

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Financial Statements as of June 30, 2025  
Together with  
Independent Auditor's Report and Report Required  
by *Government Auditing Standards***

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

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## **INDEPENDENT AUDITOR'S REPORT**

October 14, 2025

To the Board of Education and Superintendent of  
Sauquoit Valley Central School District:

### **Report on the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sauquoit Valley Central School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of District, as of June 30, 2025, 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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## INDEPENDENT AUDITOR'S REPORT

(Continued)

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

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

(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund; Schedule of Changes in Total OPEB Liability and Related Ratios; Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

## Management's Discussion and Analysis (Unaudited) June 30, 2025

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The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2025. The section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed, as well as a comparative analysis to prior year information. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

### Financial Highlights

- New York State Law limits the unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. As of June 30, 2025, the unassigned fund balance of the General Fund was \$1,118,209 which is equivalent to 4.11%.
- In May 2025, District's residents approved the 2025-2026 spending plan in the amount of \$27,187,654 for the District.
- On the government-wide financial statements, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources by \$24,701,214. The District's total net position increased by \$3,615,012 for the year ended June 30, 2025.

### Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), a series of financial statements and notes to those statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District's finances:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are governmental fund financial statements that focus on individual parts of the District, reporting the School District's operations in more detail than the district-wide statements.
- The governmental fund statements tell how basic services such as regular and special education were financed in the short-term, as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of the District.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

Table A-1 summarizes the major features of the District’s financial statements, including the portion of the School District’s activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education.	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	Statement of Net Position, Statement of Activities	Balance sheet; Statement of revenue, expenditures, and changes in fund balance.	Statement of fiduciary net position; Statement of changes in fiduciary net position.
Accounting basis and measurement	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/deferred inflows-outflows of resources/ liability information	All assets, deferred inflows/outflows of resources, and liabilities, both financial and capital, short-term and long-term debt.	Assets, deferred inflows/outflows of deferred resources, and liabilities that come due during the year or soon after; no capital assets or long term liabilities included.	All assets and liabilities, both short-term and long term; funds do not currently contain capital assets, although they can.
Type of inflow/out flow information	All revenue and expenses during year, regardless of when cash is received or paid.	Revenue 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.

### **District-Wide Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflow/outflows of resources, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, deferred inflows/outflows of resources, 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.
- For assessment of the overall health of the District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are shown as Governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Net position of the governmental activities differ from the governmental fund balance because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balance.

### **District-Wide Statements (Continued)**

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expense using the economic resources measurement focus and the full accrual basis of accounting.
  
- Allocate net position balances as follows:
  - Net investment in capital assets.
  - Restricted net position has constraints placed on use by external sources or imposed by law.
  - Unrestricted net position is net position that does not meet any of the above restrictions.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's 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. The funds have been established by the State of New York.

The District has two kinds of funds:

- **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 can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long term focus of the district wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

## Net Position

**Table A-2: Condensed Statement of Net Position**

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	Percent <u>Change</u>
Current Assets	\$ 6,598	\$ 7,415	-11.02%
Non-current assets	<u>53,671</u>	<u>51,162</u>	4.89%
Total assets	<u>60,269</u>	<u>58,577</u>	2.89%
Deferred outflows	<u>5,542</u>	<u>8,603</u>	-35.58%
Current liabilities	2,499	12,977	-80.74%
Long-term liabilities	<u>73,462</u>	<u>68,531</u>	7.2%
Total liabilities	<u>75,961</u>	<u>81,508</u>	-6.81%
Deferred inflows	<u>14,551</u>	<u>13,987</u>	-4.03%
Net position:			
Net investment in capital assets	28,967	18,498	100.24%
Restricted	2,389	1,774	34.67%
Unrestricted	<u>(56,057)</u>	<u>(48,588)</u>	31.99%
Total net position	<u>\$ (24,701)</u>	<u>\$ (28,316)</u>	-12.76%

By far the largest component of the District's net assets reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities and Changes in Net Position. The District's net position increased by \$3,615,012 in the fiscal year ended June 30, 2025. A summary for the years ended June 30, 2025 and 2024 is as follows:

**Table A-3: Changes in Net Position**

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	<u>Percent Change</u>
Revenue:			
Charges for services	\$ 139	\$ 125	-11.20%
Operating grants	422	1,568	73.09%
Capital grants	58	188	69.15%
General revenue:			
Real property taxes	8,160	7,661	-6.51%
Other tax items	922	957	3.66%
Use of money and property	452	552	18.12%
Sale of property	54	82	34.15%
Federal and State sources	15,597	14,551	-7.19%
Other	<u>1,039</u>	<u>831</u>	-25.03%
Total revenue	<u>26,841</u>	<u>26,515</u>	-1.23%
Expenses:			
General government support	(2,823)	(4,748)	40.54%
Instruction	(18,519)	(18,118)	-2.21%
Pupil transportation	(973)	(1,660)	41.39%
Debt service - interest	(880)	(965)	8.81%
School lunch program	<u>(31)</u>	<u>(58)</u>	46.55%
Total expenses	<u>(23,226)</u>	<u>(25,549)</u>	9.09%
Increase in net position	<u>\$ 3,615</u>	<u>\$ 965</u>	274.61%

As indicated the District relies upon the New York State formula aid as its primary revenue source, followed by property tax revenue.

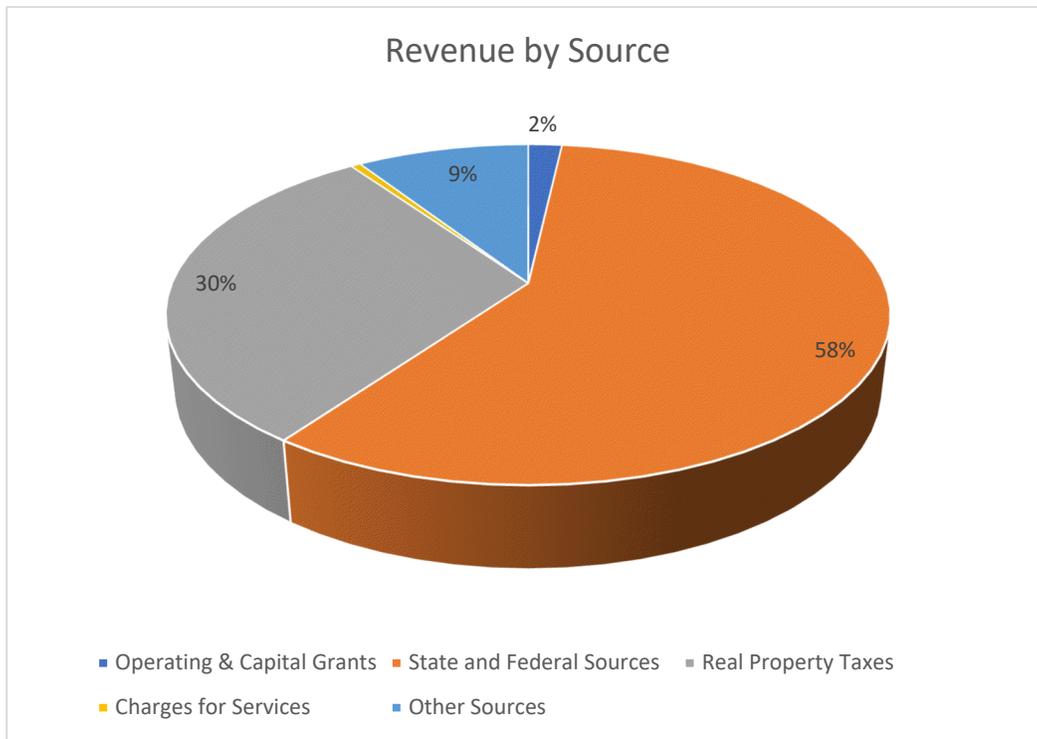
The District's fiscal year 2025 expenses totaled \$23,225,572. Costs to support general instruction and transportation accounted for 84% of District expenses. The District's general support activities accounted for 12.2%.

**Changes in Net Position (Continued)**

The District's continued financial health, as a whole, can be credited to:

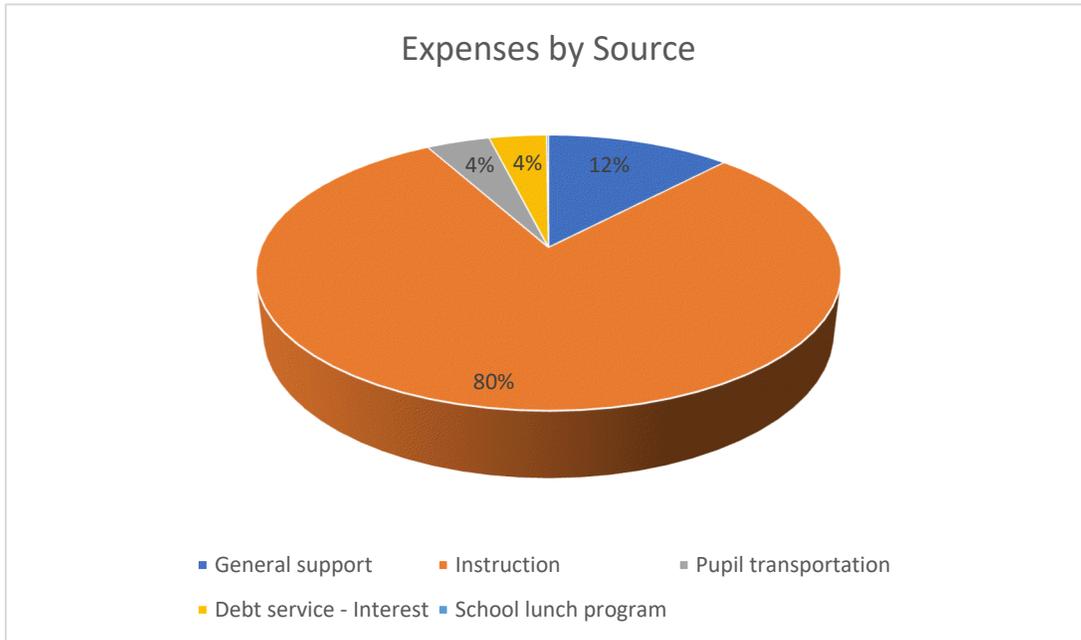
- Long-range financial planning in all programs
- Consistent District goals which are valued and fostered
- Long-range capital infrastructure plans
- Continued strong leadership of the District's Board and administration
- Constant evaluation of ways to contain costs through increased efficiencies

**Table A-4** Sources of Revenue for Fiscal Year 2025:



## Changes in Net Position (Continued)

**Table A-5** Expenses for Fiscal Year 2025:



## FINANCIAL ANALYSIS OF THE DISTRICT FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### Governmental Funds

The focus on the District's governmental funds is to provide information on assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported a combined fund balance surplus of \$3.98m which is an increase of \$9.7m from the prior year, much due to the issuance of long-term financing in the capital projects fund.

Of the total combined fund balances, \$1,189,209 constitutes general fund unassigned fund balance, or monies that are available for spending at the District's discretion. The general fund has a total fund balance of \$3,694,592 and of these funds, \$1,077,080 has been designated for subsequent year's expenditures and represents the amount estimated for use in the 2025-2026 budget. The capital projects fund balance deficit of \$356,596 was reduced significantly from the prior year as permanent financing was obtained for construction projects through the issuance of serial bond during the fiscal year.

The remainder of the fund balance is reserved to indicate that it is not available for new spending, as it has already been committed. This includes a reserve for unemployment in the amount of \$5,308, a reserve for retirement of \$1,253,724, a reserve for employee benefit accrued liabilities of \$104,558, and a reserve for debt of \$310,847.

The unassigned general fund balance of \$1,118,209 is 4.11% of fund balance which is consistent with the statutory limit of 4% of the ensuing year's budget that can be retained by the District.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was an increase in expenditures of approximately \$403k.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets (Net of Accumulated Depreciation)

Category	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	Percent <u>Change</u>
Land	\$ 190,000	\$ 190,000	0.00%
Construction in Process	1,871,456	7,248,022	-7 %
Buildings improvements	48,708,877	42,281,272	15%
Furniture & Equipment	1,628,028	1,220,423	33%
Leased assets	<u>118,656</u>	<u>222,023</u>	-47%
Total	<u>\$ 52,517,017</u>	<u>\$ 51,161,740</u>	3%

On June 30, 2025 the District had \$52,517,017 in depreciable capital assets, net of accumulated depreciation and amortization, invested in a broad range of capital assets including land, improvements other than buildings, buildings and improvements and machinery and equipment.

More detailed information about the District's capital assets is presented in the notes to the financial statements.

### Debt Administration

#### Outstanding Short-Term Debt - Bond Anticipation Notes

At year end, the District had \$995,000 of bond anticipation notes outstanding.

#### Outstanding Long-Term Liabilities

The District issued bonds in the current year of \$9,535,000.

Category	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	Percent <u>Change</u>
General obligation bonds	\$ 20,100,000	\$ 11,715,000	71.57%
Premium on bonds	2,392,856	1,780,519	34.39%
Net pension liability	945,538	1,435,338	-34.12%
Compensated absences	924,760	655,620	41.05%
Other post employment benefit obligations	<u>49,040,291</u>	<u>52,828,800</u>	-7.17%
Total	<u>\$ 73,403,445</u>	<u>\$ 68,415,277</u>	7.29%

More detailed information about the District's long term debt is presented in the notes to the financial statements.

### Factors Bearing on the Future of the District

At the time these financial statements were prepared and audited, the District was not aware of any extraordinary circumstances or factors that would significantly impact the District's financial position in the future.

**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 the District's accountability with the funds it receives. If you have any questions about this report or need additional financial information, please contact:

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Sauquoit Valley Central School District  
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**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Statement of Net Position - Governmental Activities  
June 30, 2025**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

CURRENT ASSETS:

Cash and cash equivalents - Unrestricted	\$ 4,048,421
Cash and cash equivalents - Restricted	455,582
State and federal aid receivable	1,637,182
Accounts receivable	245,304
Leases receivable	<u>211,856</u>
Total current assets	<u>6,598,345</u>

NON CURRENT ASSETS:

Capital assets, non-depreciable	2,061,456
Capital assets - depreciable, net	50,455,561
Net pension asset - TRS	<u>1,153,992</u>
Total non current assets	<u>53,671,009</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows of resources - pensions ERS	546,390
Deferred outflows of resources - pensions TRS	2,763,598
Deferred outflows of resources - other postemployment benefits	<u>2,232,133</u>
Total deferred outflows of resources	<u>5,542,121</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 65,811,475

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	483,423
Bond anticipation notes payable	997,735
Accrued interest	79,208
Due to teachers' retirement system	842,487
Due to employees' retirement system	<u>96,561</u>
Total current liabilities	<u>2,499,414</u>

LONG-TERM LIABILITIES:

Due and payable within one year:	
Leases liabilities, current	58,773
Bonds payable, net of premium, current	1,699,508
Other postemployment benefits, current	1,889,535
Compensated absences payable, current	92,476
Due and payable in more than one year:	
Bonds payable, net of premium, net of current portion	20,793,348
Net pension liability - ERS	945,538
Total other postemployment benefits, net of current portion	47,150,756
Compensated absences payable, net of current portion	<u>832,284</u>
Total long-term liabilities	<u>73,462,218</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources - leases	196,468
Deferred inflows of resources - pensions ERS	121,319
Deferred inflows of resources - pensions TRS	1,428,567
Deferred inflows of resources - other postemployment benefits	<u>12,804,703</u>
Total deferred inflows of resources	<u>14,551,057</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES 90,512,689

**NET POSITION**

Net investment in capital assets	28,967,653
Restricted	2,389,056
Unrestricted	<u>(56,057,923)</u>
TOTAL NET POSITION	<u>\$ (24,701,214)</u>

The accompanying notes are an integral part of these statements.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Statement of Activities - Governmental Activities  
For the year ended June 30, 2025**

	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	
<b>FUNCTIONS/PROGRAMS:</b>					
General support	\$ 2,823,129	\$ -	\$ -	\$ -	\$ (2,823,129)
Instruction	18,518,614	138,969	422,496	57,580	(17,899,569)
Pupil transportation	973,488	-	-	-	(973,488)
Debt service - Interest	879,627	-	-	-	(879,627)
School lunch program	30,714	-	-	-	(30,714)
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<u>\$ 23,225,572</u>	<u>\$ 138,969</u>	<u>\$ 422,496</u>	<u>\$ 57,580</u>	<u>(22,606,527)</u>
<b>GENERAL REVENUE:</b>					
Real property taxes					8,159,586
Other tax items					921,705
Use of money and property					451,538
Sale of property and compensation for loss					53,525
Miscellaneous					1,038,084
Federal and state sources					15,597,101
<b>TOTAL GENERAL REVENUE</b>					<u>26,221,539</u>
<b>CHANGE IN NET POSITION</b>					3,615,012
<b>NET POSITION - beginning of year</b>					<u>(28,316,226)</u>
<b>TOTAL NET POSITION - end of year</b>					<u>\$ (24,701,214)</u>

The accompanying notes are an integral part of these statements.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Balance Sheet - Governmental Funds  
June 30, 2025**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Debt Service	Extraclassroom Activities	
<b>ASSETS:</b>							
Cash - Unrestricted	\$ 3,310,047	\$ 9,282	\$ 97,282	\$ 631,810	\$ -	\$ -	\$ 4,048,421
Cash and cash equivalents - Restricted	16,506	-	-	-	310,847	128,229	455,582
Accounts receivable	133,412	-	111,892	-	-	-	245,304
Due from other funds	170,365	-	-	2,674	-	-	173,039
Lease receivable	211,856	-	-	-	-	-	211,856
State and federal aid receivable	1,411,077	168,525	-	57,580	-	-	1,637,182
<b>TOTAL ASSETS</b>	<b>\$ 5,253,263</b>	<b>\$ 177,807</b>	<b>\$ 209,174</b>	<b>\$ 692,064</b>	<b>\$ 310,847</b>	<b>\$ 128,229</b>	<b>\$ 6,771,384</b>
<b>LIABILITIES:</b>							
Accounts payable and accrued liabilities	\$ 423,155	\$ 4,768	\$ 1,840	\$ 53,660	\$ -	\$ -	\$ 483,423
Bond anticipation note payable	-	-	-	995,000	-	-	995,000
Due to other funds	-	173,039	-	-	-	-	173,039
Due to Teachers' Retirement System	842,487	-	-	-	-	-	842,487
Due to Employees' Retirement System	96,561	-	-	-	-	-	96,561
<b>TOTAL LIABILITIES</b>	<b>1,362,203</b>	<b>177,807</b>	<b>1,840</b>	<b>1,048,660</b>	<b>-</b>	<b>-</b>	<b>2,590,510</b>
<b>DEFERRED INFLOWS:</b>							
Deferred inflow of resources - leases	196,468	-	-	-	-	-	196,468
<b>FUND BALANCE:</b>							
Restricted							
Debt service	-	-	-	-	310,847	-	310,847
Retirement reserve	1,253,724	-	-	-	-	-	1,253,724
Employee benefit accrued liability reserve	104,558	-	-	-	-	-	104,558
Unemployment reserve	5,308	-	-	-	-	-	5,308
Other	8,240	-	-	578,150	-	128,229	714,619
Total restricted fund balance	1,371,830	-	-	578,150	310,847	128,229	2,389,056
Assigned							
Other	127,473	-	207,334	-	-	-	334,807
Appropriated for subsequent years expenditures	1,077,080	-	-	-	-	-	1,077,080
Total assigned fund balance	1,204,553	-	207,334	-	-	-	1,411,887
Unassigned	1,118,209	-	-	(934,746)	-	-	183,463
<b>TOTAL FUND BALANCE</b>	<b>3,694,592</b>	<b>-</b>	<b>207,334</b>	<b>(356,596)</b>	<b>310,847</b>	<b>128,229</b>	<b>3,984,406</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 5,253,263</b>	<b>\$ 177,807</b>	<b>\$ 209,174</b>	<b>\$ 692,064</b>	<b>\$ 310,847</b>	<b>\$ 128,229</b>	<b>\$ 6,771,384</b>

The accompanying notes are an integral part of these statements.

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

## Reconciliation of the Balance Sheet to Statement of Net Position June 30, 2025

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Amounts reported for governmental activities in the statement of net position are different from amounts reported in the balance sheet - governmental funds because:

Total governmental fund balance	\$ 3,984,406
Capital assets (including leased assets) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,517,017
Deferred outflows/inflows of resources related to pensions are applicable to future periods and; therefore, are not reported in the funds.	
Deferred outflows - ERS/TRS	3,309,988
Deferred inflows - ERS/TRS	(1,549,886)
Net pension assets/obligations are not due and payable/receivable in the current period and, therefore, are not reported in the funds.	
Net pension asset/liability - ERS	(945,538)
Net pension asset/liability - TRS	1,153,992
Deferred outflows/inflows of resources related to other postemployment benefits are applicable to future periods and, therefore are not reported in the funds.	
Deferred outflows of resources	2,232,133
Deferred inflows of resources	(12,804,703)
Accrued interest on bonds and leases is recorded under full accrual accounting, but is not recorded in the funds.	(79,208)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. They include:	
Bonds payable	(20,100,000)
Premiums on bonds	(2,392,856)
Premium on BAN payable	(2,735)
Lease liabilities	(58,773)
Other postemployment benefits	(49,040,291)
Compensated absences	(924,760)
Net Position of Governmental Activities	<u>\$ (24,701,214)</u>

The accompanying notes are an integral part of these statements.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2025**

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Debt Service	Extraclassroom Activities	
REVENUE:							
Real property taxes	\$ 8,159,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,159,586
Other tax items	921,705	-	-	-	-	-	921,705
Charges for services	138,969	-	-	-	-	-	138,969
Use of money and property	388,705	-	-	-	62,833	-	451,538
Sale of property and compensation for loss	53,525	-	-	-	-	-	53,525
Miscellaneous	739,569	-	111,892	-	-	186,623	1,038,084
State sources	15,039,929	401,013	-	57,580	-	-	15,498,522
Federal sources	21,483	557,171	-	-	-	-	578,654
Total revenue	<u>25,463,471</u>	<u>958,184</u>	<u>111,892</u>	<u>57,580</u>	<u>62,833</u>	<u>186,623</u>	<u>26,840,583</u>
EXPENDITURES:							
General support	2,612,681	-	-	-	-	184,915	2,797,596
Instruction	12,535,485	963,670	-	-	-	-	13,499,155
Pupil transportation	1,217,485	32,602	-	-	-	-	1,250,087
Employee benefits	5,740,572	-	-	-	-	-	5,740,572
Debt service - principal	1,881,845	-	-	-	760,000	-	2,641,845
Debt service - interest	1,028,109	-	-	-	-	-	1,028,109
Debt service - other	-	-	-	-	25,533	-	25,533
Cost of sales	-	-	56,818	-	-	-	56,818
Capital outlay	-	-	-	1,854,770	-	-	1,854,770
Total expenditures	<u>25,016,177</u>	<u>996,272</u>	<u>56,818</u>	<u>1,854,770</u>	<u>785,533</u>	<u>184,915</u>	<u>28,894,485</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>447,294</u>	<u>(38,088)</u>	<u>55,074</u>	<u>(1,797,190)</u>	<u>(722,700)</u>	<u>1,708</u>	<u>(2,053,902)</u>
OTHER SOURCES AND (USES):							
Proceeds from serial bonds	-	-	-	9,535,000	-	-	9,535,000
Premium on obligations - BANs	-	-	-	-	2,735	-	2,735
Premium on obligations - serial bonds	-	-	-	-	790,389	-	790,389
BAN's redeemed from appropriations	-	-	-	1,435,000	-	-	1,435,000
Operating transfers in	100,000	38,088	-	450,000	5,840	-	593,928
Operating transfers (out)	(488,088)	-	-	(5,840)	(100,000)	-	(593,928)
Total other sources (uses)	<u>(388,088)</u>	<u>38,088</u>	<u>-</u>	<u>11,414,160</u>	<u>698,964</u>	<u>-</u>	<u>11,763,124</u>
CHANGE IN FUND BALANCE	59,206	-	55,074	9,616,970	(23,736)	1,708	9,709,222
FUND BALANCE - beginning of year	<u>3,635,386</u>	<u>-</u>	<u>152,260</u>	<u>(9,973,566)</u>	<u>334,583</u>	<u>126,521</u>	<u>(5,724,816)</u>
FUND BALANCE - end of year	<u>\$ 3,694,592</u>	<u>\$ -</u>	<u>\$ 207,334</u>	<u>\$ (356,596)</u>	<u>\$ 310,847</u>	<u>\$ 128,229</u>	<u>\$ 3,984,406</u>

The accompanying notes are an integral part of these statements.

## SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

### Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance to the Statement of Activities

For the year ended June 30, 2025

Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in the Statement of Revenue, Expenditures, and Change in Fund Balances because:

Net changes in fund balance - total governmental funds	\$ 9,709,222
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	
Capital asset (including lease asset) additions	10,492,075
Capital asset (including lease asset) disposals	(7,234,919)
Depreciation expense and amortization expense	(1,901,879)
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Net pension liability/asset	33,864
Deferred outflows of resources	(349,097)
Deferred inflows of resources	390,068
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Net pension liability/asset	1,609,928
Deferred outflows of resources	(313,924)
Deferred inflows of resources	(1,172,472)
Other postemployment benefits (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Other postemployment benefits liability	3,788,509
Deferred outflows of resources	(2,397,531)
Deferred inflows of resources	203,104
Repayments of debt service principal and lease liabilities are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	1,206,845
Amortization of the premium on long term debt is recorded on the government wide statements, but not recorded in the governmental funds.	178,053
To record the premium associated with the bond anticipation note issued that was recorded as an other financing source in the fund financial statements on the modified accrual basis of accounting.	(2,735)
Issuance of long-term debt and related premiums and lease liabilities are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	(10,325,389)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	
Change in accrued interest	(29,570)
Change in accrued compensated absences	(269,140)
Change in net position - governmental activities	<u>\$ 3,615,012</u>

The accompanying notes are an integral part of these statements.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Statement of Fiduciary Net Position - Fiduciary Fund  
June 30, 2025**

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	<u>Private Purpose Trust Fund</u>
<b>ASSETS:</b>	
Cash - restricted	\$ 509,183
Total assets	<u>509,183</u>
<b>FIDUCIARY NET POSITION:</b>	
Restricted for scholarships	<u>\$ 509,183</u>

The accompanying notes are an integral part of these statements.

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

## Statement of Change in Fiduciary Net Position - Fiduciary Fund For the year ended June 30, 2025

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	<u>Private Purpose Trust Fund</u>
<b>ADDITIONS:</b>	
Contributions	\$ 4,825
Interest	21,694
Other	<u>303</u>
Total additions	<u>26,822</u>
<b>DEDUCTIONS:</b>	
Scholarships and awards	<u>12,967</u>
Total deductions	<u>12,967</u>
CHANGE IN NET POSITION	13,855
FIDUCIARY NET POSITION - beginning of year	<u>495,328</u>
FIDUCIARY NET POSITION - end of year	<u>\$ 509,183</u>

The accompanying notes are an integral part of these statements.

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

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### 1. NATURE OF OPERATIONS

Sauquoit Valley Central School District (District) provides free K-12 public education to students living within its geographic borders.

#### **Reporting Entity**

The District is governed by the Laws of New York State. The District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE has authority to make decisions, power to appoint management and accountability for all fiscal matters.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The extraclassroom activity funds (ECA) and the related transactions are facilitated by the student body, however, the BOE exercises general oversight of these funds. The District accounts for the ECA funds in the Extraclassroom Activities Fund, a special revenue fund. Separate audited financial statements (cash basis) of the ECA funds can be found at the District's business office.

#### **Joint Venture**

The School District is a component school district of the Oneida Herkimer Madison BOCES (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES board is considered a corporate body. Members of a BOCES board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES board as a corporation (§1950(6)). In addition, BOCES boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

## 1. NATURE OF OPERATIONS (Continued)

During the year, the District was billed \$4,294,451 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,367,147.

Financial statements for the BOCES are available from the BOCES administrative office.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

### **Basis of Presentation**

The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

### **Government-Wide Statements**

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

### **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 statements reflect all funds as major funds.

The School District reports the following major governmental funds:

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

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

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

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Special Revenue Fund** - These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The following are special revenue funds reported by the District:

**Special Aid Fund** - Used to account for proceeds from State and Federal grants that are restricted for specific educational programs.

**School Lunch Fund** - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations.

**Extraclassroom Activities Fund** - This fund accounts for the activities of the student run clubs and organization of the District.

The District reports the following fiduciary fund:

**Private purpose trust funds** - These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

### **Measurement Focus and Basis of Accounting**

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within ninety 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, pension liabilities, other postemployment benefit obligations, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

### **Cash**

The District's cash consists of cash on hand and demand deposits. New York State law governs the School 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.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Restricted Cash**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

### **Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

### **State and Federal Aid Receivable**

State and federal aid receivable recorded as an asset at June 30, 2025 relates to receivables due from New York State and/or the federal government. Management does not believe an allowance for doubtful accounts is necessary.

### **Property Taxes**

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on September 1. Taxes are collected by the Towns of Frankfort, Litchfield, Bridgewater, Kirkland, Marshall, Paris and New Hartford during the period September 30 to January 31.

The City and Counties in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, a deferred inflow of resources offset real property taxes receivable.

### **Interfund Transactions**

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

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 6 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair value at the time received.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold is used to report capital assets and the range of estimated useful lives by type of assets is as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 1,000	SL	50 years
Furniture and equipment	\$ 1,000	SL	20 years

Capital assets also include lease assets with a term greater than one year. The District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight line basis over the term of the lease.

### Vested Employee Benefits - Compensated Absences

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

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

Consistent with accounting principles generally accepted in the United States of America, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

### Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The 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 (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Short-Term Debt**

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenue. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within seven years after the original issue date.

### **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

### **Restricted Resources**

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

### **Government-Wide Statements - Net Position Classifications**

In the government wide statements there are three classes of net position:

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

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

Unrestricted net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Fund Financial Statements - Fund Balance Classifications**

In the fund basis financial statements there are five classifications of fund balance:

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has available the following restricted fund balances.

#### **Reserve for Debt Service**

According to General Municipal Law §6-l, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here. This reserve is accounted for in the debt service fund.

#### **Retirement Contribution**

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund.

#### **Unemployment Insurance Reserve**

This reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the District has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to the tax (contribution) basis, excess resources in the fund may be transferred to any other reserve fund. The reserve is accounted for in the general fund under restricted fund balance.

#### **Reserve for Employee Benefit Accrued Liability**

The Employee Benefit Accrued Liability reserve (GML §6-p) is used to reserve funds for the payment of accrued 'employee benefits' due to employees upon termination of service for vacation, sick leave, personal leave, etc. This reserve fund may be established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other reserves authorized in the GML, subject to permissive referendum. The reserve is accounted for in the general fund under restricted fund balance.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Fund Financial Statements - Fund Balance Classifications (Continued)

Restricted fund balance includes the following:

General Fund:	
Unemployment reserve	\$ 5,308
Retirement reserve	1,253,724
Employee benefit accrued liability reserve	104,558
Other	<u>8,240</u>
	<u>1,371,830</u>
Capital Projects Fund:	
Other (capital related projects)	<u>578,150</u>
Debt Service Fund:	
Debt Service	<u>310,847</u>
Extraclassroom Activities Fund	
Extraclassroom activities	<u>128,229</u>
Total restricted fund balance	<u>\$ 2,389,056</u>

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School Districts highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2025.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. This balance includes appropriations of \$1,077,080 to fund fiscal year 2025-2026 operating expenditures. Encumbrances reported in the general fund amounted to \$127,473. In addition, all positive fund balance in funds other than the general fund that are not otherwise classified as nonspendable or restricted are classified as assigned fund balance.

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

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

The capital projects fund had an unassigned deficit fund balance of \$934,746 due to available funds restricted for capital project related expenditures. This deficit will be funded when the District obtains permanent financing for its current construction project.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Order of Fund Balance Spending Policy**

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

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates, and such differences may be significant.

### **Explanation of Certain Differences Between Governmental Fund Statements and Government Wide Statement**

Due to 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.

### **Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the statement of net position. The 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 sheets.

### **Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities**

Difference between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

### **Long-Term Revenue and Expense Differences**

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

### **Capital Related Differences**

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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.

## 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

### **Budgets**

The District administrations prepare a proposed budget for approval by the Board of Education for the General Fund. The voters of the District approved the proposed appropriation budget for the General Fund. Appropriations are adopted at the program line item level

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the governmental funds balance sheet.

### **Encumbrances**

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

#### 4. CASH AND CASH EQUIVALENTS

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

As of June 30, 2025, the District's aggregate bank balances were insured and collateralized as follows:

<u>Description</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary government	\$ 5,343,900	\$ 4,504,003
Fiduciary fund	<u>490,378</u>	<u>490,378</u>
Cash and cash equivalents	<u>\$ 5,834,278</u>	<u>\$ 4,994,381</u>
Category 1:		
Covered by FDIC insurance	\$ 504,709	
Category 2:		
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	<u>5,329,569</u>	
	<u>\$ 5,834,278</u>	

Restricted cash and cash equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents as of year-end includes \$455,582 within the governmental funds and \$490,378 in the fiduciary funds.

## 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
Governmental activities: Capital assets that are not depreciated:				
Land	\$ 190,000	\$ -	\$ -	\$ 190,000
Construction in progress	<u>7,248,022</u>	<u>1,854,770</u>	<u>7,231,336</u>	<u>1,871,456</u>
Total Capital Assets, not being depreciated	<u>7,438,022</u>	<u>1,854,770</u>	<u>7,231,336</u>	<u>2,061,456</u>
Capital assets that are depreciated:				
Buildings and improvements	79,728,890	7,881,101	-	87,609,991
Furniture and equipment	<u>6,032,149</u>	<u>756,204</u>	<u>687,614</u>	<u>6,100,739</u>
Total Capital Assets, being depreciated	<u>85,761,039</u>	<u>8,637,305</u>	<u>687,614</u>	<u>93,710,730</u>
Less accumulated depreciation:				
Buildings and improvements	37,447,618	1,453,496	-	38,901,114
Furniture and equipment	<u>4,811,726</u>	<u>345,016</u>	<u>684,031</u>	<u>4,472,711</u>
Total accumulated depreciation	<u>42,259,344</u>	<u>1,798,512</u>	<u>684,031</u>	<u>43,373,825</u>
Total capital assets, being depreciated, net	<u>43,501,695</u>	<u>6,838,793</u>	<u>3,583</u>	<u>50,336,905</u>
Lease assets, being amortized:				
Equipment	<u>425,282</u>	-	-	<u>425,282</u>
Total lease assets, being amortized	<u>425,282</u>	-	-	<u>425,282</u>
Less accumulated amortization for:				
Equipment	<u>203,259</u>	<u>103,367</u>	-	<u>306,626</u>
Total accumulated amortization	<u>203,259</u>	<u>103,367</u>	-	<u>306,626</u>
Total lease assets, being amortized, net	<u>222,023</u>	<u>(103,367)</u>	-	<u>118,656</u>
Governmental Activities, capital assets, net	<u>\$ 51,161,740</u>	<u>\$ 8,590,196</u>	<u>\$ 7,234,919</u>	<u>\$ 52,517,017</u>

**5. CAPITAL ASSETS (Continued)**

Depreciation and amortization expense for the year ended June 30, 2025 was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 1,657,689	\$ -
Instruction	63,847	103,367
Transportation	<u>76,976</u>	<u>-</u>
Total	<u>\$ 1,798,512</u>	<u>\$ 103,367</u>

**6. INTERFUND BALANCES AND ACTIVITY**

Interfund activity is as follows:

	<u>Interfund</u>		<u>Transfers</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 170,365	\$ -	\$ 100,000	\$ 488,088
Special aid fund	-	173,039	38,088	-
School lunch fund	-	-	-	-
Capital projects fund	2,674	-	450,000	5,840
Debt service fund	-	-	5,840	100,000
Fiduciary fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 173,039</u>	<u>\$ 173,039</u>	<u>\$ 593,928</u>	<u>\$ 593,928</u>

**7. SHORT-TERM DEBT**

Short-term bond anticipation note payable and activity for the year are summarized below:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
8/2/2024	4.50%	\$ 875,000	\$ -	\$ 875,000	\$ -
6/20/2025	4.25%	10,740,000	-	10,740,000	-
8/1/2025	4.38%	<u>-</u>	<u>995,000</u>	<u>-</u>	<u>995,000</u>
		<u>\$11,615,000</u>	<u>\$ 995,000</u>	<u>\$11,615,000</u>	<u>\$ 995,000</u>

## 8. LONG-TERM OBLIGATIONS

Long-term liability balances and activity for the year are summarized below:

	Balance July 1, <u>2024</u>	{a} <u>Additions</u>	{a} <u>Deletions</u>	Balance June 30, <u>2025</u>	<u>Due Within One Year</u>
Bonds and notes payable:					
Serial bonds 2019	\$ 11,595,000	\$ -	\$ 1,030,000	\$ 10,565,000	\$ 1,055,000
Serial bonds 2019	120,000	-	120,000	-	-
Serial bonds 2025	-	9,535,000	-	9,535,000	410,000
Premium on bonds	<u>1,780,519</u>	<u>790,389</u>	<u>178,052</u>	<u>2,392,856</u>	<u>234,338</u>
Total bonds and notes	<u>13,495,519</u>	<u>10,325,389</u>	<u>1,328,052</u>	<u>22,492,856</u>	<u>1,699,508</u>
Other liabilities:					
Total other postemployment compensated absences	52,828,800	-	3,788,509	49,040,291	1,889,535
Net pension liability - ERS	655,620	269,140	-	924,760	92,476
	<u>1,435,338</u>	<u>-</u>	<u>489,800</u>	<u>945,538</u>	<u>-</u>
Total other liabilities	<u>54,919,758</u>	<u>269,140</u>	<u>4,325,981</u>	<u>50,910,589</u>	<u>1,982,011</u>
Total long-term liabilities	<u>\$ 68,415,277</u>	<u>\$ 10,594,529</u>	<u>\$ 5,606,361</u>	<u>\$ 73,403,445</u>	<u>\$ 3,681,519</u>

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

Interest on all debt for the year was composed of:

Interest paid	\$ 1,028,109
Less: Interest accrued in the prior year	49,638
Plus: Interest accrued in the current year	<u>79,208</u>
Total interest expense	<u>\$ 1,057,679</u>

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance June 30, 2025</u>
Serial Bonds	2019	2034	5.00%	\$ 10,565,000
Serial Bonds	2019	2025	2.00-4.00%	-
Serial Bonds	2025	2039	4.25% until 12/15/2025, 5.00% thereafter	<u>9,535,000</u>
Total bond issue				<u>\$ 20,100,000</u>

## 8. LONG-TERM OBLIGATIONS (Continued)

The following is a summary of the maturities of bonds payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,465,000	\$ 950,051	\$ 2,415,051
2027	1,715,000	879,450	2,594,450
2028	1,795,000	793,700	2,588,700
2029	1,730,000	703,950	2,433,950
2030	1,815,000	617,450	2,432,450
2031-2039	<u>11,580,000</u>	<u>2,280,800</u>	<u>13,860,800</u>
Totals	<u>\$ 20,100,000</u>	<u>\$ 6,225,401</u>	<u>\$ 26,325,401</u>

## 9. LEASES

### The District as a Lessee

The District leases various copiers and equipment, primarily from Madison-Oneida Board of Cooperative Educational Service (BOCES). The lease agreements have various inception dates with remaining terms of 44-60 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Initial Lease Liability</u>
Equipment	2.14%	\$ 92,422
Equipment	2.14%	\$ 2,955
Equipment	2.21%	\$ 1,793
Equipment	3.34%	\$ 251,772
Equipment	3.54%	\$ 76,340

Activity of lease liabilities for the year ended June 30, 2025 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
\$ <u>115,619</u>	\$ <u>-</u>	\$ <u>56,846</u>	\$ <u>58,773</u>	\$ <u>58,773</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ <u>58,773</u>	\$ <u>1,993</u>	\$ <u>60,767</u>
	<u>\$ 58,773</u>	<u>\$ 1,993</u>	<u>\$ 60,767</u>

### The District as a Lessor

The District, as a lessor, has entered into lease agreements to lease 48 square feet of ground space for the installation, operation and maintenance of communications equipment and 36 square feet of roof space for the installation, operation and maintenance of antenna space. The lease commenced on July 1, 2021 with a term of 5 years, with four automatic extensions for 5-year terms unless terminated. The rent for each five-year extension term shall be 110% of the annual rental of the preceding term.

**9. LEASES (Continued)**

**The District as a Lessor (Continued)**

For the year ended June 30, 2025, the District received \$15,737 in lease revenue, and \$5,019 in lease interest revenue. Future payments due to the District under non-cancelable agreements are as follows for the year ending June 30, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 13,310	\$ 4,730	\$ 18,040
2027	10,087	4,433	14,520
2028	10,313	4,207	14,520
2029	10,543	3,977	14,520
2030	10,778	3,741	14,519
2031-2035	69,959	14,257	84,216
2035-2040	81,137	6,177	87,313
2041-2044	<u>5,729</u>	<u>128</u>	<u>5,857</u>
	<u>\$ 211,856</u>	<u>\$ 41,650</u>	<u>\$ 253,505</u>

**10. PENSION PLANS**

**New York State Employees' Retirement System**

The District participates in the New York State and Local Employees' Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, 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. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2025	\$ 310,381
2024	\$ 269,478
2023	\$ 226,227

## 10. PENSION PLANS (Continued)

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

At June 30, 2025, the District reported a net pension liability (asset) of \$945,538 for its proportionate share of the ERS net pension liability (asset). The net pension liability (asset) was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of April 1, 2024. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the School District's proportion was 0.0055147%, which was a decrease of 0.001137% from its proportionate share at June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of \$239,550. At June 30, 2025, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 234,689	\$ 11,070
Changes of assumptions	39,654	-
Net difference between projected and actual earnings on pension plan investments	74,184	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	101,302	110,249
Contributions subsequent to the measurement date	<u>96,561</u>	<u>-</u>
	<u>\$ 546,390</u>	<u>\$ 121,319</u>

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

<u>Plan's Year Ended March 31:</u>	
2026	\$ 179,011
2027	246,692
2028	(88,994)
2029	<u>(8,199)</u>
	<u>\$ 328,510</u>

The District reported contributions subsequent to the measurement date of \$96,561 that would be recognized as a reduction in the net pension liability in the year ended June 30, 2026.

### Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025.

## 10. PENSION PLANS (Continued)

### Actuarial Assumptions (Continued)

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Aggregate Cost Method
Inflation	2.90%
Salary scale	4.3% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

The long-term expected 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 expenses 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 the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term Expected Real Rate of Return in %</u>
Domestic Equity	25.0	3.54
International Equity	14.0	6.57
Private Equity	15.0	7.25
Real Estate	12.0	4.95
Opportunistic/ARS portfolio	3.0	5.25
Credit	4.0	5.40
Real Assets	4.0	5.55
Fixed Income	22.0	2.00
Cash	<u>1.0</u>	0.25
	<u>100%</u>	

### Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. 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 Plan's 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.

**10. PENSION PLANS (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease <u>4.90%</u>	Current <u>Discount 5.90%</u>	1% Increase <u>6.90%</u>
Proportionate Share of Net Pension liability (asset)	\$ <u>2,736,506</u>	\$ <u>945,538</u>	\$ <u>(549,921)</u>

**Pension Plan Fiduciary Net Position (000's)**

The components of the current-year net pension liability (in 000's) of the employers as of March 31, 2025, were as follows:

Total pension liability	\$ 247,600,239
Net position	<u>230,454,512</u>
Net pension liability (asset)	<u>\$ 17,145,727</u>
ERS net position as a percentage of total pension liability	93.08%

**New York State Teachers' Retirement System**

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

**Contributions**

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

**10. PENSION PLANS (Continued)**

**Contributions (Continued)**

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

2025	\$	720,771
2024	\$	723,115
2023	\$	762,538

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

At June 30, 2025, the District reported net pension liability (asset) of (\$1,153,992) for its proportionate share of the NYSTRS net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by the actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability (asset) was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportion was 0.038678%, which was a decrease of 0.001191% from its proportionate share as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$645,903. At June 30, 2025 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,242,637	\$ -
Changes of assumptions	690,321	116,118
Net difference between projected and actual earnings on pension plan investments	-	1,282,183
Changes in proportion and differences between the District's contributions and proportionate share of contributions	63,090	30,266
Contributions subsequent to the measurement date	<u>767,550</u>	<u>-</u>
 Total	 <u>\$ 2,763,598</u>	 <u>\$ 1,428,567</u>

The District reported contributions subsequent to the measurement date of \$767,550 that would be recognized in the year ended June 30, 2026.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2025	\$ (583,925)
2026	1,420,181
2027	(231,804)
2028	(256,603)
2029	156,473
Thereafter	<u>63,159</u>
	 <u>\$ 567,481</u>

**10. PENSION PLANS (Continued)**

**Actuarial Assumptions**

The total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024.

These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.4%
Projected Salary Increases	Rates of increase differ based on service years They have been calculated based upon recent NYSTRS member experience.
	<u>Service</u>
	5
	15
	25
	35
	<u>Rate</u>
	5.18%
	3.64%
	2.50%
	1.95%
Projected COLAs	1.3% compounded annually
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP-2021 starting as of June 30, 2024.

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

## 10. PENSION PLANS (Continued)

### Actuarial Assumptions (Continued)

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term Expected Real Rate of Return in %</u>
Domestic Equity	33	6.60
International Equity	15	7.40
Global Equity	4	6.90
Real Estate Equity	11	6.30
Private equity	9	10.0
Domestic fixed income securities	16	2.60
Global bonds	2	2.50
Private Debt	2	5.90
Real Estate Debt	6	3.90
High-yield bonds	1	4.80
Cash equivalents	<u>1</u>	0.50
	<u>100%</u>	

### Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's 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.

### Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95 percent) or 1% higher (7.95 percent) than the current rate:

	1% Decrease <u>5.95%</u>	Current <u>Discount 6.95%</u>	1% Increase <u>7.95%</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 5,330,355</u>	<u>\$ (1,153,992)</u>	<u>\$ (6,607,502)</u>

### Pension Plan Fiduciary Net Position (000's)

The components of the current year net pension liability of the employers as of June 30, 2025, were as follows:

Total pension liability	\$ 142,837,826
Plan net position	<u>145,821,435</u>
Net pension liability (asset)	<u>\$ (2,983,609)</u>
NYSTRS net position as a percentage of total pension liability	102.1%

## 11. OTHER POSTEMPLOYMENT BENEFITS

### Plan Description

The District provides postemployment (health insurance, life insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. The District is required to calculate and record an other postemployment benefit (OPEB) obligation at year-end. The total OPEB obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The District recognizes the cost of providing health insurance annually as expenditures in the funds as payments are made.

### Benefits Provided

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

### Funding Policy

As of the date of these financial statements, New York State did not yet have legislation that would enable government entities to establish a qualifying trust for the purpose of funding Other Postemployment Benefits. As such there are no assets accumulated in a trust that meets the criteria in GASB 75, paragraph 4. Benefits are paid on a pay as you go basis.

### Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

Retirees and Survivors	157
Terminated Vested Employees	-
Active employees	<u>149</u>
Total participants	<u><u>306</u></u>

### Total OPEB Liability

The District's total OPEB liability of \$49,040,291 was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2024.

## 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2025 was determined using the following actuarial assumptions:

Discount Rate	3.93% as of July 1, 2024 Source: Bond Buyer Weekly 20-Bond Go Index
Inflation	2.60%
Salary Scale	3.00%
Mortality – Active	The Pub-2010 Mortality Table for employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Mortality – Retirees	The Pub-2010 Mortality Table for healthy employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Medical Trend	The trend rates were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

6.50% for 2026, with an ultimate rate of 4.04% in 2095.

### Changes in the Total OPEB Liability

Balance at July 1, 2024	<u>\$ 52,828,800</u>
Changes for the Year-	
Service cost	1,387,574
Interest	1,950,096
Changes of benefit terms	-
Changes in assumptions	(1,818,084)
Differences between expected and actual experience	(3,729,984)
Benefit payments	<u>(1,578,111)</u>
Net changes	<u>(3,788,509)</u>
Balance at June 30, 2025	<u>\$ 49,040,291</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% on July 1, 2023 to 3.93% on July 1, 2024.

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Current Discount (3.93%)	1% Increase (4.93%)
Total OPEB Liability	<u>\$ 57,109,706</u>	<u>\$ 49,040,291</u>	<u>\$ 42,546,432</u>

## 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	<u>Healthcare Cost Trend Rate</u>		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 42,006,976</u>	<u>\$ 49,040,291</u>	<u>\$ 57,991,138</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$44,007.

At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 8,051,017
Changes of assumptions	594,044	4,753,686
Employer contributions subsequent to measurement date	<u>1,638,089</u>	<u>-</u>
Total	<u>\$ 2,232,133</u>	<u>\$ 12,804,703</u>

The District reported contributions subsequent to the measurement date of \$1,638,089 that would be recognized as a reduction in the OPEB liability in the year ended June 30, 2026.

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2026	\$ (3,933,417)
2027	(4,205,686)
2028	(2,559,708)
2029	(1,100,880)
2030	<u>(410,968)</u>
	<u>\$ (12,210,659)</u>

## 12. RISK MANAGEMENT

### General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

## **12. RISK MANAGEMENT (Continued)**

### **Consortium and Self Insured Plans**

The District participates in Madison-Oneida-Herkimer Consortium, a non-risk retained public entity risk pool for its employees' health and accident insurance coverage. The pool is operated for the benefit of several individual governmental units within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to \$350,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$350,000 limit, and the District has essentially transferred all related risk to the pool.

## **13. CONTINGENCIES AND COMMITMENTS**

### **Litigation**

There is no litigation pending against the District as of the balance sheet date.

### **Grants**

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

## **14. DONOR RESTRICTED ENDOWMENTS**

The District administers endowment funds, which are restricted by the donor for the purposes of scholarships.

The District authorizes expenditures from donor restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

## **15. SUBSEQUENT EVENTS**

On July 30, 2025 the District issued a Bond Anticipation Note of \$1,085,000 at 4.0% interest that will mature on July 30, 2026.

**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)  
For the year ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Revenue</u>	<u>Encumbrances</u>	<u>Actual on a Budgetary Basis</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUE</b>						
LOCAL SOURCES:						
Real property taxes	\$ 8,172,057	\$ 8,172,057	\$ 8,159,586	\$ -	\$ 8,159,586	\$ (12,471)
Other tax items	920,000	920,000	921,705	-	921,705	1,705
Charges for services	50,000	50,000	138,969	-	138,969	88,969
Use of money and property	210,000	210,000	388,705	-	388,705	178,705
Sale of property and compensation for loss	50,000	50,000	53,525	-	53,525	3,525
Miscellaneous	<u>440,000</u>	<u>454,480</u>	<u>739,569</u>	<u>-</u>	<u>739,569</u>	<u>285,089</u>
Total local sources	9,842,057	9,856,537	10,402,059	-	10,402,059	545,522
State sources	15,532,900	15,532,900	15,039,929	-	15,039,929	(492,971)
Medicaid reimbursement	<u>50,000</u>	<u>50,000</u>	<u>21,483</u>	<u>-</u>	<u>21,483</u>	<u>(28,517)</u>
Total revenue	<u>\$ 25,424,957</u>	<u>\$ 25,439,437</u>	<u>\$ 25,463,471</u>	<u>\$ -</u>	<u>\$ 25,463,471</u>	<u>\$ 24,034</u>

The accompanying notes are an integral part of these statements.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Continued) (Unaudited)  
For the year ended June 30, 2025**

	Original Budget	Final Budget	Actual Expenditures (Budgetary Basis)	Encumbrances	Actual on a Budgetary Basis	Final Budget Variance with Budgetary Actual
<b>EXPENDITURES</b>						
<b>GENERAL SUPPORT:</b>						
Board of education	\$ 10,031	\$ 10,531	\$ 8,369	\$ 150	\$ 8,219	\$ 2,312
Central administration	222,869	236,781	234,739	-	234,739	2,042
Finance	386,441	398,141	392,513	2,318	390,195	7,946
Staff	62,730	72,330	57,742	-	57,742	14,588
Central services	1,520,164	1,653,846	1,564,592	67,498	1,497,094	156,752
Special items	350,697	366,297	354,726	-	354,726	11,571
<b>Total general support</b>	<u>2,552,932</u>	<u>2,737,926</u>	<u>2,612,681</u>	<u>69,966</u>	<u>2,542,715</u>	<u>195,211</u>
<b>INSTRUCTION:</b>						
Instruction, administration, and improvement	794,394	896,986	871,225	5,275	865,950	31,036
Teaching - Regular school	6,343,780	6,326,096	6,173,302	12,713	6,160,589	165,507
Programs for children with handicapping conditions	3,995,036	3,848,136	3,264,104	328	3,263,776	584,360
Occupational education	741,793	746,133	741,358	3,579	737,779	8,354
Instructional media	234,139	341,779	252,367	25,380	226,987	114,792
Pupil services	1,243,681	1,296,796	1,233,129	10,233	1,222,896	73,900
<b>Total instruction</b>	<u>13,352,823</u>	<u>13,455,926</u>	<u>12,535,485</u>	<u>57,508</u>	<u>12,477,977</u>	<u>977,949</u>
Pupil transportation	1,278,623	1,359,385	1,217,485	-	1,217,485	141,900
Employee benefits	6,135,000	5,938,932	5,740,572	-	5,740,572	198,360
Debt service - Bond Principal	1,645,000	1,850,000	1,881,845	-	1,881,845	(31,845)
Debt service - Interest	1,487,659	1,175,459	1,028,109	-	1,028,109	147,350
<b>Total expenditures</b>	<u>26,452,037</u>	<u>26,517,628</u>	<u>25,016,177</u>	<u>127,474</u>	<u>24,888,703</u>	<u>1,628,925</u>
<b>OTHER FINANCING USES (SOURCES)</b>						
Proceeds from leases	-	-	-	-	-	-
Transfers from other funds	(100,000)	(100,000)	(100,000)	-	(100,000)	-
Transfers to other funds	150,000	488,100	488,088	-	488,088	12
<b>Total expenditures and other uses</b>	<u>26,502,037</u>	<u>26,905,728</u>	<u>25,404,265</u>	<u>127,474</u>	<u>25,276,791</u>	<u>1,628,937</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,077,080)</u>	<u>\$ (1,466,291)</u>	<u>\$ 59,206</u>	<u>\$ (127,474)</u>	<u>\$ 186,680</u>	<u>\$ 1,652,971</u>
<b>FUND BALANCE - beginning of year</b>			<u>3,635,386</u>			
<b>FUND BALANCE - end of year</b>			<u>\$ 3,694,592</u>			

The accompanying notes are an integral part of these statements.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)  
For the year ended June 30, 2025**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>										
Service cost	\$ 1,388	\$ 1,492	\$ 2,156	\$ 2,229	\$ 1,636	\$ 1,726	\$ 1,836			
Interest	1,950	1,862	1,449	1,438	2,092	2,255	2,286			
Changes of benefit terms	-	-	-	(315)	(1,884)	-	-			
Differences between expected and actual experience	(3,730)	-	(10,554)	-	(7,689)	-	(3,535)			
Changes in assumptions	(1,818)	(890)	(6,026)	786	11,944	(1,031)	(4,484)			
Benefit payments	(1,578)	(1,463)	(1,455)	(1,403)	(1,404)	(1,309)	(1,138)			
<b>Total change in total OPEB liability</b>	<b>(3,789)</b>	<b>1,001</b>	<b>(14,430)</b>	<b>2,735</b>	<b>4,695</b>	<b>1,641</b>	<b>(5,035)</b>			
<b>Total OPEB liability - beginning</b>	<b>52,829</b>	<b>51,828</b>	<b>66,258</b>	<b>63,523</b>	<b>58,828</b>	<b>57,187</b>	<b>62,222</b>			
<b>Total OPEB liability - ending</b>	<b>\$ 49,040</b>	<b>\$ 52,829</b>	<b>\$ 51,828</b>	<b>\$ 66,258</b>	<b>\$ 63,523</b>	<b>\$ 58,828</b>	<b>\$ 57,187</b>			
<b>Covered-employee payroll</b>	<b>\$ 9,088</b>	<b>\$ 9,386</b>	<b>\$ 8,321</b>	<b>\$ 8,565</b>	<b>\$ 8,633</b>	<b>\$ 8,678</b>	<b>\$ 8,510</b>			
<b>Total OPEB liability as a percentage of covered-employee</b>	<b>539.61%</b>	<b>562.83%</b>	<b>622.84%</b>	<b>773.61%</b>	<b>735.79%</b>	<b>677.87%</b>	<b>672.03%</b>			

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Notes to schedule:**

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

Discount rate	3.93%	3.65%	3.54%	2.14%	2.21%	3.50%	3.87%	3.60%
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**Plan assets:** No assets are accumulated in a trust that meets all of the criteria of GASB No.75, paragraph 4, to pay benefits.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)  
For the year ended June 30, 2025**

<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0055147%	0.0066517%	0.0063948%	0.0053820%	0.0054354%	0.0056223%	0.5611400%	0.0060273%	0.0061065%	0.0063092%
Proportionate share of the net pension liability (asset)	\$ 945.5	\$ 979.4	\$ 1,371.3	\$ 440.0	\$ 5.4	\$ 1,488.8	\$ 397.6	\$ 194.5	\$ 573.8	\$ 1,012.7
Covered-employee payroll	\$ 2,131.6	\$ 2,173.2	\$ 2,032.6	\$ 1,941.4	\$ 2,186.7	\$ 2,211.3	\$ 2,154.3	\$ 2,150.5	\$ 2,022.1	\$ 1,969.2
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.36%	45.07%	67.47%	22.66%	0.25%	67.33%	18.46%	9.04%	28.38%	51.43%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0386780%	0.0398690%	0.0398940%	0.0392770%	0.0386330%	0.0039573%	0.0399340%	0.0404000%	0.0403160%	0.0403660%
Proportionate share of the net pension liability (asset)	\$ (1,153.0)	\$ 455.9	\$ 765.5	\$ 6,906.3	\$ 1,067.5	\$ (1,028.1)	\$ (722.1)	\$ (304.3)	\$ 431.8	\$ (4,192.8)
Covered-employee payroll	\$ 7,592.0	\$ 7,412.7	\$ 7,410.5	\$ 7,111.2	\$ 6,722.5	\$ 6,466.0	\$ 6,605.4	\$ 6,527.8	\$ 6,425.6	\$ 6,529.6
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.19%	6.15%	10.33%	95.71%	15.88%	-15.90%	-10.93%	-4.66%	6.72%	-64.21%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	-110.46%

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Schedule of Contributions - Pension Plans (Unaudited)  
For the year ended June 30, 2025**

<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 310.4	\$ 269.5	\$ 226.2	\$ 312.0	\$ 327.5	\$ 330.4	\$ 355.6	\$ 333.9	\$ 317.7	\$ 307.4
Contributions in relation to the contractually required contribution	310.4	269.5	226.2	312.0	327.5	330.4	355.6	333.9	317.7	307.4
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,131.6	\$ 2,173.2	\$ 2,032.6	\$ 1,941.4	\$ 2,186.7	\$ 2,211.3	\$ 2,154.3	\$ 2,150.5	\$ 2,022.1	\$ 1,969.2
Contributions as a percentage of covered-employee payroll	14.56%	12.40%	11.13%	16.07%	14.98%	14.94%	16.51%	15.53%	15.71%	15.61%

<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 720.7	\$ 723.1	\$ 762.5	\$ 696.9	\$ 640.7	\$ 572.9	\$ 699.4	\$ 639.7	\$ 743.9	\$ 825.4
Contributions in relation to the contractually required contribution	720.7	723.1	762.5	696.9	640.7	572.9	699.4	639.7	743.9	825.4
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 7,592.0	\$ 7,412.7	\$ 7,410.5	\$ 7,111.2	\$ 6,722.5	\$ 6,466.0	\$ 6,605.4	\$ 6,527.8	\$ 6,425.6	\$ 6,529.6
Contributions as a percentage of covered-employee payroll	9.49%	9.76%	10.29%	9.80%	9.53%	8.86%	10.59%	9.80%	11.58%	12.64%

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.**

**OTHER INFORMATION (UNAUDITED)**

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

## Schedule of Change from Original Budget to Revised Budget and Section 1318 of Real Property Tax Limit Calculation (Unaudited) For the year ended June 30, 2025

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### CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 26,502,037
Add: Prior year's encumbrances	<u>39,210</u>
Original budget	26,541,247
Budget revision	<u>364,481</u>
Final budget	<u><u>\$ 26,905,728</u></u>

### SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget	\$ 27,187,654	
Maximum allowed (4% of 2025-26 budget)		\$ 1,087,506
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Total fund balance:	<u>\$ 3,694,592</u>	
Less:		
Restricted fund balance	1,371,830	
Appropriated fund balance	1,077,080	
Encumbrances included in assigned fund balance	<u>127,473</u>	
Total adjustments	<u><u>\$ 2,576,383</u></u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 1,118,209</u></u>
Actual percentage		4.11%

Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

**SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT**

**Schedule of Project Expenditures - Capital Projects Fund (Unaudited)  
For the year ended June 30, 2025**

<u>Project Title</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance 6/30/2025</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Proceeds Obligations</u>	<u>State Aid</u>	<u>Local Sources</u>	<u>Total</u>	
New Project Planning	\$ -	\$ -	\$ -	\$ 10,000	10,000	(10,000)	\$ -	\$ -	\$ -	-	(10,000)
Referendum	10,785,000	10,785,000	9,480,550	1,006,046	10,486,596	298,404	9,535,000	-	1,250,000	10,785,000	298,404
Smart School Investment Plan	1,057,495	1,097,037	857,294	57,580	914,874	182,163	-	875,332	39,542	914,874	-
Emergency Bus Lift Project	350,000	350,000	-	-	-	350,000	-	-	350,000	350,000	350,000
Capital Outlay Project	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-
Non-Major Capital Projects - Buses	<u>1,709,917</u>	<u>1,709,917</u>	<u>1,022,933</u>	<u>686,984</u>	<u>1,709,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,917</u>	<u>714,917</u>	<u>(995,000)</u>
	<u>\$ 14,002,412</u>	<u>\$ 14,041,954</u>	<u>\$ 11,360,777</u>	<u>\$ 1,860,610</u>	<u>\$ 13,221,387</u>	<u>\$ 820,567</u>	<u>\$ 9,535,000</u>	<u>\$ 875,332</u>	<u>\$ 2,454,459</u>	<u>\$ 12,864,791</u>	<u>\$ (356,596)</u>

# SAUQUOIT VALLEY CENTRAL SCHOOL DISTRICT

## Schedule of Net Investment in Capital Assets (Unaudited) June 30, 2025

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Capital assets, net	\$ 52,517,017
Deduct:	
Premium on bonds payable	2,392,856
Short-term portion of bonds payable	1,465,000
Long-term portion of bonds payable	18,635,000
Bonds anticipation notes	997,735
Short-term portion of lease liabilities	<u>58,773</u>
Net investment in capital assets	<u>\$ 28,967,653</u>

**REPORT REQUIRED BY GOVERNMENT  
AUDITING STANDARDS**

**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**

October 14, 2025

To the Board of Education and Superintendent  
Sauquoit Valley Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sauquoit Valley Central School District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated, October 14, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

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**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**  
*(Continued)*

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Bonadio & Co., LLP