School District's** June 30, 2022 financial statements, and our report dated September 20, 2022, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 **Genesee Valley Central School District's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 **Genesee Valley Central School District's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Genesee Valley Central School District's** ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10) and budgetary comparison information (pages 37-38) schedule of changes in District's net OPEB liability and related ratios (page 44), schedule of District contributions – OPEB (page 45), schedule of the District contributions for defined benefit pension plans (page 46) and the schedule of the District's proportionate share of the net pension asset/liability (page 47) 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 **Genesee Valley Central School District's** basic financial statements. The accompanying combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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, is also presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 12, 2023, on our consideration of the ***Genesee Valley Central School District's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ***Genesee Valley Central School District's*** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering ***Genesee Valley Central School District's*** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 12, 2023**

I. Discussion and Analysis

The following is a discussion and analysis of the **Genesee Valley Central School District's** financial performance for the year ended June 30, 2023. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which follows this section.

II. Financial Highlights

The following items are the financial highlights experienced by the **Genesee Valley Central School District** during the fiscal year ended June 30, 2023:

- Overall net position from operations of the District increased during the current year in the amount of \$352,000 as compared to an increase of \$1,850,000 during the prior fiscal year.
- The District's total revenue increased 6% from \$19,403,000 during June 30, 2022 to \$20,591,000 during June 30, 2023. This increase was primarily the result of an increase in Pandemic related Federal grants, increases in BOCES aid and increases in miscellaneous income from student activities, BOCES refund and shared sports reimbursements.
- The District's total expenses increased approximately \$2,686,000 from \$17,553,000 during the year ended June 30, 2022 to \$20,239,000 during the year ended June 30, 2023. This increase was primarily due to an increase in pension expense due to actuarial updates, along with increases in salaries, contractual expenses, and BOCES expenses.
- The District's had capital outlays during the current year in the amount of approximately \$336,000 which was primarily related to the capital outlay project, vehicle purchases, equipment purchases and right-to-use additions.

III. Overview of the Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of **Genesee Valley Central School District**.

**III. Overview of the Financial Statements
(continued)**

A. Reporting the School District as a Whole (District-wide Financial Statements):

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

1. Statement of Net Position

The Statement of Net Position (page 11) shows the "assets" (what is owned), "liabilities" (what is owed) and the "net position" (the resources that would remain if all obligations were settled) of the District. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

2. Statement of Activities

The Statement of Activities (page 12) shows the amounts of program-specific and general District revenue used to support the District's various functions.

The Statement of Net Position and Statement of Activities divide the activities of the District into two categories: governmental activities (the school functions, including general support, instruction, transportation, administration, etc.; property taxes, state and federal revenue usually support most of these functions) and proprietary activities. The District only had governmental activities during the current fiscal year.

The two district-wide statements report the School District's net position and how they have changed. Net Position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

III. Overview of the Financial Statements (continued)

B. Reporting the District's Most Significant Funds (Fund Financial Statements):

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate column.

The District has two kinds of funds:

1. Governmental Funds

Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently the governmental funds

III. Overview of the Financial Statements (continued)

B. Reporting the District's Most Significant Funds (Fund Financial Statements)(continued):

1. Governmental Funds (continued)

statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

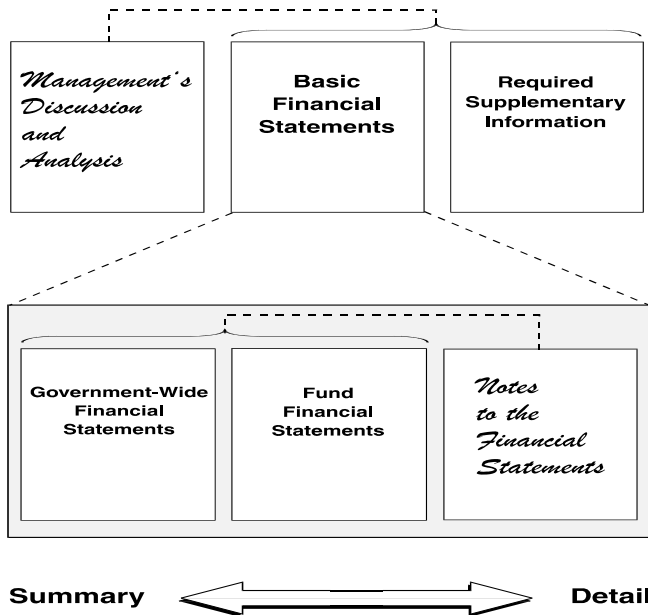
2. Fiduciary Funds

The District does not have activities that qualify for reporting as a fiduciary fund.

Figure A-1 - Major Features of the District-Wide Statements and Fund Financial Statements

	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Funds used to account for resources held for the benefit of parties outside the District.
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, all assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or right-to-use assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets or right to use assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-2 - Required Components of the District's Annual Financial Report



IV. Financial Analysis of the School District as a Whole (continued)

Changes in Net Position (continued)

The total cost of all programs and services of the District increased 16% to \$20,239,000. The District's expenses cover a range of services, with 73% related to instruction and 18% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

Governmental Activities

Revenue of the District's governmental activities increased approximately 6%, while total expenses increased 16%. The District's total net position increased approximately \$352,000 or 2% from operations during the fiscal year ended June 30, 2023.

Figure A-5 presents the major sources of revenue of the District. Revenue of the District totaled \$20,591,000 for the fiscal year ended June 30, 2023. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue, which represents approximately 15% of the District's total revenue for governmental activities, increased approximately 1% during the year ended June 30, 2023.
- The District's most significant revenue is state sources which represent \$13,793,000 or 66% of total governmental revenue. The District's state sources increased approximately 2% which was primarily related to an increase in State aid, including foundation aid and BOCES aid.
- During the year ended June 30, 2023, the District saw an increase in program revenue which mostly resulted from an increase in operating grants in the amount of \$416,000. This increase was primarily related to Pandemic related Federal grants.

IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately \$16,415,000. The components of net position include: invested in capital and right-to-use assets, net of related debt, of \$8,320,000; restricted net position of \$5,336,000; and unrestricted net position of \$2,759,000 as of June 30, 2023.

Changes in Net Position

The District's total government-wide revenue increased by approximately 6% to \$20,591,000. Approximately 15%, 13% and 66% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 6% comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

IV. Financial Analysis of the School District as a Whole (continued)

Expenses

Figure A-8 presents the cost of each of the District's largest expenditure-types, which include; general support, instruction, transportation, debt service and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$20,239,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support increased by approximately \$506,000 or 17% which was primarily related to an increase in pension expense resulting from actuarial updates, along with increases in salaries and materials and supplies.
- The District's instruction costs increased by approximately \$2,258,000 or 18%. This increase was primarily related to an increase in pension expense resulting from actuarial updates, along with increases in salaries, contractual expense and BOCES expenses.
- Debt service of the District decreased approximately \$372,000 during the year ended June 30, 2023, which primarily resulted from bond issuance costs on refunding incurred in the prior year.
- Transportation costs of the District increased 30% or \$180,000 during the year ended June 30, 2023. This increase was related to increases in pension expense resulting from actuarial updates.
- The District's cost of sales (food service fund) totaled \$568,000 during the current year as compared to \$454,000 during the fiscal year ended June 30, 2022. This increase was related to an increase in food costs from higher participation and inflation.
- The District received approximately \$2,971,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$17.3 million) were financed by state aid and real property taxes.

Figure A-3 – Condensed Statement of Net Position

*Genesee Valley Central School District
Condensed Statement of Net Position (in thousands of dollars)*

	Governmental Activities and Total District-wide		
	2023	2022	% Change
Assets			
Current and other assets	\$ 8,543	\$ 14,029	-39%
Capital and right-to-use assets	29,983	31,564	-5%
Total assets	38,526	45,593	-16%
Deferred outflows of resources			
Deferred outflows related to pensions and OPEB	4,388	4,383	0%
Total deferred outflows of resources and assets	\$ 42,914	\$ 49,976	-14%
Liabilities			
Other liabilities	\$ 768	\$ 765	0%
Long-term liabilities	25,141	25,405	-1%
Total liabilities	25,909	26,169	-1%
Deferred inflows of resources			
Deferred inflows related to pensions and OPEB	590	7,744	-92%
Total deferred inflows of resources and liabilities	26,499	33,913	-22%
Net position			
Net investment in capital and right-to-use assets	8,320	7,465	11%
Restricted	5,336	5,354	0%
Unrestricted	2,759	3,244	-15%
Total net position	16,415	16,063	2%
Total liabilities, deferred inflows of resources, and net position	\$ 42,914	\$ 49,976	-14%

Figure A-4 – Changes in Net Position

*Genesee Valley Central School District
Changes in Net Position from Operating Results (in thousands of Dollars)*

	Governmental Activities and Total District-wide		
	2023	2022	% Change
Revenue			
Program revenue			
Charges for services	\$ 380	\$ 250	52%
Operating grants and contributions	2,591	2,175	19%
General revenue			
Real property taxes	3,067	3,039	1%
Use of money & property	127	112	13%
Sale of property & comp for loss	3	5	-45%
State sources	13,793	13,499	2%
Federal sources	78	60	30%
Miscellaneous	552	263	110%
Total revenue	20,591	19,403	6%
Expenses			
General support	3,572	3,066	17%
Instruction	14,787	12,529	18%
Transportation	773	593	30%
Debt service - interest	539	911	-41%
Cost of sales	568	454	25%
Total expenses	20,239	17,553	15%
Change in net position	\$ 352	\$ 1,850	

Figure A-5 – Sources of Revenue

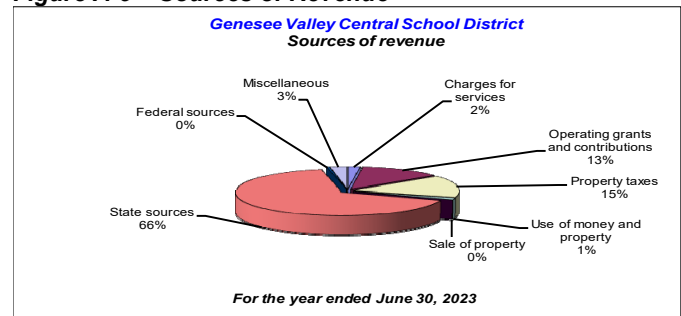


Figure A-6 Expenses

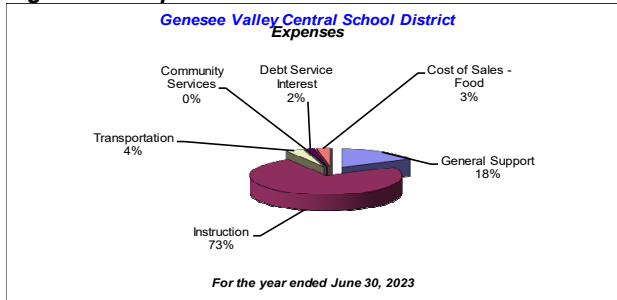


Figure A-7 – Expenditures Supported with Program Revenue

	Governmental Activities & Total District			
	2023		2022	
Expenditures supported with general revenue (from taxes & other sources)	\$ 17,268	85%	\$ 15,128	86%
Expenditures supported with program revenue	2,971	15%	2,425	14%
Total expenditures related to governmental activities	\$ 20,239	100%	\$ 17,553	100%

Figure A-8 – Net Cost of Governmental Activities

	Total cost of services			Net cost of services		
	2023	2022	Change	2023	2022	Change
General support	\$ 3,572	\$ 3,066	\$ 506	\$ 3,572	\$ 3,066	\$ 506
Instruction	14,787	12,529	2,258	12,397	10,702	1,695
Transportation	773	593	180	765	588	177
Debt service - interest	539	911	(372)	539	911	(372)
Cost of sales - food	568	454	114	(5)	(139)	134
Total	\$ 20,239	\$ 17,553	\$ 2,686	\$ 17,268	\$ 15,128	\$ 2,140

V. Financial Analysis of the School District's Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term

V. Financial Analysis of the School District's Funds

Debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund expenses and other uses exceeded its revenues and other sources by approximately \$33,000.
- The District's general fund unassigned fund balance equated to approximately \$1,376,000 as of June 30, 2023.
- The District established many fund balance reserves during the year ended June 30, 2023, and had a total restricted fund balance that approximated \$5,193,000.
- The District's total assets decreased approximately \$2,000 as of June 30, 2023 primarily as the result of a decrease in cash balances which was partially offset by an increase in due from other governments. The District's liabilities increased approximately \$31,000 related to an increase in due to TRS.
- Total revenue in the District's general fund increased \$628,000, which was primarily related to an increase in BOCES aid and miscellaneous revenue. Total expenditures in the District's general fund increased \$745,000 primarily as a result of increases in salaries, materials and supplies and BOCES expenditures.

Food Service Fund

- The District's food service fund experienced a \$5,000 increase in fund equity during the current fiscal year.
- Revenue, including interfund transfers, in the District's food service fund was \$573,000 during 2023 as compared with \$594,000 in 2022. Expenditures increased approximately \$114,000 as compared to the prior year. The District experienced an increase in participation in the current year and an increase in employee benefits.

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$459,000 or 28% which was primarily related to Pandemic related Federal grants.

Capital Projects Fund

- The District had expenditures and other uses in the amount of \$98,000 in capital projects during the year ended June 30, 2023 related a capital outlay project.

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

VI. General Fund Budgetary Highlights

Over the course of the year, the District makes many budget transfers, which is the common method utilized to manage the budget throughout the year. Actual expenditures were approximately \$868,000 below the revised budget. The most significant variances were in the areas of instruction, employee benefits and general support which totaled \$321,000, \$381,000 and \$135,000 respectively, below that budgeted. On the other hand, resources available for appropriations were approximately \$149,000 below the final budgeted amount. Significant variance of revenue items consisted of other sources which were approximately \$414,000, below that budgeted.

Figure A-9 – Budget vs. Actual Comparison

<i>Genesee Valley Central School District</i>				
<i>General Fund - Budget vs Actual Comparison (in thousands of dollars)</i>				
	Revised Budget	Actual	Difference	%
Revenue				
Local sources	\$ 3,604	\$ 3,863	\$ 259	7%
State sources	13,800	13,793	(7)	0%
Federal sources	65	78	13	20%
Other sources	414	-	(414)	-100%
Total revenue	\$ 17,883	\$ 17,734	\$ (149)	-1%
Expenditures				
General support	\$ 2,908	\$ 2,773	\$ 135	5%
Instruction	8,578	8,257	321	4%
Transportation	687	656	31	5%
Employee benefits	3,383	3,002	381	11%
Debt service	2,978	2,978	-	0%
Operating transfers	100	100	-	0%
Total expenditures	\$ 18,634	\$ 17,766	\$ 868	5%

VII. Capital and Right-to Use Assets and Debt Administration

Capital and Right-to-Use Assets

As depicted in Figure A-10, as of June 30, 2023, the District had invested approximately \$29,983,000 in a broad range of capital assets, including reconstruction projects, transportation vehicles, computer equipment, and other equipment, including right-to-use technology equipment. Capital additions made during the year ended June 30, 2023, totaled approximately \$336,000 and consisted primarily of the costs associated a capital outlay project, vehicle purchases, equipment purchases and right-to-use assets. More detailed information about the District's capital assets is presented in the notes of the financial statements.

VII. Capital and Right-to-use Assets and Debt Administration (continued)

Long-term Debt

As depicted in Figure A-11, as of June 30, 2023, the District had approximately \$25,141,000 in bonds, other post-employment benefits, net pension liabilities and compensated absences, a decrease of approximately \$263,000 as compared with the previous year. The decrease in bonds payable was the result of the District making regularly scheduled debt payments. Other post-employment benefits increased as a result of actuarial update. Compensated absences increased related to the total sick days accrued for employees over the age of 55. The District also had an increase in pension liabilities as a result of both the TRS and ERS pension fund being reported as net pension liabilities in the current year, whereas in the previous year they were both net pension assets.

Figure A-10 – Capital and Right-to-Use Assets

<i>Genesee Valley Central School District</i>			
<i>Capital and Right-to-Use Assets (net of depreciation/amortization)</i>			
	Governmental Activities & Total District-wide		
	2023	2022	Change
Land	\$ 344,731	\$ 344,731	0%
Buildings	49,525,451	49,424,078	0%
Equipment	6,728,203	6,493,486	4%
Accumulated depreciation/amortization	(26,615,496)	(24,698,775)	8%
Total Capital and Right-to-use Assets, net	\$ 29,982,889	\$ 31,563,520	-5%

Figure A-11 – Outstanding Long-term Liabilities

<i>Genesee Valley Central School District</i>			
<i>Outstanding Long-Term Debt and Liabilities</i>			
	Governmental Activities & Total District-wide		
	2023	2022	Change
Bonds payable	\$ 21,663,380	\$ 24,098,034	-10%
Net pension liabilities	2,055,330	-	n/a
Other post-employment benefits	1,119,221	1,098,586	2%
Compensated absences	303,005	206,983	46%
Total Long-Term Debt	\$ 25,140,936	\$ 25,403,603	-1%

VIII. 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:

- The District is uncertain as to the level of state aid in the upcoming years as we move out of the Pandemic.

IX. Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Genesee Valley Central School District
Attention: Ms. Erin Ostrander, Business Official
1 Jaguar Drive
Belmont, New York 14813

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Schedule 1

Page 11

	<u>2023</u>	<u>2022</u>
Assets		
Cash		
Unrestricted	\$ 869,627	\$ 2,148,471
Restricted	5,336,059	5,353,548
Receivables		
State and federal aid	791,078	825,818
Due from other governments	1,373,595	41,592
Inventories	12,573	17,780
Net pension asset - NYS Employees' Retirement System	-	573,663
Net pension asset - NYS Teachers' Retirement System	-	4,910,083
Cash to be used for capital assets	160,787	158,770
Capital assets and right-to-use assets, net	29,982,889	31,563,520
Total assets	<u>38,526,608</u>	<u>45,593,245</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	3,960,756	3,968,660
Deferred outflows related to OPEB	426,824	414,534
Total assets and deferred outflows of resources	<u>\$ 42,914,188</u>	<u>\$ 49,976,439</u>
Liabilities		
Current liabilities		
Accrued liabilities	\$ 5,972	\$ 43,479
Accrued interest	32,000	36,000
Due to retirement systems	709,121	621,025
Unearned revenue	20,568	64,977
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	2,195,000	2,115,000
Portion due or payable after one year		
Bonds payable	19,468,380	21,983,034
Net pension liability - NYS Teachers' Retirement System	546,853	-
Net pension liability - NYS Employees' Retirement System	1,508,477	-
Other post-employment benefits	1,119,221	1,098,586
Compensated absences	303,005	206,983
Total liabilities	<u>25,908,597</u>	<u>26,169,084</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	364,125	7,502,633
Deferred inflows related to OPEB	226,223	241,695
Total liabilities and deferred inflows of resources	<u>26,498,945</u>	<u>33,913,412</u>
Net Position		
Net investment in capital assets and right-to-use assets	8,319,509	7,465,486
Restricted	5,336,059	5,353,548
Unrestricted	2,759,675	3,243,993
Total net position	<u>16,415,243</u>	<u>16,063,027</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 42,914,188</u>	<u>\$ 49,976,439</u>

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 2

Page 12

	Expenses	Indirect Expenses Allocation	Program Revenues		2023	2022
			Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs						
General support	\$ 3,163,702	\$ 408,475	\$ -	\$ -	\$ (3,572,177)	\$ (3,065,535)
Instruction	13,366,195	1,420,821	331,895	2,058,732	(12,396,389)	(10,703,157)
Pupil transportation	685,351	87,425	-	7,578	(765,198)	(587,943)
Debt service	538,877	-	-	-	(538,877)	(910,980)
Food service program	567,936	-	48,451	524,503	5,018	139,212
Depreciation and amortization	1,916,721	(1,916,721)	-	-	-	-
Total functions and programs	<u>\$ 20,238,782</u>	<u>\$ -</u>	<u>\$ 380,346</u>	<u>\$ 2,590,813</u>	<u>(17,267,623)</u>	<u>(15,128,403)</u>
General Revenues						
Real property taxes					3,067,212	3,039,379
Use of money and property					127,234	112,480
Sale of property and compensation for loss					2,775	4,640
Miscellaneous					551,912	262,398
State sources					13,792,916	13,499,373
Federal sources					77,790	59,738
Total general revenues					<u>17,619,839</u>	<u>16,978,008</u>
Change in net position					352,216	1,849,605
Net position - beginning of year					16,063,027	14,085,968
Prior period adjustment					-	127,454
Net position - end of year					<u>\$ 16,415,243</u>	<u>\$ 16,063,027</u>

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

Schedule 3

Page 13

	Governmental Funds						2023	2022
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Assets								
Unrestricted cash	\$ 266,715	\$ 393,436	\$ 236,191	\$ -	\$ -	\$ -	\$ 896,342	\$ 2,186,269
Restricted cash	5,192,684	-	-	-	160,787	116,660	5,470,131	5,474,520
Due from other funds	1,264,387	-	-	153,424	-	14,806	1,432,617	1,021,946
State and federal aid receivable	181,537	575,587	33,954	-	-	-	791,078	825,818
Due from other governments	1,373,595	-	-	-	-	-	1,373,595	41,592
Inventories	-	-	12,573	-	-	-	12,573	17,780
Total assets	<u>\$ 8,278,918</u>	<u>\$ 969,023</u>	<u>\$ 282,718</u>	<u>\$ 153,424</u>	<u>\$ 160,787</u>	<u>\$ 131,466</u>	<u>\$ 9,976,336</u>	<u>\$ 9,567,925</u>
Liabilities and Fund Equity								
Liabilities								
Accrued liabilities	\$ 5,512	\$ -	\$ 460	\$ -	\$ -	\$ -	\$ 5,972	\$ 43,479
Due to other funds	257,760	963,567	-	57,866	153,424	-	1,432,617	1,021,946
Unearned revenue	15,112	5,456	-	-	-	-	20,568	64,977
Due to Teachers' Retirement System	626,510	-	-	-	-	-	626,510	555,511
Due to Employees' Retirement System	82,611	-	-	-	-	-	82,611	65,514
Total liabilities	<u>987,505</u>	<u>969,023</u>	<u>460</u>	<u>57,866</u>	<u>153,424</u>	<u>-</u>	<u>2,168,278</u>	<u>1,751,427</u>
Fund Equity								
Fund equity:								
Nonspendable	-	-	12,573	-	-	-	12,573	17,780
Restricted	5,192,684	-	-	95,558	-	47,817	5,336,059	5,353,548
Committed	-	-	-	-	-	83,649	83,649	72,749
Assigned	722,597	-	269,685	-	7,363	-	999,645	1,016,287
Unassigned	1,376,132	-	-	-	-	-	1,376,132	1,356,134
Total fund equity	<u>7,291,413</u>	<u>-</u>	<u>282,258</u>	<u>95,558</u>	<u>7,363</u>	<u>131,466</u>	<u>7,808,058</u>	<u>7,816,498</u>
Total liabilities and fund equity	<u>\$ 8,278,918</u>	<u>\$ 969,023</u>	<u>\$ 282,718</u>	<u>\$ 153,424</u>	<u>\$ 160,787</u>	<u>\$ 131,466</u>	<u>\$ 9,976,336</u>	<u>\$ 9,567,925</u>

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule 4

Page 14

	Governmental Funds						2023	2022
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Revenue								
Real property taxes	\$ 3,067,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,067,212	\$ 3,039,379
Charges for services	331,895	-	-	-	-	-	331,895	210,157
Use of money and property	126,948	-	167	-	102	17	127,234	112,480
Sale of property compensation for loss	2,775	-	-	-	-	-	2,775	4,640
Miscellaneous	333,951	13,803	22,118	-	-	204,158	574,030	316,963
State sources	13,792,916	523,004	10,494	-	-	-	14,326,414	13,826,696
Federal sources	77,790	1,543,306	484,951	-	-	-	2,106,047	1,854,699
Surplus food	-	-	29,058	-	-	-	29,058	17,232
Sales (school food service)	-	-	26,333	-	-	-	26,333	20,522
Total revenue	17,733,487	2,080,113	573,121	-	102	204,175	20,590,998	19,402,768
Expenditures								
General support	2,773,379	-	164,288	-	-	-	2,937,667	2,704,393
Instruction	8,257,225	1,822,044	-	-	-	-	10,079,269	9,270,918
Pupil transportation	655,519	7,578	-	-	-	-	663,097	763,264
Employee benefits	3,002,423	250,491	132,745	-	-	-	3,385,659	3,079,915
Debt service								
Principal	2,115,000	-	-	-	-	-	2,115,000	2,295,000
Interest	862,531	-	-	-	-	-	862,531	667,597
Capital outlay	-	-	-	-	98,130	-	98,130	88,370
Cost of sales	-	-	262,594	-	-	-	262,594	215,296
Other expenses	-	-	8,309	-	-	187,182	195,491	76,693
Total expenditures	17,666,077	2,080,113	567,936	-	98,130	187,182	20,599,438	19,161,446
Excess (deficiency) of revenue over expenditures	67,410	-	5,185	-	(98,028)	16,993	(8,440)	241,322
Other sources and uses								
Proceeds from the advance refunding of bonds	-	-	-	-	-	-	-	12,220,457
Payments to escrow agent (advance refunding)	-	-	-	-	-	-	-	(12,220,457)
Operating transfers in	-	-	-	-	100,000	-	100,000	100,000
Operating transfers out	(100,000)	-	-	-	-	-	(100,000)	(100,000)
Total other sources (uses)	(100,000)	-	-	-	100,000	-	-	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	(32,590)	-	5,185	-	1,972	16,993	(8,440)	241,322
Fund equity, beginning of year	7,324,003	-	277,073	95,558	5,391	114,473	7,816,498	7,575,176
Fund equity, end of year	\$ 7,291,413	\$ -	\$ 282,258	\$ 95,558	\$ 7,363	\$ 131,466	\$ 7,808,058	\$ 7,816,498

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

Total fund balances - governmental funds \$ 7,808,058

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

Capital and right-to-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital and right-to-use assets consist of the following at year-end:

Cost of the assets	\$ 56,598,385	
Accumulated depreciation/amortization	<u>(26,615,496)</u>	29,982,889

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(32,000)
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Deferred inflows/outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds pension expense is based on required contributions.		3,596,631
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Deferred inflows/outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds OPEB expense is based on required contributions.		200,601
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Bonds payable	(21,663,380)	
Net pension liability - TRS	(546,853)	
Net pension liability - ERS	(1,508,477)	
Other post-employment benefits	(1,119,221)	
Compensated absences	<u>(303,005)</u>	<u>(25,140,936)</u>

Total net position - governmental activities		<u><u>\$ 16,415,243</u></u>
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	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 6,366,473	\$ -	\$ -	\$ (160,787)	\$ 6,205,686
Due from other funds	1,432,617	-	-	(1,432,617)	-
State and federal aid receivable	791,078	-	-	-	791,078
Due from other governments	1,373,595	-	-	-	1,373,595
Inventories	12,573	-	-	-	12,573
Cash to be used for capital assets	-	-	-	160,787	160,787
Capital assets and right-to-use assets, net	-	29,982,889	-	-	29,982,889
Total assets	9,976,336	29,982,889	-	(1,432,617)	38,526,608
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	3,960,756	-	-	3,960,756
Deferred outflows related to OPEB	-	426,824	-	-	426,824
Total assets and deferred outflows of resources	\$ 9,976,336	\$ 34,370,469	\$ -	\$ (1,432,617)	\$ 42,914,188
Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position					
Liabilities					
Accrued liabilities	\$ 5,972	\$ -	\$ -	\$ -	\$ 5,972
Accrued interest	-	-	32,000	-	32,000
Due to other funds	1,432,617	-	-	(1,432,617)	-
Unearned revenue	20,568	-	-	-	20,568
Due to retirement systems	709,121	-	-	-	709,121
Bonds payable	-	-	21,663,380	-	21,663,380
Net pension liability-TRS	-	-	546,853	-	546,853
Net pension liability-ERS	-	-	1,508,477	-	1,508,477
Other post-employment benefits	-	-	1,119,221	-	1,119,221
Compensated absences	-	-	303,005	-	303,005
Total liabilities	2,168,278	-	25,172,936	(1,432,617)	25,908,597
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	364,125	-	364,125
Deferred inflows related to OPEB	-	-	226,223	-	226,223
Total liabilities and deferred inflows of resources	2,168,278	-	25,763,284	(1,432,617)	26,498,945
Fund equity and net position					
	7,808,058	34,370,469	(25,763,284)	-	16,415,243
Total liabilities, deferred inflows of resources and fund equity/net position	\$ 9,976,336	\$ 34,370,469	\$ -	\$ (1,432,617)	\$ 42,914,188

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds \$ (8,440)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. Activity for the current fiscal year ended was as follows:

Capital outlays	\$ 336,090	
Depreciation/amortization expense	<u>(1,916,721)</u>	(1,580,631)

Repayment of bond principal, including payment towards the refunding of bonds, lease principal and bond anticipation notes principal is an expenditure the governmental funds but the repayment reduces long-term liabilities in the statement of net position. 2,115,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense and bond premium amortization is recognized as the interest accrues, regardless of when it is due. In addition, premiums on bond anticipation notes and bonds are recorded as revenue in the governmental funds, whereas in the statement of activities, premiums are amortized into interest expense. 323,654

District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds pension expense is based on the District's based on District's required contribution pension plans. (408,472)

District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds OPEB expense is based on the District's required contributions to the OPEB plan. 7,127

In the statement of activities, certain operating expenses - compensated absences 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). This year compensated absences changed by this amount. (96,022)

Change in net position of governmental activities \$ 352,216

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 3,067,212	\$ -	\$ -	\$ -	\$ 3,067,212
Charges for services	331,895	-	-	(331,895)	-
Use of money and property	127,234	-	-	-	127,234
Sale of property compensation for loss	2,775	-	-	-	2,775
Miscellaneous	574,030	-	-	(22,118)	551,912
State sources	14,326,414	-	-	(533,498)	13,792,916
Federal sources	2,106,047	-	-	(2,028,257)	77,790
Surplus food	29,058	-	-	(29,058)	-
Sales (school food service)	26,333	-	-	(26,333)	-
Total revenue	20,590,998	-	-	(2,971,159)	17,619,839
Expenditures					
General support	2,937,667	390,549	-	243,961	3,572,177
Instruction	10,079,269	1,331,164	96,022	889,934	12,396,389
Pupil transportation	663,097	(42,952)	-	145,053	765,198
Employee benefits	3,385,659	-	401,345	(3,787,004)	-
Debt service	2,977,531	-	(2,438,654)	-	538,877
Capital outlay	98,130	(98,130)	-	-	-
Cost of sales	262,594	-	-	(267,612)	(5,018)
Other expenses	195,491	-	-	(195,491)	-
Total expenditures	20,599,438	1,580,631	(1,941,287)	(2,971,159)	17,267,623
Excess (deficiency) of revenue over expenditures	(8,440)	(1,580,631)	1,941,287	-	352,216
Other sources and uses					
Operating transfers in	100,000	-	-	(100,000)	-
Operating transfers out	(100,000)	-	-	100,000	-
Total other sources (uses)	-	-	-	-	-
Net change for year	\$ (8,440)	\$ (1,580,631)	\$ 1,941,287	\$ -	\$ 352,216

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

The accompanying financial statements of the **Genesee Valley Central School District** have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The financial statements include all funds and account groups of the School District as well as the component units and other organizational entities determined to be includable in the School District's financial reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the School District's reporting entity:

1. The Extraclassroom Activity Funds

The extraclassroom activity funds of the **Genesee Valley Central School District** represent funds of the students of the School District. The Board of Education exercises general oversight of these funds and has adopted the guidance prescribed by the New York State Education Department for safeguarding, accounting and auditing of extraclassroom activity funds. As a result, these funds do not meet the criteria required to be reported as fiduciary funds and are reported in a governmental fund. The cash and investment balances as well as revenues and expenditures are reported in a miscellaneous special revenue fund of the District. Under previous guidance the cash and investment balances were reported as agency funds. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture

The **Genesee Valley Central School District** is one of 22 component school districts in the Cattaraugus-Allegany 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.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of the administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year, the District was billed approximately \$2,813,000 for BOCES administration and program costs. The District's share of BOCES aid, rentals and refunds amounted to approximately \$1,744,000 for the year ended June 30, 2023. Financial statements for the Cattaraugus-Allegany BOCES are available at the BOCES administrative offices in Olean, New York.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 double counting of transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants

The Statement of Activities presents a comparison between direct expenses and program revenues 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. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial 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 - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Aid - is used to account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes, whose funds are restricted as to use. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

Food Service – is used to account for all revenue and expenditures pertaining to the cafeteria operations.

Capital Projects - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service - is used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

Miscellaneous Special Revenue – is used to account for and report those revenues that are restricted (scholarship) and committed (extraclassroom activities) to expenditures for specified purposes.

3. Fiduciary Fund Types

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. The District does not have any activities that qualify for reporting as a fiduciary.

D. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period, except for real property taxes, which are considered to be available if they 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 and right-to-use asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

F. Inventory

Inventories of food in the School Food Service 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 inventoriable items in other funds are recorded as expenditures at the time of purchase.

G. Investments

Investments are stated at current market value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets are reported at actual cost. 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 as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 2,000	Straight-line	40 years
Land			
improvements	\$ 2,000	Straight-line	25-30 years
Furniture and equipment	\$ 2,000	Straight-line	5-20 years
Transportation vehicles	\$ 2,000	Straight-line	8 years

I. Due To/From Other Funds

The amounts reported on the Statement of Net Position for due to and from other funds represents amounts due between different fund types (governmental activities, and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

J. Compensated Absences

Sick leave Pay and Retirement Incentive- certain of the District's employee groups have negotiated retirement incentive benefits payable based on accumulated unused sick and personal days. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems. The District has recorded an estimated liability in the District-wide financial statement amounting to \$303,005 to recognize the cost of the incentive benefits for those employees eligible to receive such a benefit. Payment of these benefits is dependent on many factors, therefore, the timing of future payments is not readily determinable.

The District believes sufficient resources and budgetary appropriations will be available as the benefits become payable in future years. The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Unearned Revenue

Unearned revenue is reported on the District's combined balance sheet. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

L. Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or 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. Next is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. Lastly, the third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and OPEB benefits paid subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred Inflows and Outflows of Resources (continued)

and ERS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and the net change in actual and expected experience.

M. Post-Employment Benefits

In addition to the retirement benefits described in Note 3, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees, upon reaching normal retirement age while working for the District, will have the District pay their health insurance premiums from their retirement incentive benefits (until exhausted) in accordance with their respective employment contract.

N. Fund Equity

1. Governmental Funds

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes

GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

A. Nonspendable

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term loans and notes receivable, and property held for relate (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

A. Nonspendable (continued)

1. Inventory Reserve

This reserve is used to limit the investment in inventory and to restrict that portion of fund balance which is unavailable for appropriation. This reserve is accounted for in the School Food Service Fund.

2. Prepaid Reserve

This reserve is used to reserve for prepaid expense and to restrict that portion of fund balance which is unavailable for appropriation. This reserve is accounted for in General Fund.

B. Restricted

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

1. Property Loss and Liability Reserve

This reserve is used to accumulate funds to pay property loss and liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General Fund.

2. Employee Retirement Contribution Reserve

This reserve is used to accumulate funds for employee retirement system contributions. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

3. Teachers' Retirement System Contribution Reserve Subfund

This reserve is used to accumulate funds for teachers' retirement system contributions and has limits of 2% annually and 10% in total of teacher retirement system salaries. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

4. Reserve for Employee Benefits

The purpose of this reserve is to reserve funds for the payment of any accrued employee benefit due an employee upon termination of service. This reserve fund may be established by a majority vote of the Board of Education. This reserve is accounted for in the General Fund.

5. Unemployment Insurance Reserve

This reserve is used to accumulate funds to pay the cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may be either transferred to another reserve or the excess applied to the appropriations next fiscal year's budget. If the District elects to convert to tax basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is recorded in the General Fund.

6. Debt Service Reserve

This reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These reserves are accounted for in the General Fund and Debt Service Fund.

7. Capital Reserve

This reserve is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. This reserve is accounted for in the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

8. Reserve for Repairs

This reserve is used to accumulate funds to finance future costs of major repairs to capital improvements or equipment. Voter authorization is required to fund the reserve. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding years. This reserve is accounted for in the General Fund

9. Reserve for scholarships

This reserve is used to account for endowments, scholarships and other funds held by the School District. These monies and earnings must be used for the specific purpose of the original contribution. This reserve is accounted for in the miscellaneous special revenue fund.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the outstanding balance of the extraclassroom activities as committed fund balance as of June 30, 2023.

D. Assigned

Fund balance intended to be used by the District for specific purposes but does not meet the criteria to be restricted or committed. Along with the District's Board of Education, the Business Manager and Treasurer has been authorized to assign fund balance amounts for specific purposes through the establishment of an encumbrance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

C. Assigned (continued)

a. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund. If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. Reserve for encumbrances as of June 30, 2023 totaled \$122,597.

b. Appropriated Fund Equity

General Fund – The amount of \$600,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2024 as allowed by Section 1318 of the Real Property Tax Law.

E. Unassigned

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

2. Government-wide Financial Statements

A. Invested in Capital and Right-to-Use Assets, Net of Related Debt

This designation of net position is used to accumulate the capital and right-to-use asset balance in the statement of net position less accumulated depreciation/amortization and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

B. Restricted

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

2. Government-wide Financial Statements (continued)

C. Unrestricted

This category represents net position of the District not restricted for any other purpose.

3. Order of Fund Balance Spending Policy

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- a. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

O. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a. The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriations budget is approved by the voters within the District.
- c. Appropriations are adopted at the program level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. There were no supplemental appropriations during the year ended June 30, 2023.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary Procedures and Budgetary Accounting (continued)

2. Budget Basis for Accounting

Budgets are adopted annually on a basis consistent with the fund financial statements and the modified accrual basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The budget and actual comparison for the Food Service Fund reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

Budgetary controls for the special revenue and capital funds are established in accordance with the applicable grant agreement or authorized project limit which may cover a period other than the District's fiscal year. Consequently, the budgets for such funds have been excluded from the combined schedule of revenue, expenditures and changes in fund equity – budget and actual.

P. Property Taxes

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31.

2. Enforcement

Uncollected real property taxes are subsequently enforced by the Counties, in which the School District resident is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

Q. Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets.

R. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses.

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Deferred Compensation Plan

Genesee Valley Central School District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) – Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator. The School District has a fiduciary responsibility for funds withheld and remittance to trustees.

T. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

U. New Accounting Pronouncement

Effective July 1, 2022, the District implemented the provisions of GASB Statement 96, *Subscription Based Information Technology Arrangements* which establishes that a subscription based information technology arrangement results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The implementation of this new standard did not have a material impact on the District.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and 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.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

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

1. Long-term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues 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.

2. 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 of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital and right-to-use items in the governmental fund statements and depreciation/amortization expense on those items as recorded in the Statement of Activities.

3. 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.

4. Pension Differences

Pension differences occur as a result of changes in the District's proportion 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.

5. 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.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 – DETAIL NOTES ON ALL FUNDS

I. Cash

The *Genesee Valley Central School District's* investment policies are governed by State statutes. School District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and School Districts.

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 with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2023, the District's bank deposits were fully collateralized.

A. Deposits

Deposits are valued at cost or cost plus interest and are categorized as either:

- (1) Insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the entity or by its agent in the entity's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
- (3) Uncollateralized

Total financial institution (bank) balances at June 30, 2023 per the bank were approximately \$6,902,000. Deposits are categorized as follows:

Category 1	Category 2	Category 3	Carrying Value
\$ 250,000	\$ 6,652,000	\$ -	\$ 6,902,000

II. Interfund Transactions

Interfund balances and transactions as of and during the year ended June 30, 2023 are as follows:

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

II. Interfund Transactions (continued)

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,264,387	\$ 257,760
Capital Projects Fund	-	153,424
Debt Service Fund	153,424	57,866
Special Aid Fund	-	963,567
Misc. Special Revenue	14,806	-
Total	<u>\$ 1,432,617</u>	<u>\$ 1,432,617</u>

	Interfund Revenue	Interfund Expenditures
General Fund	\$ -	\$ 100,000
Capital Projects Fund	100,000	-
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>

During the year ended June 30, 2023, the District transferred \$100,000 from the general fund to the capital projects fund for the capital outlay project.

III. Receivables

Receivables at June 30, 2023 consisted of the following and management has deemed the amounts to be fully collectible.

Fund	Description	Amount
Special Aid	State and Federal Aid	\$ 575,587
Food Service	State and Federal Aid	33,954
General	State and Federal Aid	181,537
General	Due from Other Governments	1,373,595
		<u>\$ 2,164,673</u>

IV. Capital and Right-to-Use Assets

A. Right-to-Use Assets

The District reported right-to-use assets net of amortization as of June 30, 2023 and 2022 in the amount of \$155,976 and 99,425, respectively. More information related to the right-to-use assets is disclosed in Note 6.

B. Additions

The District had additions, including right-to-use assets, in the amount of \$336,090.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

IV. Capital and Right-to-Use Assets (continued)

C. Capital Assets

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

	Beginning Balance 06/30/22	Net change	Ending Balance 06/30/23
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 344,731	\$ -	\$ 344,731
Construction-in-progress	-	-	-
Capital assets that are depreciated:			
Buildings and improvements	49,424,078	101,373	49,525,451
Furniture and equipment	6,282,665	173,211	6,455,876
Total depreciable historical cost	55,706,743	274,584	55,981,327
Less accumulated depreciation:			
Buildings and improvements	19,901,945	1,641,734	21,543,679
Furniture and equipment	4,685,434	270,032	4,955,466
Total accumulated depreciation	24,587,379	\$ 1,911,766	26,499,145
Total net book value	<u>\$31,464,095</u>		<u>\$29,826,913</u>

D. Depreciation and Amortization

Depreciation/amortization expense was charged to governmental functions during the current year as follows:

General support	\$ 408,475
Instruction	1,420,821
Pupil transportation	87,425
	<u>\$ 1,916,721</u>

V. Liabilities

A. Pension Plans

1. General Information

The **Genesee Valley Central School District** participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

2. Plan Descriptions

a. 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. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

b. 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. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

2. Plan Descriptions (continued)

b. Employees’ Retirement System (ERS) (continued)

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. The System is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

3. Contributions

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 annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ 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.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

<u>Year</u>	<u>TRS</u>	<u>ERS</u>
2023	\$ 567,000	\$ 222,000
2022	501,000	276,000
2021	467,000	248,000

The School District contributions made to the Systems were equal to 100% of the contributions required for each year.

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Contributions (continued)

Since 1989, the TRS’ billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employees to make payments on a current basis.

Over the years, State Legislature authorized local governments to make available retirement incentive programs to qualifying employees. The District had no expenditures incurred or liability accrued related to the retirement incentive liabilities as of and for the year ended June 30, 2023.

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

<u>Measurement date</u>	<u>ERS</u> <u>3/31/2023</u>	<u>TRS</u> <u>6/30/2022</u>
Net pension asset (liability)	\$ (1,508,477)	\$ (546,853)
District’s portion of the Plan’s total net Pension asset (liability)	.0070345%	.028498%

For the year ended June 30, 2023, the District’s recognized pension expense of \$531,591 for ERS and \$675,568 for TRS. At June 30, 2023 the District’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Pension Plans (continued)

4. Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 160,665	\$ 573,032	\$ 42,364	\$ 10,958
Changes of assumptions	732,614	1,060,802	8,097	220,288
Net difference between projected and actual earnings on pension plan investments	-	706,586	8,862	-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	38,821	38,154	46,349	27,207
District's contributions subsequent to the measurement date	82,611	567,471	-	-
Total	\$ 1,014,711	\$ 2,946,045	\$ 105,672	\$ 258,453

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

Year ended:	ERS	TRS
2024	\$ 200,502	\$ 399,338
2025	(82,106)	218,942
2026	299,750	(80,088)
2027	408,282	1,394,954
2028	-	179,563
Thereafter	-	7,412

5. Actuarial Assumptions

The total pension asset (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 asset (liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

5. Actuarial Assumptions (continued)

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/23	6/30/22
Actuarial valuation date	4/1/22	6/30/21
Interest rate	5.9%	6.95%
Salary scale	4.4% average	1.95% - 5.18%
	4/1/15 – 3/31/20	7/1/15 – 6/30/20
	System's	System's
Decrement tables	Experience	Experience
Inflation rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active members' mortality rates are based on plan members' 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 – March 31, 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.

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

5. Actuarial Assumptions (continued)

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	ERS 3/31/23	Expected Rate of Return	TRS 6/30/22	Expected Rate of Return
Asset Type:				
Domestic equity	32%	4.30%	33%	6.5%
International equity	15%	6.85%	16%	7.2%
Global equity	-%	-%	4%	6.9%
Private equity	10%	7.50%	8%	9.9%
Real Estate	9%	4.60%	11%	6.2%
Opportunistic/ARS portfolio	3%	5.38%	-%	-%
Credit	4%	5.43%	-%	-%
Real assets	3%	5.84%	-%	-%
Domestic fixed income securities	-%	-%	16%	1.1%
Global fixed income securities	-%	-%	2%	0.6%
Real estate debt	-%	-%	6%	2.4%
Private debt	-%	-%	2%	5.3%
High-yield fixed income	-%	-%	1%	3.3%
Fixed Income	23%	1.50%	-%	-%
Cash	1%	-%	1%	(.3)%
Total:	100%		100%	

6. Discount Rate

The discount rate used to calculate the total pension asset (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. 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.

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

7. Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1- percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's Proportionate share of the net pension asset/ (liability)	\$ (3,645,341)	\$ (1,508,477)	\$ 277,122
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset/ (liability)	\$ (5,042,238)	\$ (546,853)	\$ 3,233,737

8. Pension Plan Fiduciary Net Position

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

(in thousands)

	ERS	TRS
Measurement date	3/31/23	6/30/22
Employers' total pension liability	\$ 232,627,259	\$ 133,883,474
Plan Net Position	\$ 211,183,223	\$ 131,964,582
Employers' net pension asset/ (liability)	\$ (21,444,036)	\$ (1,918,892)
Ratio of plan net position to be Employers' total pension liability	90.78%	98.60%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

9. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. 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 \$82,611.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$626,510 (employer contribution \$567,471 and employee contributions of \$59,039).

B. Other Post-Employment Benefits

1. General Information about the OPEB Plan

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan). The Plan provides medical and vision insurance benefits to eligible retirees and their spouses. Benefit provisions are based on bargaining agreements as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility for the Plan is established by the District and specified in the District's employment contracts.

Benefits Provided

The District provides healthcare 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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

1. General Information about the OPEB Plan (continued)

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	19
Active Employees	152
	171

2. Total OPEB Liability

The District's total OPEB liability of \$1,119,221 was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2022 and was actuarially rolled forward for the fiscal year ended June 30, 2023.

Actuarial Assumptions and Other Inputs

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

Inflation – 2.5%

Salary Increases

Years of Service	Non-Teachers	Teachers/ Administrators
0	8.80%	12.31%
10	4.18%	4.30%
20	3.30%	2.93%
30	3.30%	2.19%
40	3.30%	1.84%

Discount Rate – 4.09%

Healthcare Cost Trend Rates – 7.5% for 2023, decreasing 0.5% to 4.5% for 2029 and later.

Retirees' Share of Benefit-Related Costs – most retirees are responsible for the entire premium rate.

The discount rate was based on S&P Municipal Bond 20 Year

Mortality rates were based on the MP-2021 Total Dataset Mortality Table.

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

3. Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 1,098,586
<u>Changes for the Year</u>	
Service costs	49,697
Interest	24,147
Changes of benefit terms	-
Differences between expected and actual experience	66,961
Changes in assumptions	(28,281)
Benefit payments	(91,889)
Net change in total OPEB liability	<u>20,635</u>
Balance at June 30, 2023	<u>\$ 1,119,221</u>

Changes in assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 2.19% in 2022 to 4.09% in 2023. Payroll growth rate is based on NYSERS and NYSTRS valuations in 2021 and 2022. Health care trend rate unchanged from 7.5% - 4.5% in 2022 to 2023.

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% point lower (3.09%) or 1% point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	<u>\$ 1,192,639</u>	<u>\$ 1,119,221</u>	<u>\$ 1,050,889</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

3. Changes in the Total OPEB Liability (continued)

Sensitivity of the Total OPEB Liability to changes in the Healthcare Trend Costs

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 trend costs that are 1% point lower (6.5%-3.5%) or 1% point higher (8.5%-5.5%) than the current discount rate:

	1% Decrease (6.5% - 3.5%)	Healthcare Cost Trend Rate (7.5 %- 4.5%)	1% Increase (8.5 %- 5.5%)
Total OPEB liability	<u>\$ 1,026,912</u>	<u>\$ 1,119,221</u>	<u>\$ 1,226,995</u>

4. 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 \$86,863. At 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
Differences between expected and actual experience	\$ 201,946	\$ 158,422
Changes of assumptions or other Inputs	130,888	67,801
Contributions subsequent to measurement date	<u>93,990</u>	<u>-</u>
Total	<u>\$ 426,824</u>	<u>\$ 226,223</u>

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

Year ending:	Amount
2024	\$ 13,019
2025	13,019
2026	13,020
2027	4,989
2028	16,160
Thereafter	46,404
Total	<u>\$ 106,611</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as part of the financial statements when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. There were no bond anticipation notes issued or redeemed during the year ended June 30, 2023.

2. Long-Term Debt

a. Debt Limit

At June 30, 2023, the total indebtedness represents approximately 87% of its debt limit.

b. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets. These long-term liabilities, which are full faith and credit debt of the District, are recorded in the Statement of Net Position. The provisions to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

On June 10, 2012, the District issued serial bonds in the amount of \$21,245,000 carrying a variable interest between a rate of 2.00% and 5.00% per annum and are set to mature on June 10, 2030. These bonds were refunded with the 2022 series bonds.

On June 10, 2015, the District issued serial bonds in the amount of \$4,620,000 carrying a variable interest between a rate of 3.00% per annum and 5.00% per annum and are set to mature on June 15, 2034.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

b. Serial Bonds (continued)

On June 23, 2020, the District issued serial bonds in the amount of \$10,220,000 carrying a variable interest between a rate of 2.00% per annum and 2.50% per annum and are set to mature on June 15, 2034.

On April 26, 2022, the District issued serial bonds in the amount of \$10,985,000 carrying a variable interest between a rate of 5.00% per annum and are set to mature on June 15, 2030.

c. Changes

The changes in the School District's indebtedness during the year ended June 30, 2023 and 2022 are summarized as follows:

	Balance June 30, 2023	Balance June 30, 2022
2015 serial bonds	\$ 2,737,355	\$ 3,092,137
2020 serial bonds	8,235,000	8,910,000
2022 serial bonds	10,691,025	12,095,897
Other post-employment Benefits	1,119,221	1,098,586
Net pension liabilities		
TRS	546,853	-
ERS	1,508,477	-
Compensated absences	303,005	206,983
	<u>\$ 25,140,936</u>	<u>\$ 25,403,603</u>

During the year, the District made principal payments on its serial bonds in the amount of \$2,115,000. In addition, there was amortization of bond premiums totaling \$319,654. The net change in compensated absences was an increase of \$96,022 during the fiscal year ended June 30, 2023. The net change in other post-employment benefits was an increase of \$20,635 during the fiscal year ended June 30, 2023. The District's proportionate share of the net pension liability for TRS and ERS increased by \$2,055,330 during the current year as both plans were reported as net pension assets in the prior year and as net pension liabilities in the current year.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity

1. The following is a summary of serial bonds indebtedness:

Description of Issue	Outstanding at June 30, 2023
Serial Bonds, issued in 2015 with a maturity date of 2034, with interest rates ranging from 3%-5%. Proceeds used to refund previously issued Serial Bonds.	\$ 2,570,000
Plus: Unamortized premiums on bonds	167,355
	<u>2,737,355</u>
Serial Bonds, issued in 2020 with a maturity date of 2034, with interest rates ranging from 2%-2.5%. Proceeds used to redeem previously issued BANs.	8,235,000
Serial Bonds, issued in 2022 with a maturity date of 2030, with interest rates ranging from 5%. Proceeds used to refund previously issued 2012 Serial Bonds.	9,765,000
Plus: Unamortized premiums on bonds	926,025
	<u>10,691,025</u>
	<u>\$ 21,663,380</u>

2. The following is a summary of maturing debt service requirements for serial bonds:

Year	Serial Bonds – 2015 Construction Bond	
	Principal	Interest
2024	\$ 325,000	\$ 124,081
2025	345,000	107,831
2026	360,000	90,581
2027	380,000	72,581
2028	400,000	53,581
2029-2033	685,000	70,156
2034	75,000	2,813
Total	<u>\$ 2,570,000</u>	<u>\$ 521,624</u>

Year	Serial Bonds – 2020 Construction Bond	
	Principal	Interest
2024	\$ 685,000	\$ 164,700
2025	700,000	151,000
2026	715,000	137,000
2027	730,000	122,700
2028	750,000	108,100
2029-2033	4,005,000	309,100
2034	650,000	13,000
Total	<u>\$ 8,235,000</u>	<u>\$ 1,005,600</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity (continued)

Year	Serial Bonds – 2022 Construction Bond	
	Principal	Interest
2024	\$ 1,185,000	\$ 488,250
2025	1,255,000	429,000
2026	1,320,000	366,250
2027	1,390,000	300,250
2028	1,460,000	230,750
2029-2030	3,155,000	238,500
Total	<u>\$ 9,765,000</u>	<u>\$ 2,053,000</u>

e. Long-Term Debt Interest

Interest expense on long-term debt amounted to \$862,531 for the year ended June 30, 2023.

3. Refunding of Long-Term Debt

On April 6, 2022, the District issued general obligations serial bonds 2022 of \$10,985,000 (par value) with interest rates of 5.0% to refund the 2012 serial bonds of \$11,805,000 which had interest rates of 3.0%-4.0%. The net proceeds of \$12,091,869 (after bond premium of \$1,235,457, bond issuance costs of \$103,218 and underwriter's discount of \$25,370) were used to purchase government obligations. As a result, the bonds are defeased, and the liability for those bonds has been removed from the District's financial statements.

In prior years, the District defeased other general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

4. Debt Issuance Costs, Premium and Amortization

Net premiums resulting from bond and other debt refinancing are being amortized over the life of the relating debt using the interest method. These premiums are accordingly included in the outstanding principal balances for the bonds. Debt issuance costs were expensed when the bonds were issued in accordance with GASB 65.

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity

A. Summary

The District's fund equity is comprised of various components.

<u>Category/Fund</u>	<u>Description</u>	<u>Balance June 30, 2023</u>
Nonspendable:		
Food Service	Inventory	<u>\$ 12,573</u>
Restricted:		
General	Reserve for employee benefits	\$ 643,314
	Reserve for retirement system contributions	779,234
	TRS reserve subfund	150,000
	Unemployment insurance reserve	86,296
	Reserve for debt service	294,409
	Reserve for property loss and liability	441,712
	Reserve for capital	2,052,064
	Reserve repairs	<u>745,655</u>
		<u>\$ 5,192,684</u>
Debt Service	Reserve for Debt	<u>\$ 95,558</u>
Miscellaneous Special Revenue	Scholarships	<u>\$ 47,817</u>
Committed:		
Miscellaneous Special Revenue	Student Activities	<u>\$ 83,649</u>
Assigned:		
General	Reserve for encumbrances	\$ 122,597
	Appropriated fund balance	<u>600,000</u>
		<u>\$ 722,597</u>
Food Service	Assigned fund balance	<u>\$ 269,685</u>
Capital Projects	Assigned fund balance	<u>\$ 7,363</u>

B. District-wide Net Position

Net position as of June 30, 2023 of the District includes restricted net position of \$5,336,059 which represent restricted amounts in the general, debt service and miscellaneous special revenue funds as presented above.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity (continued)

C. Assigned – Appropriated Fund Balance

General Fund - The amount of \$600,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2024 as allowed by Section 1318 of the Real Property Tax Law.

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

The *Genesee Valley Central School District* is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters, etc. 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.

2. Risk Sharing Pools

For its employee health and accident coverage, *Genesee Valley Central School District* is a participant in the Cattaraugus-Allegany Regional Medical Plan, a public entity risk pool operated for the benefit of 23 individual governmental units located within Allegany and Cattaraugus Counties. The School District pays monthly premiums to the Plan for this health coverage.

The Plan is authorized to assess supplemental premiums to the participating districts. The Plan provides coverage for its members up to \$100,000 per insured event. The Cattaraugus-Allegany Regional Medical Plan obtains independent coverage for insured events in excess of this amount.

The *Genesee Valley Central School District* also participates in a risk sharing pool, Cattaraugus-Allegany BOCES, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. Administrators of the Plan have indicated that the Plan's reserves are believed to be in excess of estimated unbilled and open claims.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies (continued)

B. Federal and State Grants

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

D. Compensated Absences

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$494,000 as of June 30, 2023 for accumulating non-vesting sick leave.

E. Contingencies

The District, in the normal course of its operations, is involved in various litigation and arbitration cases. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the District's financial position.

NOTE 4 - CAPITAL PROJECTS

The District had a capital outlay project during the current year and incurred expenditures totaling \$98,130.

NOTE 5 – COVID 19 PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to Organizations including public school districts. The New York State Department of Education has allocated approximately \$217,000 of CARES Act – ESSER and GEER assistance to the District which is for the funding period of March 13, 2020 through September 30, 2022. The District expended the entire grant during the fiscal year ended June 30, 2021.

NOTE 5 – COVID 19 PANDEMIC (continued)

In December 2020, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) was passed which provided additional assistance to school districts. The New York State Department of Education has allocated approximately \$651,000 of CRRSA assistance to the District. During the years ended June 30, 2023, 2022 and 2021, the District had expenditures related to the CRRSA grant in the amount of \$469,967, \$111,709 and \$68,872, respectively.

In March 2021, The American Rescue Plan (ARP) was passed which provided additional assistance to school districts. The New York State Department of Education has allocated approximately \$2,196,000 of ARP assistance to the District. During the years ended June 30, 2023 and 2022, the District had expenditures related to the ARP grants in the amount of \$451,165, \$621,775 and \$2,200, respectively.

The District provided free breakfast and lunches to all students through the Seamless Summer Option Program which ended as of June 30, 2022.

NOTE 6 – RIGHT-TO-USE ASSETS/LEASES

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. The District paid cash for the equipment rather than through an installment purchase agreement. The District amortizes its right-to-use assets over a period of 5 years. Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2023:

	Balance 7/1/2022	Additions
Right-to-use asset	\$ 210,821	\$ 86,390
Accumulated amortization	(111,396)	(29,839)
	<u>\$ 99,425</u>	<u>\$ 56,551</u>

	Deletions	Balance 6/30/2023
Right-to-use asset	\$ (24,884)	\$ 272,327
Accumulated amortization	24,884	(116,351)
	<u>\$ -</u>	<u>\$ 155,976</u>

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 7 – PRIOR PERIOD ADJUSTMENT

The District implemented GASB 87, Leases, during the year ended June 30, 2022, which resulted in a prior period adjustment related to agreements made for various IT and computer equipment that were already in place as of July 1, 2021, and which GASB 87 requires retroactive application of these agreements. The District's net position increased \$127,454 as a result of the prior period adjustment which represents the remaining book value of its right-to-use assets.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 12, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	\$ 3,065,590	\$ 3,065,590	\$ 3,065,590	\$ -
Real property tax items	5,000	5,000	1,622	(3,378)
Charges for services	262,000	262,000	331,895	69,895
Use of money and property	110,700	110,700	126,948	16,248
Sale of property and compensation for loss	1,000	1,000	2,775	1,775
Miscellaneous	160,000	160,000	333,951	173,951
State Sources:				
Basic formula	12,486,044	12,486,044	12,345,851	(140,193)
BOCES	1,270,000	1,270,000	1,402,920	132,920
Textbooks	25,514	25,514	25,397	(117)
All other aid	18,747	18,747	18,748	1
Federal Sources:				
Medicaid reimbursement	65,000	65,000	77,790	12,790
Total revenue	17,469,595	17,469,595	17,733,487	263,892
Other Sources				
Operating transfer in	413,764	413,764	-	(413,764)
Total revenue and other sources	17,883,359	17,883,359	\$ 17,733,487	\$ (149,872)
Appropriated fund equity and carryover encumbrances	600,000	751,603		
Total revenue, other sources and appropriated fund equity	\$ 18,483,359	\$ 18,634,962		

See accompanying independent auditor's report.

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 38,935	\$ 31,730	\$ 26,619	\$ -	\$ 5,111
Central administration	247,265	250,547	249,906	-	641
Finance	193,834	194,433	186,599	-	7,834
Staff	422,429	425,054	415,739	-	9,315
Central services	1,602,523	1,762,680	1,654,786	44,211	63,683
Special items	242,770	243,626	239,730	-	3,896
Instructional:					
Instruction, administration and improvement	570,910	561,121	548,428	293	12,400
Teaching - regular school	4,054,000	3,944,565	3,796,081	58,722	89,762
Programs for children with handicapping conditions	1,968,077	2,030,143	2,005,948	7,940	16,255
Teaching - special schools	55,950	81,910	58,381	517	23,012
Occupational education	512,982	512,982	512,982	-	-
Instructional media	607,519	635,069	622,678	600	11,791
Pupil services	797,915	813,003	712,727	10,314	89,962
Pupil Transportation	652,657	687,458	655,519	-	31,939
Employee Benefits	3,401,724	3,383,110	3,002,423	-	380,687
Debt Service:					
Debt service principal	2,290,000	2,115,000	2,115,000	-	-
Debt service interest	723,869	862,531	862,531	-	-
Total expenditures	18,383,359	18,534,962	17,666,077	122,597	746,288
Other Uses:					
Transfer to other funds	100,000	100,000	100,000	-	-
Total other uses	100,000	100,000	100,000	-	-
Total expenditures and other uses	\$ 18,483,359	\$ 18,634,962	17,766,077	\$ 122,597	\$ 746,288
Excess (deficiency) of revenue and other sources over expenditures and other uses			\$ (32,590)		

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS1A

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	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ 11,000	\$ 10,494	\$ (506)
Federal sources	452,732	484,951	32,219
Sales	15,000	26,333	11,333
Miscellaneous	5,000	22,118	17,118
Surplus food	25,000	29,058	4,058
Use of money and property	5	167	162
Total revenue	<u>508,737</u>	<u>573,121</u>	<u>64,384</u>
Expenditures			
General support	165,182	164,288	894
Employee benefits	99,559	132,745	(33,186)
Cost of sales	239,896	262,594	(22,698)
Other expenses	4,100	8,309	(4,209)
Total expenditures	<u>508,737</u>	<u>567,936</u>	<u>(59,199)</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>5,185</u>	<u>\$ 5,185</u>
Fund equity, beginning of year		<u>277,073</u>	
Fund equity, end of year		<u>\$ 282,258</u>	

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS2

Page 39

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 18,483,359
Additions:	
Prior year encumbrances	<u>151,603</u>
Original Budget	18,634,962
Budget Revisions: Supplemental appropriations	<u>-</u>
Final budget	<u><u>\$ 18,634,962</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	\$ 18,882,018
Maximum allowed (4% of 2023-24 budget)	755,281

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	\$ 722,597
Unassigned fund balance	<u>1,376,132</u>
Total unrestricted fund balance	<u>2,098,729</u>
Less:	
Appropriated fund balance	600,000
Insurance recovery reserve	-
Tax reduction reserve	-
Encumbrances included in committed and assigned fund balance	<u>122,597</u>
Total adjustments	<u>722,597</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,376,132</u></u>
Actual percentage	<u><u>7.3%</u></u>

* Per Office of State Comptroller's "Fund Balance Reporting and Governmental Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of the 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.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS3

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Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended (Overexpended) Balance	Methods of financing				Fund Balance June 30, 2023
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total	
2017 Project	\$ 13,800,000	\$ 13,800,000	\$ 13,802,359	\$ -	\$ 13,802,359	\$ (2,359)	\$ 10,985,000	\$ -	\$ 2,815,450	\$ 13,800,450	\$ (1,909)
Emergency Pool	500,000	500,000	452,520	-	452,520	47,480	-	-	452,586	452,586	66
2019-20 Capital Outlay	100,000	100,000	98,952	-	98,952	1,048	-	-	100,000	100,000	1,048
2020-21 Capital Outlay	100,000	100,000	96,212	-	96,212	3,788	-	-	100,000	100,000	3,788
2021-22 Capital Outlay	100,000	100,000	97,500	-	97,500	2,500	-	-	100,000	100,000	2,500
2022-23 Capital Outlay	100,000	100,000	-	98,130	98,130	1,870	-	-	100,000	100,000	1,870
	<u>\$ 14,700,000</u>	<u>\$ 14,700,000</u>	<u>\$ 14,547,543</u>	<u>\$ 98,130</u>	<u>\$ 14,645,673</u>	<u>\$ 54,327</u>	<u>\$ 10,985,000</u>	<u>\$ -</u>	<u>\$ 3,668,036</u>	<u>\$ 14,653,036</u>	<u>\$ 7,363</u>

See accompanying independent auditor's report.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
BUDGET COMPARISON STATEMENT FOR STATE AND
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS4A

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Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Universal Pre-kindergarten	0409-23-7216	2023	\$ 434,204	\$ 427,251	\$ 427,251
Teachers for Tomorrow	0644-23-0066	2023	83,200	37,400	37,400
Healthcare Workers Bonus Revenue	N/A	2023	N/A	19,377	19,377
Summer School Program	N/A	2023	N/A	38,976	38,976
State school lunch and breakfast programs	N/A	2023	N/A	10,494	10,494
				<u>\$ 533,498</u>	<u>\$ 533,498</u>

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS4B

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Genesee Valley Central School District** and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the 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). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Basis of Accounting

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for applicable program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Note 2 - Non-monetary Federal Program

The accompanying **Genesee Valley Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2023, the District reported in the Schedule of Federal Awards \$29,058 of donated commodities at fair market value received and disbursed.

Note 3 - Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule SS4C

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Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
Appalachian Regional Commission (ARC)					
Direct Program:					
Appalachian Regional Commission	23.002	NY-19909	\$ 143,050	\$ 32,691	\$ 32,691
U.S. Department of Justice					
Direct Program:					
Edward Bryne Memorial Justice Assistance Grant	16.738	NA	38,105	38,105	38,105
US Department of Education:					
Direct Program:					
Small, Rural School Achievement Program	84.358A	S358A202554	20,618	20,618	20,618
Passed through NYS Department of Education:					
Title I, Part A	84.010A	0021-22-0085	-	22,596	22,596
Title I, Part A	84.010A	0021-23-0085	252,066	283,722	283,722
Title II A	84.367A	0147-23-0085	31,069	26,422	26,422
Title IV	84.424A	0204-23-0085	11,603	30,067	30,067
IDEA Part B, Section 611 *	84.027A	0032-23-0035	154,878	151,568	151,568
IDEA Part B, Section 619 *	84.173A	0033-23-0035	11,603	16,385	16,385
COVID-19-ARP-IDEA Part B, Section 611 *	84.027X	5532-22-0035	25,807	13,644	13,644
COVID-19-ARP-IDEA Part B, Section 619 *	84.173X	5533-22-0035	2,874	2,365	2,365
COVID-19-ARP-Homeless	84.425W	5218-21-0085	5,127	3,545	3,545
COVID-19-CRRSA-ESSER 2	84.425D	5891-21-0085	650,548	469,967	469,967
COVID-19-ARP-ESSER 3	84.425U	5880-21-0085	1,462,094	278,478	278,478
COVID-19-ARP - SLR Summer Enrichment	84.425U	5882-21-0085	100,002	12,364	12,364
COVID-19-ARP - SLR Comprehensive After School	84.425U	5883-21-0085	100,002	29,833	29,833
COVID-19-ARP - SLR Learning Loss	84.425U	5884-21-0085	499,996	110,936	110,936
Total U.S. Department of Education				1,472,510	1,472,510
US Department of Agriculture:					
Passed through NYS Department of Education:					
National School Breakfast Program **	10.553	N/A	N/A	146,333	146,333
National School Lunch Program **	10.555	N/A	N/A	286,443	286,443
Summer Food Service Program for Children **	10.559	N/A	N/A	12,275	12,275
COVID-19-Supply Chain Assistance Program **	10.555	N/A	N/A	26,025	26,025
National School Snack Program **	10.555	N/A	N/A	13,875	13,875
Passed through NYS Office of General Services:					
National School Lunch Program **					
Noncash assistance (commodities)	10.555	N/A	N/A	29,058	29,058
Total U.S. Department of Agriculture				514,009	514,009
Total expenditures and revenue				\$ 2,057,315	\$ 2,057,315

* Constitutes a cluster of Federal programs named Special Education Cluster with revenue and expenditures of \$ 183,962
** Constitutes a cluster of Federal programs named Child Nutrition Cluster with revenue and expenditures of \$ 514,009

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
AND RIGHT-TO-USE ASSETS
AS OF JUNE 30, 2023

Schedule SS5

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Capital Assets and Right-to-Use Assets	\$ 29,982,889
Less:	
Serial bonds	<u>(21,663,380)</u>
Investment in capital assets and right-to-use assets, net of related debt	<u>\$ 8,319,509</u>

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2023

Schedule SS6

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As of the measurement date of July 1,	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability							
Service cost	\$ 49,697	\$ 46,355	\$ 36,713	\$ 35,462	\$ 62,487	\$ 71,378	\$ 58,946
Interest	24,147	29,896	28,502	33,340	38,396	34,158	39,103
Differences between expected and actual experience	66,961	(41,430)	106,676	19,250	(47,664)	(64,740)	-
Changes in assumptions	(28,281)	32,110	213,639	(47,063)	(148,310)	(47,076)	74,985
Benefit payments	(91,889)	(91,209)	(75,323)	(107,728)	(82,414)	(69,934)	(64,160)
Net change in total OPEB liability	20,635	(24,278)	310,207	(66,739)	(177,505)	(76,214)	108,874
Total OPEB liability - beginning	1,098,586	1,122,864	812,657	879,396	1,056,901	1,133,115	1,024,241
Total OPEB liability - ending	\$ 1,119,221	\$ 1,098,586	\$ 1,122,864	\$ 812,657	\$ 879,396	\$ 1,056,901	\$ 1,133,115
Plan fiduciary net position							
Contributions - employer	\$ 91,889	\$ 91,209	\$ 75,323	\$ 107,728	\$ 82,414	\$ 69,934	\$ 64,160
Net investment income	-	-	-	-	-	-	-
Benefit payments	(91,889)	(91,209)	(75,323)	(107,728)	(82,414)	(69,934)	(64,160)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's net OPEB liability	\$ 1,119,221	\$ 1,098,586	\$ 1,122,864	\$ 812,657	\$ 879,396	\$ 1,056,901	\$ 1,133,115
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 7,060,048	\$ 6,562,802	\$ 6,402,734	\$ 6,640,586	\$ 6,478,620	\$ 6,110,542	\$ 6,032,124
District's net OPEB liability as a percentage of covered-employee payroll	15.85%	16.74%	17.54%	12.24%	13.57%	17.30%	18.78%

Notes to Schedule:

Benefit Changes: None

Changes in assumptions: Discount rate from 2.19% as of July 1, 2021 and 4.09% as of July 1, 2022

Mortality rates based on Scale MP-2020 in 2021 and Scale MP-2021 in 2022

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2023

Schedule SS7

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For the year ended June 30,	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ 91,889	\$ 91,209	\$ 75,323	\$ 107,728	\$ 82,414	\$ 69,934	\$ 64,160
Contributions in relation to the actuarially determined contribution	(91,889)	(91,209)	(75,323)	(107,728)	(82,414)	(69,934)	(64,160)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,060,048	\$ 6,562,802	\$ 6,402,734	\$ 6,640,586	\$ 6,478,620	\$ 6,110,542	\$ 6,032,124
Contributions as a percentage of District's covered-employee payroll	1.30%	1.39%	1.18%	1.62%	1.27%	1.14%	1.06%

Notes to Schedule:

Valuation date: July 1, 2022 with no adjustments to the July 1, 2022 measurement date. Liabilities as of July 1, 2021 are based on an actuarial valuation date of July 1, 2020 actuarially projected to July 1, 2021 on a "no gain / no loss" basis.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method.
Discount Rate	2.19% as of July 1, 2021 and 4.09% as of July 1, 2022
Inflation	2.5% per year.
Healthcare cost trend rates	7.5% in 2023 with rates expected to decrease 0.5% each year thereafter with an ultimate rate of 4.5% after 2029
Salary increases	Based on the NYSTRS valuation as of June 30, 2021. Payroll growth for Non-Teachers is based on experience.
Mortality	SOA Pub-2010 Mortality Tables fully generational using scale MP-2021.
Retiree Cost Sharing	Most retirees are responsible for the entire premium rate. Certain current retirees are receiving free subsidized coverage. All future retirees are required to pay the full cost of coverage, except for Administrators.
Participants	152 Active and 19 Retirees

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

Schedule SS8

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New York State Teachers' Retirement System

For the year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 567,471	\$ 500,881	\$ 466,867	\$ 442,903	\$ 526,821	\$ 473,196	\$ 479,002	\$ 558,525	\$ 582,229	\$ 714,555
Contributions in relation to the contractually required contribution	(567,471)	(500,881)	(466,867)	(442,903)	(526,821)	(473,196)	(479,002)	(558,525)	(582,229)	(714,555)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,514,781	\$ 5,111,031	\$ 4,898,919	\$ 4,998,905	\$ 4,960,650	\$ 4,828,531	\$ 4,087,048	\$ 4,212,104	\$ 3,321,329	\$ 4,397,262
Contributions as a percentage of District's covered-employee payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%

New York State Local Employees' Retirement System

For the year ended March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 222,066	\$ 276,099	\$ 248,452	\$ 243,993	\$ 219,102	\$ 219,766	\$ 224,887	\$ 216,182	\$ 286,421	\$ 274,755
Contributions in relation to the contractually required contribution	(222,066)	(276,099)	(248,452)	(243,993)	(219,102)	(219,766)	(224,887)	(216,182)	(286,421)	(274,755)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,098,030	\$ 1,903,757	\$ 1,754,728	\$ 1,865,812	\$ 1,588,506	\$ 1,576,607	\$ 1,408,553	\$ 1,339,530	\$ 1,384,289	\$ 1,307,755
Contributions as a percentage of District's covered-employee payroll	10.58%	14.50%	14.16%	13.08%	13.79%	13.94%	17.48%	17.48%	17.65%	18.23%

See accompanying independent auditor's report.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION
ASSET – NYSTRS AND DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION ASSET (LIABILITY) - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

Schedule SS9

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New York State Teachers' Retirement System - Net Pension Asset (Liability)

As of the measurement date of June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	n/a	0.028498%	0.028334%	-0.028926%	0.029193%	0.029643%	0.029648%	0.028455%	0.027136%	0.026579%
District's proportionate share of the net pension asset (liability)	n/a	\$ (546,853)	\$ 4,910,083	\$ (799,291)	\$ 758,438	\$ 536,026	\$ 225,355	\$ (304,763)	\$ 2,818,558	\$ 2,960,708
District's covered-employee payroll	n/a	\$ 5,514,781	\$ 5,111,031	\$ 4,898,919	\$ 4,998,905	\$ 4,960,650	\$ 4,828,531	\$ 4,087,048	\$ 4,212,104	\$ 3,321,329
District's proportionate share of the net pension asset or (liability) as a percentage of its covered employee payroll	n/a	-9.92%	96.07%	-16.32%	15.17%	10.81%	4.67%	-7.46%	-66.92%	-89.14%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

New York State Local Employees' Retirement System - Net Pension Asset (Liability)

As of the measurement date of March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	0.0070345%	0.0070176%	0.0069004%	0.0063310%	0.0058699%	0.0056272%	0.0053889%	0.0054012%	0.0054131%	n/a
District's proportionate share of the net pension asset (liability)	\$ (1,508,477)	\$ 573,663	\$ (6,871)	\$ (1,676,476)	\$ (415,903)	\$ (181,616)	\$ (506,357)	\$ (866,905)	\$ (182,867)	\$ (244,610)
District's covered-employee payroll	\$ 2,098,030	\$ 1,903,757	\$ 1,903,757	\$ 1,754,728	\$ 1,865,812	\$ 1,588,506	\$ 1,576,607	\$ 1,408,553	\$ 1,339,530	\$ 1,384,289
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	-71.90%	30.13%	-0.36%	-95.54%	-22.29%	-11.43%	-32.12%	-61.55%	-13.65%	-17.67%
Plan fiduciary net position as a percentage of the total pension asset/liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a

See accompanying independent auditor's report.



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

**INDEPENDENT AUDITOR'S 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"**

**To the President and
Members of the Board of Education
Genesee Valley Central School District
Belmont, New York**

We have audited in accordance with 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 and each major fund of *Genesee Valley Central School District* as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise *Genesee Valley Central School District's* basic financial statements and have issued our report thereon dated September 12, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered *Genesee Valley Central School 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 *Genesee Valley Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Genesee Valley Central School District* 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 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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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. However, we identified one deficiency in internal control over financial reporting that we consider to be a significant deficiency described in the accompanying schedule of findings and questioned costs as item II.A.2023-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Genesee Valley Central School District's* financial statements are free of 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 determination of financial statement amounts. 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2023-002.

Genesee Valley Central School District's Responses to Findings

Genesee Valley Central School District's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. **Genesee Valley Central School District's** responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not provided 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 12, 2023**



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants • Business Advisors

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the President and
Members of the Board of Education
Genesee Valley Central School District
Belmont, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited *Genesee Valley Central School District's* 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. *Genesee Valley Central School 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, *Genesee Valley Central School District* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program 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; 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 *Genesee Valley Central School District* and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of *Genesee Valley Central School District's* compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 *Genesee Valley Central School District's* compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 *Genesee Valley Central School District* with the requirements of each major federal program as a whole.

Auditor's Responsibilities for the Audit of Compliance (continued)

In performing an audit in accordance with generally accepted auditing standards, *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 **Genesee Valley Central School District's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Genesee Valley Central School District's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Genesee Valley Central School District's** internal control over compliance. Accordingly, no such opinion is expressed.

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

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 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 may be material weakness 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.

Purpose of this Report

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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 12, 2023**

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued or whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> </u> x no
Significant deficiency(ies) identified?	<u> </u> x yes	<u> </u> none reported
Noncompliance material to financial statements noted?	<u> </u> x yes	<u> </u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> </u> x no
Significant deficiency(ies) identified?	<u> </u> yes	<u> </u> x none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)

<u> </u> yes	<u> </u> x no
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Federal Program Title	Federal CFDA Number	Amount
Total expenditures of Federal Awards		<u>\$ 2,057,315</u>

Identification of Major Programs Tested:

U.S. Department of Education:

COVID-19-ARP-Homeless	84.425W	\$ 3,545
COVID-19-CRRSA-ESSER 2	84.425D	469,967
COVID-19-ARP-ESSER 3	84.425U	278,478
COVID-19-ARP - SLR Summer Enrichment	84.425U	12,364
COVID-19-ARP - SLR Comprehensive After School	84.425U	29,833
COVID-19-ARP - SLR Learning Loss	84.425U	<u>110,936</u>

Total major programs tested	<u>\$ 905,123</u>
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% of Federal programs tested	<u>44%</u>
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Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk?	<u> </u> x yes	<u> </u> no
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II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2023-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2023

Condition and Criteria: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to reserve transfers, debt service fund and converting to the full accrual method for government-wide financial statement purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

Cause and Effect: AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency. Without this assistance, the potential risk exists of the District's financial statements not conforming to generally accepted accounting principles.

Auditor's Recommendation: Although auditors may continue to provide such assistance both now and, in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

School District's Response: The District has received, reviewed and approved all journal entries, footnote disclosures and draft financial statements proposed for the current year audit and will continue to review similar information in future years. Further, the District believes it has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements.

B. COMPLIANCE AND OTHER MATTERS

2023-002 Fund Balance

Year ended June 30, 2023

Conditions and criteria: **Genesee Valley School District's** unassigned fund balance as of June 30, 2023 amounted to approximately \$1,376,000. This amount constitutes approximately 7.3% of the 2023-2024 school budget.

Cause and Effect: The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Auditor's Recommendation: **Genesee Valley School District** should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation of fund balance. In addition, we recommend that the District document its rationale to support the purpose and dollar level of reserves and to ensure it is in compliance with New York State guidelines.

School District's Response: **Genesee Valley School District** realizes that its unassigned fund balance as of June 30, 2023 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

III. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year ended June 30, 2023

No findings related to compliance are being reported upon during the year ended June 30, 2023.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2023

No findings related to internal control over compliance are being reported upon during the year June 30, 2023.

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2022-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2022

Summary of Prior Year Finding: Adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2023 as finding 2023-001.

B. COMPLIANCE AND OTHER MATTERS

2022-002 Unassigned Fund Balance

Year Ended June 30, 2022

Summary of Prior Year Finding: **Genesee Valley School District's** unassigned fund balance as of June 30, 2022 amounted to approximately \$1,356,000. This amount constitutes approximately 7% of the 2022-2023 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Current Status: Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2023 as finding 2023-002.

II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year Ended June 30, 2022

No findings related to compliance were reported upon during the year ended June 30, 2022.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2022

No findings related to internal control over compliance were reported upon during the year June 30, 2022.



**To the President and Members of the
Board of Education and School Administration
Genesee Valley Central School District
Belmont, New York**

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2023 of the District's financial statements and have issued our reports thereon dated September 12, 2023. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the *Genesee Valley Central School District* for the year ended June 30, 2023, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2019 through June 30, 2023. In addition, we have also presented a summary of additional comments which we desire to bring to the Board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. *Genesee Valley Central School District* has provided responses to the additional comments, however, we did not audit these responses and, accordingly, we express no opinion on them.

The analysis of the use of the District's fund equity shows that the District maintains a number of reserves. The reserves presented here are only those that are reported in the General Fund. The uses and legal restrictions of each of these reserve categories are listed in the footnotes to the financial statements. These reserves reduce the amount of the District's unassigned fund equity.

We have reviewed the financial statements extensively with the Audit Committee, School Superintendent and the Business Manager. We believe these individuals have a good understanding of the financial condition of the District as well as the comments expressed in our annual report. We have enjoyed working with the District this year, and wish to thank all of the staff who have assisted us during our audit.

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 12, 2023**

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
REVENUE AND EXPENDITURES COMPARISON AND ANALYSIS OF FUND
EQUITY - GENERAL FUND (AMOUNTS IN \$1,000)

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Revenue and other sources					
Property taxes	\$ 3,067	\$ 3,039	\$ 3,012	\$ 2,992	\$ 2,966
State aid	13,793	13,499	12,754	12,668	11,806
All other	873	567	866	790	700
	<u>17,733</u>	<u>17,105</u>	<u>16,632</u>	<u>16,450</u>	<u>15,472</u>
Expenditures and other uses					
General support	2,773	2,549	2,433	2,196	2,236
Instruction	8,257	7,869	7,217	7,230	7,077
Transportation	656	758	404	531	549
Benefits	3,002	2,782	2,707	2,789	2,712
Debt	2,978	2,963	3,003	3,311	2,401
Transfers	100	100	100	553	188
	<u>17,766</u>	<u>17,021</u>	<u>15,864</u>	<u>16,610</u>	<u>15,163</u>
Excess (deficiency) of revenue over expenditures	(33)	84	768	(160)	309
Fund equity					
Beginning of year	<u>7,324</u>	<u>7,240</u>	<u>6,472</u>	<u>6,632</u>	<u>6,323</u>
End of year	<u>\$ 7,292</u>	<u>\$ 7,324</u>	<u>\$ 7,240</u>	<u>\$ 6,472</u>	<u>\$ 6,632</u>
Analysis of fund equity					
Nonspendable	\$ -	\$ -	\$ 184	\$ -	\$ -
Restricted					
Reserve for retirement system	829	829	779	834	824
Reserve for teachers' retirement system	100	100	100	20	-
Reserve for debt service	294	412	471	589	648
Reserve for employee benefits	643	619	580	534	532
Reserve for liability	442	442	442	442	442
Reserve for repairs	746	746	726	698	1,184
Reserve for unemployment insurance	86	86	86	86	86
Reserve for capital	2,052	1,982	2,145	1,495	1,426
Assigned					
Reserve for encumbrances	123	152	158	222	152
Next year's budget	600	600	400	400	300
Unassigned	<u>1,377</u>	<u>1,356</u>	<u>1,169</u>	<u>1,152</u>	<u>1,037</u>
	<u>\$ 7,292</u>	<u>\$ 7,324</u>	<u>\$ 7,240</u>	<u>\$ 6,472</u>	<u>\$ 6,632</u>

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
SUMMARY OF ADDITIONAL COMMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Page 3

Future Governmental Accounting Standards – GASB 101 – Compensated Absences

Governmental Accounting Standards Board has issued Statement No. 101, Compensated Absences which will be effective for the fiscal year ending June 30, 2025. The standard provides guidance on how the District will account for and disclose obligations related to compensated absences, including vacation leave, sick leave, and other similar benefits. We recommend that the District begin to familiarize themselves with the new compensated absences standard, which may include continuing education, webinars and further training.

District response: The District will participate in trainings or webinars on the topics when they become available.

Capital Project Fund

The District should review each project and determine whether they are complete and can be closed out. Remaining funds from closed out projects should be either transferred to the debt service fund (projects that were debt financed) or the general fund.

District response: The District will review each closed project and transfer any remaining funds back to the general fund.

GENESEE VALLEY CENTRAL SCHOOL DISTRICT

***EXTRACLASROOM ACTIVITY FUND
FINANCIAL STATEMENT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

***WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS***

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND

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INDEPENDENT AUDITOR'S REPORT

**To the President and
Members of the Board of Education
Genesee Valley Central School District
Belmont, New York**

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the *Genesee Valley Central School District* for the year ended June 30, 2023, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of *Genesee Valley Central School District* for the year ended June 30, 2023 on the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the *Genesee Valley Central School District* and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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 Extraclassroom Activity Fund of *Genesee Valley Central School District's* ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinion. 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 generally accepted auditing standards 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.

Auditor’s Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards 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 statement, 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 statement.
- 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 Extraclassroom Activity Fund of **Genesee Valley Central School District’s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Extraclassroom Activity Fund of **Genesee Valley Central School District’s** ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2023, on our consideration of the **Genesee Valley Central School District’s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Genesee Valley Central School District’s** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Genesee Valley Central School District’s** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 12, 2023**

GENESEE VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS-CASH BASIS
JULY 1, 2022 THROUGH JUNE 30, 2023

	Balances June 30, 2022	Total Receipts 2022-23	Total Receipts & Balances	Total Payments 2022-23	Balances June 30, 2023
Arts/Tech Club	\$ 1,260	\$ 1,699	\$ 2,959	\$ 1,566	\$ 1,393
Athletic/PE	2,886	7,998	10,884	7,998	2,886
Band/Jazz	188	13,433	13,621	13,617	4
Choir	163	-	163	-	163
Class of 2022	862	-	862	862	-
Class of 2023	9,950	23,630	33,580	30,693	2,887
Class of 2024	5,445	17,584	23,029	11,543	11,486
Class of 2025	1,453	16,423	17,876	10,793	7,083
Class of 2026	-	8,121	8,121	3,793	4,328
Drama Club	2,673	22,579	25,252	19,224	6,028
Elementary Student Council	5,280	901	6,181	757	5,424
Future Farmers of America	-	5,240	5,240	5,012	228
Garden Group	838	1	839	-	839
GVCS Food Stand	-	35,871	35,871	36,778	(907)
High School Student Council	3,215	1,110	4,325	939	3,386
JAG Design Co.	1,200	19,841	21,041	18,261	2,780
JAG Enterprises/FBLA	7,846	-	7,846	-	7,846
Legislative Club	72	2,166	2,238	1,684	554
Lote Club	6,447	-	6,447	193	6,254
Middle School Activities	9,632	2,146	11,778	1,543	10,235
Middle School Band	312	-	312	-	312
Middle School Choir	1,419	-	1,419	-	1,419
National Honor Society	578	49	627	313	314
Robotics Club	4,184	-	4,184	1,937	2,247
Sales Tax Payable	(320)	7,583	7,263	7,541	(278)
Scholastic Challenge	694	-	694	84	610
Student Activity Reserve	3,893	1,097	4,990	-	4,990
Yearbook Club	2,579	3,935	6,514	5,376	1,138
Total activity fund	\$ 72,749	\$ 191,407	\$ 264,156	\$ 180,507	\$ 83,649

**GENESEE VALLEY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are part of the reporting entity of **Genesee Valley Central School District** and are included in the government-wide financial statements of the School District. The activity of the Extraclassroom Activity Fund is included in the Miscellaneous Special Revenue Fund.

The accounts of the Extraclassroom Activity Fund of **Genesee Valley Central School District** are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.

**To the President and
Members of the Board of Education
Genesee Valley Central School District
Belmont, New York**

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of *Genesee Valley Central School District* as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered *Genesee Valley Central School District's* internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of *Genesee Valley Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Genesee Valley Central School District's* internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We noted no deficiencies in internal control to be a material weakness.

Comments for the extraclassroom fund of *Genesee Valley Central School District* are listed below:

Student Involvement

During our audit, we noticed that in some activity funds are not being run by the students, whereby meetings are held to establish the mission of the club, along with decisions on fundraisers, purchases and other business items. State Education Law defines an activity fund as “an organization within the School District whose activities are conducted by students and whose financial support is raised other than taxation or through charges of the Board of Education”. We recommend that students become involved in the decision-making process of activity funds, including the cash receipts and cash disbursements function.

District response: The District will continue to evaluate each activity fund to determine appropriateness and takes steps necessary to either involve students, transfer funds on inactive accounts to active accounts or remove these funds from the Extracurricular activity ledgers.

This communication is intended solely for the information and use of management, Board of Education, and others within *Genesee Valley Central School District*, and is not intended to be, and should not be, used by anyone other than these specified parties.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 12, 2023**

September 12, 2023

To the Audit Committee
and Board of Education
Genesee Valley Central School District
Belmont, New York

We have audited the financial statements of Genesee Valley Central School District as of and for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Governmental Auditing standards and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Genesee Valley Central School District are described in Note 1 to the financial statements. During the current year the District implemented Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements*, which did not have a significant effect on the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were:

Management's estimate of depreciation is based on estimates of useful lives of assets and cost basis of certain assets were derived from a third-party independent appraisal company. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

In addition, the District also has estimated future costs associated with pension and other post-employment benefits and has recorded a net pension liability (TRS & ERS) and another post-employment benefit liability based on an actuarial study performed by a third-party actuary. We evaluated the key assumptions used to develop this study and its reasonableness in relation to the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures on long-term debt in Note 3IV and the COVID-19 Pandemic in Note 5 to the financial statements, due to their significance.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 12, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of the District's share of the net pension asset/liability, and the schedule of the District's contributions for defined benefit pension plans, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, including combining and individual fund financial statements, the schedule of expenditures of federal awards, and other schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board and management of Genesee Valley Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.