

**TIOGA CENTRAL  
SCHOOL DISTRICT**

**Tioga Center, New York**

**FINANCIAL REPORT**

**For the Year Ended  
June 30, 2023**



# ***TIOGA CENTRAL SCHOOL DISTRICT***

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Tioga Central School District  
Tioga Center, New York

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tioga Central School District (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Balance Sheet - Non-Major Governmental Funds; Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds; Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets (supplementary information); and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 26, 2023

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

The following is a discussion and analysis of the Tioga Central School District's (the School District) financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: MD&A (this section), the basic financial statements, and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds with all other Non-Major Funds listed in total in one column.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year; a Schedule of Changes in the School District's total OPEB Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits; and Schedules of School District Contributions and Proportionate Share of Net Pension (Asset)/Liability.

### **District-Wide Financial Statements**

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-wide financial statements report the School District's net position and how it has changed. Net Position (the difference between the School District's assets and deferred outflows of resources, and the School District's liabilities and deferred inflows of resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the School District's activities are shown as Governmental Activities. Most of the School 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.

### **Fund Financial Statements**

The Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds, not on the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The School District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (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 one 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 financial statements, additional information following the Governmental Fund financial statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as 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.

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

# **TIOGA CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

*Figure 1*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Current Assets</i>	\$ 5,765,838	\$ 6,786,396	\$ (1,020,558)
<i>Noncurrent Assets</i>	8,222,911	13,956,407	(5,733,496)
<i>Capital Assets, Net</i>	33,140,958	28,982,738	4,158,220
<b><i>Total Assets</i></b>	<b>47,129,707</b>	<b>49,725,541</b>	<b>(2,595,834)</b>
<b><i>Total Deferred Outflows of Resources</i></b>	<b>12,069,607</b>	<b>13,675,829</b>	<b>(1,606,222)</b>
<i>Current Liabilities</i>	9,300,597	7,176,229	2,124,368
<i>Noncurrent Liabilities</i>	64,394,674	70,575,928	(6,181,254)
<b><i>Total Liabilities</i></b>	<b>73,695,271</b>	<b>77,752,157</b>	<b>(4,056,886)</b>
<b><i>Total Deferred Inflows of Resources</i></b>	<b>12,233,105</b>	<b>16,324,756</b>	<b>(4,091,651)</b>
<i>Net Investment in Capital Assets</i>	15,644,536	11,914,526	3,730,010
<i>Restricted</i>	8,527,781	8,851,385	(323,604)
<i>Unrestricted</i>	(50,901,379)	(51,441,454)	540,075
<b><i>Total Net Position (Deficit)</i></b>	<b>\$ (26,729,062)</b>	<b>\$ (30,675,543)</b>	<b>\$ 3,946,481</b>

- Total assets decreased 5.2%. This change was primarily the result of a change in the School District's net pension assets to net pension liabilities.
- Capital assets, as well as net investment in capital assets increased primarily due to capital outlay in excess of depreciation and amortization expense.
- Deferred outflows of resources decreased 11.7% and deferred inflows of resources decreased 25.1%. The change in deferred outflows and deferred inflows of resources is the result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for other postemployment benefits (OPEB).
- Total liabilities decreased 5.2%. This change is primarily due to a decrease in the School District's other postemployment liability of \$6,595,683. This was offset by the change in the School District's net pension assets to net pension liabilities of \$2,121,699.
- Total net position (deficit) decreased 12.9%, which was the result of revenues over expenses.

# **TIOGA CENTRAL SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

Our analysis in *Figure 2* considers the operations of the School District's activities.

*Figure 2*

<i>Changes in Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>REVENUES</i>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 148,222	\$ 128,543	\$ 19,679
<i>Operating Grants</i>	3,884,627	3,529,615	355,012
<i>Capital Grants</i>	1,338,318	25,754	1,312,564
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	3,411,989	3,377,873	34,116
<i>Real Property Tax Items</i>	816,854	777,492	39,362
<i>State Sources</i>	15,147,216	14,224,307	922,909
<i>Use of Money and Property</i>	274,588	22,277	252,311
<i>Other General Revenues</i>	221,610	514,243	(292,633)
<b><i>Total Revenues</i></b>	<b>\$ 25,243,424</b>	<b>\$22,600,104</b>	<b>\$ 2,643,320</b>
<i>PROGRAM EXPENSES</i>			
<i>General Support</i>	\$ 3,189,225	\$ 2,509,364	\$ 679,861
<i>Instruction</i>	14,833,767	13,134,790	1,698,977
<i>Pupil Transportation</i>	1,907,391	1,676,019	231,372
<i>Community Services</i>	417	15,133	(14,716)
<i>School Lunch Program</i>	843,572	690,752	152,820
<i>Interest on Debt</i>	522,571	563,158	(40,587)
<b><i>Total Expenses</i></b>	<b>\$ 21,296,943</b>	<b>\$18,589,216</b>	<b>\$ 2,707,727</b>
<b><i>CHANGE IN NET POSITION</i></b>	<b>\$ 3,946,481</b>	<b>\$ 4,010,888</b>	<b>\$ (64,407)</b>

- Total revenues for the School District's Governmental Activities increased by 11.7%, and total expenses increased by 14.6%.
- The increase in operating and capital grants is due to receipt of more Education Stabilization Funds in the current year. The increase in state sources is due to increases in both the basic formula aid and the lottery aid over the prior year.
- The increase in total expenses is primarily due to an increase in both pension and OPEB expense in comparison to the amount expended in the prior year.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

Figure 3 shows the change in fund balances for the year for the School District's funds. Total fund balance decreased 28.1%, primarily due to increases in short-term financing in the Capital Project Funds, partially offset by recognition of revenue in the Special Aid Fund.

*Figure 3*

<b><i>Governmental Fund Balances</i></b>	<b><i>2023</i></b>	<b><i>2022</i></b>	<b><i>Total Dollar Change</i></b>
<i>Major Funds:</i>			
<i>General Fund</i>	<b>\$ 8,955,300</b>	\$ 8,423,002	\$ 532,298
<i>Special Aid Fund</i>	<b>(48,228)</b>	(1,512,035)	1,463,807
<i>Capital Project Fund - Renovation</i>	<b>(3,689,146)</b>	543,708	(4,232,854)
<i>Non-Major Governmental Funds</i>	<b>1,294,436</b>	1,609,086	(314,650)
<b><i>Total Governmental Funds</i></b>	<b>\$ 6,512,362</b>	<b>\$ 9,063,761</b>	<b>\$ (2,551,399)</b>

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Superintendent approves budgetary transfers that revise the School District budget line items and the Board reviews the transfers. Typically, these budget amendments consist of budget transfers between functions, which do not increase the overall budget. During the current year, the budget was amended for prior year encumbrances and appropriated reserves.

The School District received \$636,432 more in General Fund revenues and other financing sources due to higher than anticipated state aid and use of money and property revenues. Expenditures and other financing uses were lower than the revised budget (with carryover encumbrances) by \$657,556. This is primarily due to lower than expected costs related to general support and instructional programs, as well as employee benefits.

# TIOGA CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

*Figure 4*

<i>Condensed Budgetary Comparison General Fund - 2023</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
<b>REVENUES</b>				
<i>Real Property Taxes</i>	\$ 3,878,978	\$ 3,412,281	\$ 3,411,989	\$ (292)
<i>Other Tax Items</i>	361,204	827,901	816,854	(11,047)
<i>State Sources</i>	15,799,311	15,799,311	16,063,938	264,627
<i>Other, Including Financing Sources</i>	177,000	177,000	560,144	383,144
<b><i>Total Revenues and Other Financing Sources</i></b>	<b>\$ 20,216,493</b>	<b>\$ 20,216,493</b>	<b>\$ 20,852,925</b>	<b>\$ 636,432</b>
<b><i>Appropriated Fund Balances and Reserves</i></b>	<b>\$ 341,598</b>	<b>\$ 741,598</b>		
<b><i>Encumbrances</i></b>	<b>\$ 67,364</b>	<b>\$ 67,364</b>		
<b>EXPENDITURES</b>				
<i>General Support</i>	\$ 2,693,148	\$ 2,844,896	\$ 2,675,475	\$ 169,421
<i>Instruction</i>	8,843,007	8,526,922	8,338,579	188,343
<i>Pupil Transportation</i>	1,032,574	1,117,608	1,046,617	70,991
<i>Community Service</i>	9,308	3,908	276	3,632
<i>Employee Benefits</i>	5,485,179	5,197,707	4,974,722	222,985
<i>Debt Service</i>	312,505	329,339	328,564	775
<i>Other Financing Uses</i>	2,249,734	3,005,075	3,003,666	1,409
<b><i>Total Expenditures and Other Financing (Uses)</i></b>	<b>\$ 20,625,455</b>	<b>\$ 21,025,455</b>	<b>\$ 20,367,899</b>	<b>\$ 657,556</b>

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of June 30, 2023, the School District had invested in a broad range of capital assets totaling \$57,947,153, offset by accumulated depreciation of \$24,960,365. In addition, the School District reported intangible lease assets of \$295,872 offset by accumulated amortization of \$141,702. *Figure 5* shows the changes in the School District's capital assets.

*Figure 5*

<i>Changes in Capital Assets</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Land</i>	\$ 308,479	\$ 308,479	\$ -
<i>Construction in Progress</i>	5,589,436	1,084,520	4,504,916
<i>Buildings and Improvements, Net</i>	25,168,790	25,648,164	(479,374)
<i>Equipment, Net</i>	1,920,083	1,895,407	24,676
<i>Intangible Lease Assets, Net</i>	154,170	46,168	108,002
<b><i>Total</i></b>	<b>\$ 33,140,958</b>	<b>\$ 28,982,738</b>	<b>\$ 4,158,220</b>

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

Capital asset activity for the year ended June 30, 2023 included the following:

Construction in Progress	\$ 5,079,427
Buses	144,353
Equipment	247,543
Intangible Lease Asset	130,158
Total Additions	5,601,481
(Less): Depreciation Expense	(1,421,105)
(Less): Amortization Expense	(22,156)
 <b>Net Increase in Capital Assets</b>	 <b>\$ 4,158,220</b>

### **Debt Administration**

Figure 6 shows the changes in the School District's outstanding debt, including its lease liabilities. Total indebtedness represented 46.0% of the constitutional debt limit, exclusive of building aid estimates.

*Figure 6*

<b><i>Outstanding Debt</i></b>	<b><i>Governmental Activities and Total School District</i></b>		<b><i>Total Dollar Change</i></b>
	<b><i>2023</i></b>	<b><i>2022</i></b>	
<i>Bond Anticipation Notes</i>	\$ 5,110,000	\$ 2,500,000	\$ 2,610,000
<i>Serial Bonds</i>	11,350,000	12,745,000	(1,395,000)
<i>Statutory Installment Bonds</i>	324,402	562,696	(238,294)
<i>Premium on Obligations</i>	1,580,914	1,771,868	(190,954)
<i>Lease Liabilities</i>	3,962	5,640	(1,678)
<b><i>Total</i></b>	<b>\$ 18,369,278</b>	<b>\$ 17,585,204</b>	<b>\$ 784,074</b>

Moody's Rating Committee assigned an A1 rating on the Tioga Central School District New York State Section 99-B Intercept School District Credit Enhancement Program General Obligation Bonds. In addition, an A2 underlying rating was assigned on Tioga Central School District General Obligation Bonds. This has been a solid rating for the past several years. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023**

### **FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

- The School District does not currently have, nor anticipate, financial obligations due to litigation.
- The enrollment of the Tioga Central School District has been steadily decreasing. Since New York State Aid is directly tied to the number of students we serve, we may see a reduction in State aid that is not balanced with the possible reduction in expenses associated with serving fewer students.
- The School District could be impacted should Tioga Downs ever close in the future. The impact of the PILOT program has negatively impacted the yearly Tax Cap which has made the Tioga Central School District even further reliant on State funding to maintain its annual budget. In the event of a closure, the loss of the Tioga Downs Pilot is an exposure that would not reasonably be filled by the local tax levy.
- The COVID-19 pandemic has caused significant stress on the district and the community during the past several years. The future impact of COVID-19 and the requirements for the future school year are currently unknown. The School District may be burdened with unplanned additional costs associated with preparing the school and planning for operations under impending safety guidelines. While the School District has been conservative and managed to keep healthy fund balances and reserves, these solutions may be viable only for a limited time.
- The influx of Federal Stimulus funds over the past few years has allowed the School District to dedicate resources to address learning loss due to the COVID-19 pandemic. The upcoming expiration of stimulus funds has required and will continue to require the School District to plan strategically to manage the impending funding cliff.
- The School District has been directly affected by the current economy, and specifically inflation. The School District will need to continue to be diligent in managing its expenditures to consider such cost impacts and their long term impacts at a local level.

### **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Tioga Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Tioga Central School District, Fifth Avenue, Tioga Center, New York 13845.

# TIOGA CENTRAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2023

### ASSETS

#### Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 2,674,281
Cash and Cash Equivalents - Restricted	1,538,419
Investments - Restricted	125,016
Due From State and Federal Governments	509,959
Due From Other Governments	315,113
Other Receivables	45,706
Inventories	30,931
Prepaid Expenses	526,413
<b>Total Current Assets</b>	<b>5,765,838</b>

#### Noncurrent Assets

Cash and Cash Equivalents - Restricted	2,666,879
Investments - Restricted	5,556,032
<b>Capital Assets, Net:</b>	
Nondepreciable	5,897,915
Depreciable Capital Assets, Net	27,088,873
Intangible Lease Assets, Net	154,170
<b>Total Noncurrent Assets</b>	<b>41,363,869</b>

<b>Total Assets</b>	<b>47,129,707</b>
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### DEFERRED OUTFLOWS OF RESOURCES

Pensions	4,641,809
OPEB	6,981,575
Deferred Charges on Defeased Debt	446,223
<b>Total Deferred Outflows of Resources</b>	<b>12,069,607</b>

### LIABILITIES

#### Current Liabilities

Accounts Payable	1,240,637
Accrued Liabilities	41,588
Due to Other Governments	360
Bond Interest and Matured Bonds	27,890
Bond Anticipation Notes Payable	5,110,000
Due to Teachers' Retirement System	762,703
Due to Employees' Retirement System	69,113
Unearned Revenues - Other	27,448

#### Current Portion of Long-Term Obligations:

Compensated Absences	224,538
Bonds Payable	1,794,592
Lease Liabilities	1,728
<b>Total Current Liabilities</b>	<b>9,300,597</b>

*See Notes to Basic Financial Statements*



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2023**

<b>Noncurrent Liabilities</b>	
Bonds Payable	\$ 11,460,724
Lease Liabilities	2,234
Compensated Absences Payable	435,755
Other Postemployment Benefits Liability	50,374,262
Net Pension Liability - Proportionate Share	2,121,699
<b>Total Noncurrent Liabilities</b>	<b>64,394,674</b>
<b>Total Liabilities</b>	<b>73,695,271</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	484,494
OPEB	11,748,611
<b>Total Deferred Inflows of Resources</b>	<b>12,233,105</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	15,644,536
Restricted	8,527,781
Unrestricted Net (Deficit)	(50,901,379)
<b>Total Net (Deficit)</b>	<b>\$ (26,729,062)</b>

*See Notes to Basic Financial Statements*

# TIOGA CENTRAL SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants		Capital Grants
General Support	\$ 3,189,225	\$ -	\$ -	\$ -	\$ (3,189,225)
Instruction	14,833,767	91,056	3,175,751	1,338,318	(10,228,642)
Pupil Transportation	1,907,391	-	-	-	(1,907,391)
Community Services	417	1,000	-	-	583
School Lunch Program	843,572	56,166	708,876	-	(78,530)
Interest on Debt	522,571	-	-	-	(522,571)
<b>Total Functions and Programs</b>	<b><u>\$ 21,296,943</u></b>	<b><u>\$ 148,222</u></b>	<b><u>\$ 3,884,627</u></b>	<b><u>\$1,338,318</u></b>	<b>(15,925,776)</b>
 <b>GENERAL REVENUES</b>					
					3,411,989
Real Property Taxes					<u>816,854</u>
Real Property Tax Items					274,588
Use of Money and Property					<u>15,147,216</u>
Unrestricted State Sources					22,551
Sale of Property and Compensation for Loss					<u>199,059</u>
Miscellaneous					
<b>Total General Revenues</b>					<u>19,872,257</u>
Change in Net Position					3,946,481
Total Net (Deficit) - Beginning of Year					<u>(30,675,543)</u>
<b>Total Net (Deficit) - End of Year</b>					<b><u>\$ (26,729,062)</u></b>

*See Notes to Basic Financial Statements*

# TIOGA CENTRAL SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2023

	Major Funds				Total Governmental Funds
	Special Revenue				
	General Fund	Special Aid Fund	Capital Project Renovation Fund	Non-Major Governmental Funds	
<b>ASSETS</b>					
Cash and Cash Equivalents - Unrestricted	\$ 1,270,671	\$ 10,198	\$ 1,393,412	\$ -	\$ 2,674,281
Cash and Cash Equivalents - Restricted	2,370,894	-	1,252,535	581,869	4,205,298
Investments - Restricted	4,749,029	-	-	932,019	5,681,048
Due From Other Funds	929,423	-	-	346	929,769
Due From State and Federal Governments	119,924	334,699	-	55,336	509,959
Due From Other Governments	315,113	-	-	-	315,113
Other Receivables	45,523	-	-	183	45,706
Inventories	-	-	-	30,931	30,931
Prepaid Expenses	524,163	2,250	-	-	526,413
<b>Total Assets</b>	<b>\$ 10,324,740</b>	<b>\$ 347,147</b>	<b>\$ 2,645,947</b>	<b>\$ 1,600,684</b>	<b>\$ 14,918,518</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 253,414	\$ 8,985	\$ 975,203	\$ 3,035	\$ 1,240,637
Accrued Liabilities	39,623	40	-	1,925	41,588
Due to Other Funds	49	385,750	543,890	80	929,769
Due to Other Governments	-	-	-	360	360
Bond Anticipation Notes Payable	-	-	4,816,000	294,000	5,110,000
Due to Teachers' Retirement System	762,703	-	-	-	762,703
Due to Employees' Retirement System	69,113	-	-	-	69,113
Compensated Absences Payable	224,538	-	-	-	224,538
Unearned Revenues	20,000	600	-	6,848	27,448
<b>Total Liabilities</b>	<b>1,369,440</b>	<b>395,375</b>	<b>6,335,093</b>	<b>306,248</b>	<b>8,406,156</b>
<b>FUND BALANCES</b>					
Nonspendable	524,163	2,250	-	30,931	557,344
Restricted	7,119,923	-	-	1,407,858	8,527,781
Assigned	447,272	-	-	-	447,272
Unassigned	863,942	(50,478)	(3,689,146)	(144,353)	(3,020,035)
<b>Total Fund Balances</b>	<b>8,955,300</b>	<b>(48,228)</b>	<b>(3,689,146)</b>	<b>1,294,436</b>	<b>6,512,362</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,324,740</b>	<b>\$ 347,147</b>	<b>\$ 2,645,947</b>	<b>\$ 1,600,684</b>	<b>\$ 14,918,518</b>

*See Notes to Basic Financial Statements*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2023**

**Fund Balances (Deficit) - Total Governmental Funds** **\$ 6,512,362**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation and amortization, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 58,243,025	
(Less) Accumulated Depreciation	(24,960,365)	
(Less) Accumulated Amortization	<u>(141,702)</u>	33,140,958

Long-term liabilities, including bonds payable, bond premium, lease liabilities and deferred charges on defeased debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$(11,674,402)	
Lease Liabilities	(3,962)	
Bond Premium	<u>(1,580,914)</u>	(13,259,278)

The School District's proportion of the collective net pension (asset)/liability is not reported in the funds.

TRS Net Pension Liability - Proportionate Share	\$ (674,570)	
ERS Net Pension Liability - Proportionate Share	<u>(1,447,129)</u>	(2,121,699)

Deferred outflows of resources, including deferred charges on defeased debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including OPEB, and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Charges on Defeased Debt	\$ 446,223	
Deferred Outflows - OPEB	6,981,575	
Deferred Inflows - OPEB	(11,748,611)	
TRS Deferred Inflows - Pension	(427,584)	
ERS Deferred Inflows - Pension	(56,910)	
TRS Deferred Outflows - Pension	3,596,649	
ERS Deferred Outflows - Pension	<u>1,045,160</u>	(163,498)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Accrued Interest on Long-term Debt	\$ (27,890)	
Long Term Portion of Compensated Absences	(435,755)	
Other Postemployment Benefits Liability	<u>(50,374,262)</u>	<u>(50,837,907)</u>

**Net (Deficit) of Governmental Activities** **\$ (26,729,062)**

*See Notes to Basic Financial Statements*

# TIOGA CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds				Total Governmental Funds
	Special Revenue Fund		Capital Projects Fund - Renovations	Non-Major Governmental Funds	
	General Fund	Special Aid Fund			
<b>REVENUES</b>					
Real Property Taxes	\$ 3,411,989	\$ -	\$ -	\$ -	\$ 3,411,989
Real Property Tax Items	816,854	-	-	-	816,854
Charges for Services	33,551	-	-	-	33,551
Use of Money and Property	268,493	-	-	27,864	296,357
Sale of Property and Compensation for Loss	782	-	-	-	782
Other Revenue	188,534	2,155	-	26,327	217,016
State Sources	16,063,938	444,727	-	89,594	16,598,259
Medicaid Reimbursement	58,505	-	-	-	58,505
Federal Sources	-	3,082,304	-	671,641	3,753,945
Sales - School Lunch	-	-	-	56,166	56,166
<b>Total Revenues</b>	<b>20,842,646</b>	<b>3,529,186</b>	<b>-</b>	<b>871,592</b>	<b>25,243,424</b>
<b>EXPENDITURES</b>					
General Support	2,673,576	34,691	-	-	2,708,267
Instruction	8,298,963	1,859,686	-	306,368	10,465,017
Pupil Transportation	1,040,860	30,364	-	-	1,071,224
Community Services	276	-	-	-	276
Employee Benefits	4,974,722	269,719	-	78,670	5,323,111
Debt Service:					
Principal	315,978	-	-	1,579,000	1,894,978
Interest	12,586	-	-	664,400	676,986
Cost of Sales	-	-	-	651,885	651,885
Capital Outlay	-	-	5,155,433	144,353	5,299,786
<b>Total Expenditures</b>	<b>17,316,961</b>	<b>2,194,460</b>	<b>5,155,433</b>	<b>3,424,676</b>	<b>28,091,530</b>
Excess (Deficiency) of Revenues Over Expenditures	3,525,685	1,334,726	(5,155,433)	(2,553,084)	(2,848,106)
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Redeemed From Appropriations	-	-	184,000	-	184,000
Premium on Obligations	-	-	-	36,701	36,701
Proceeds of Obligations	-	-	76,006	-	76,006
Operating Transfers In	10,279	129,081	672,852	2,201,733	3,013,945
Operating Transfers (Out)	(3,003,666)	-	(10,279)	-	(3,013,945)
<b>Total Other Financing Sources and (Uses)</b>	<b>(2,993,387)</b>	<b>129,081</b>	<b>922,579</b>	<b>2,238,434</b>	<b>296,707</b>
Net Change in Fund Balances	532,298	1,463,807	(4,232,854)	(314,650)	(2,551,399)
Fund Balances - Beginning of Year	8,423,002	(1,512,035)	543,708	1,609,086	9,063,761
<b>Fund Balances - End of Year</b>	<b>\$ 8,955,300</b>	<b>\$ (48,228)</b>	<b>\$ (3,689,146)</b>	<b>\$ 1,294,436</b>	<b>\$ 6,512,362</b>

*See Notes to Basic Financial Statements*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** **\$ (2,551,399)**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the change in capital assets.

Capital Additions	\$ 5,601,481	
Depreciation Expense	(1,421,105)	4,158,220
Amortization Expense	<u>(22,156)</u>	

Long-term debt proceeds, and related issue costs and deferred amounts on refunding, provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments - Leases	\$ 77,684	
Proceeds of Debt	(76,006)	
Repayment of Bond Principal	1,395,000	
Repayment of Statutory Installment Bond Debt	<u>238,294</u>	1,634,972

Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Fund financial statements. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to other postemployment benefits do not affect current financial resources and are, also, not reported in the Governmental Funds.

Other Postemployment Benefits	\$ 1,129,621	
Compensated Absences	<u>(89,050)</u>	1,040,571

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. These include the change in accrued interest, amortization of bond premiums, and deferred amounts from refunding bonds.

Deferred Amounts from Refunding Bonds	\$ (70,769)	
Amortization of Premiums on Obligations and New Premiums	190,954	
Change in Accrued Interest	<u>(2,471)</u>	117,714

Changes in the School District's proportionate share of net pension (assets) and liabilities have no effect on current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. In addition, changes in the School District's deferred outflows of resources and deferred inflows of resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

TRS	\$ (156,560)	
ERS	<u>(297,037)</u>	<u>(453,597)</u>

**Net Change in Net Position of Governmental Activities** **\$ 3,946,481**

*See Notes to Basic Financial Statements*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2023**

	<b>Custodial Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	<u>\$ 78,539</u>
<b>Total Assets</b>	<u>78,539</u>
<b>Total Liabilities</b>	<u>-</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 78,539</u></u>

*See Notes to Basic Financial Statements*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Extraclassroom Activity Funds Receipts	\$ 71,989
<b>Total Additions</b>	<u>71,989</u>
<b>DEDUCTIONS</b>	
Extraclassroom Activity Funds Disbursements	<u>59,955</u>
Change in Net Position	12,034
Net Position - Beginning of Year	<u>66,505</u>
<b>Net Position - End of Year</b>	<u><u>\$ 78,539</u></u>

*See Notes to Basic Financial Statements*



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

### ***Note 1* Summary of Significant Accounting Policies**

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

#### **Reporting Entity**

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

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

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

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

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's business office, located at Fifth Avenue, Tioga Center, NY. The School District accounts for assets held as an agent for various student organizations in an agency fund.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Joint Venture**

The Tioga Central School District is one of 15 component School Districts in the Broome-Tioga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of School Districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the 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 (GML).

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

Separate financial statement of Broome-Tioga BOCES may be obtained by contacting the Business Office, Broome Tioga BOCES, 435 Upper Glenwood Road, Binghamton, NY 13905-1699.

#### **Basis of Presentation - District-Wide Financial Statements**

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

The Statement of Net Position presents the financial position of the School District at fiscal yearend. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those specifically associated with and clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Basis of Presentation - Governmental Fund Financial Statements**

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

#### **Major Funds**

- General Fund: The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- Capital Projects Fund - Renovation: Accounts for financial resources used for renovation of Tioga Central School District buildings.
- Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
  - Special Aid Fund: Used to account for proceeds received from state and federal grants restricted for special educational programs.

#### **Non-Major Funds**

- Debt Service Fund: Accounts for accumulation of resources and payment of principal and interest of long-term general obligation debt of governmental activities.
- Special Revenue Funds: Account for proceeds of specific revenue sources (other than capital projects) legally restricted to expenditures for specified purposes. Non-major special revenue funds include the following:
  - Miscellaneous Special Revenue Fund: Used to account for student scholarships whose funds are restricted as to use.
  - School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.
- Capital Projects Fund - Buses: Accounts for the purchase of buses for the School District.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Basis of Presentation - Governmental Fund Financial Statements - Continued**

Fiduciary Activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District and are not available to be used.

The School District reports the following Fiduciary Funds:

- Custodial Fund: Assets are held by the School District as agent for Extraclassroom Activity Funds.

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

The District-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within six months after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Cash and Investments**

The School District's cash, and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts. Investments are stated at fair value.

#### **Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

#### **Inventories and Prepaid Items**

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance equal to inventories and prepaid amounts is reported as nonspendable, as these assets are not in spendable form in the current period.

#### **Due To/From Other Funds**

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Capital Assets**

Capital assets with a historical cost greater than \$5,000 and a useful life of at least one year are reported at actual cost for acquisitions subsequent to July 1, 2002, including the right to use assets acquired through financed lease arrangements. For assets acquired prior to July 1, 2002, historical costs have been estimated based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

Capital assets are depreciated and amortized using the straight-line method over the following estimated useful lives:

	<b>Estimated Useful Life</b>
Buildings	20 - 40 Years
Building Improvements	20 Years
Furniture and Equipment	1 - 20 Years

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports a deferred charge on defeased debt resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt, as described in Note 8. The School District also reports deferred outflows of resources related to pensions and OPEB plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 11 and 12, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 11 and 12, respectively.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Leases**

The School District determines if an arrangement is or contains a lease at inception. The School District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The School District uses the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the School District elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the School District will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The School District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

#### **Vested Employee Benefits - Compensated Absences**

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

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

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

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the 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.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Other Postemployment Benefits**

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 12 for additional information.

#### **Unearned and Unavailable Revenues**

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

The Governmental Fund financial statements also report unavailable revenues as a deferred inflow of resources when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for unavailable revenues is removed and revenues are recorded.

#### **Overpayments and Collections in Advance**

Overpayments and collections in advance arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability is removed, and revenues are recorded.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

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

Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgements, other postemployment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the School District's future obligations or future economic outflows. Liabilities are reported as current (due in one year) or noncurrent (due later than one year) in the Statement of Net Position.

#### **Equity Classifications - District-Wide Financial Statements**

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

#### **Equity Classifications - Governmental Fund Financial Statements**

The School District follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

Fund balances are allocated into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the School District is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the School District's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the School District's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual classification of the School District's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

The Board of Education of the School District may adopt resolutions to commit or assign fund balance. By resolution, fund balance of the School District may be committed for a specific source by formal action of the Board of Education. Furthermore, the Board of Education delegates authority to assign fund balance for a specific purpose to the Business Official of the School District. The Board of Education, by resolution, approves fund balance appropriations for next year's budget. The School District applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **Legally Adopted Reserves**

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Reserves currently in use by the School District include the following:

- Capital Reserve (Education Law §3651) - Used to pay the cost of any object or purpose for which bonds may be issued. The creation of a Capital Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.
- Mandatory Debt Service Reserve (GML §6-l) - Used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.
- Employee Benefit Accrued Liability Reserve (GML §6-p) - Used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **Legally Adopted Reserves - Continued**

- Retirement Contribution Reserve (GML §6-r) - 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 the operation and condition of the fund must be provided to the Board. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of GML §6-r. These reserves are accounted for in the General Fund.

#### **Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 10, 2022. Taxes were collected during the period September 15, 2022 to November 15, 2022.

Uncollected real property taxes are subsequently enforced by Tioga County (the County). An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the following April 1.

#### **Interfund Transfers**

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment benefits payable, potential contingent liabilities and useful lives of long-lived assets.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

#### **New Accounting Standards**

The School District adopted and implemented the following current Statements of the GASB effective for the year ended June 30, 2023:

- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." The School District has determined there was no material effect on the financial statements.

#### **Future Changes in Accounting Standards**

- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending June 30, 2025.

The School District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

### ***Note 2* Participation in BOCES**

During the year ended June 30, 2023, the School District's share of BOCES income amounted to \$700,252. The School District was billed \$2,278,656 for BOCES administration and program costs. Financial statements for the Broome-Tioga BOCES are available from the BOCES administrative office at 435 Upper Glenwood Road, Binghamton, New York 13905.

### ***Note 3* Cash and Cash Equivalents and Investments**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District's aggregate bank balances of \$13,007,617, including investments, were either insured or collateralized with securities held by the pledging financial institution in the School District's name as required.

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

**Note 3 Cash and Cash Equivalents and Investments - Continued**

Restricted cash and investments at June 30, 2023 consisted of the following:

Restricted for Debt Service	\$	860,974
Restricted for Capital Unspent Debt		1,401,836
Restricted for School Lunch		261,599
Restricted for General Fund Reserves		7,119,923
Restricted for Scholarships		<u>242,014</u>
<b>Total</b>	<b>\$</b>	<b><u>9,886,346</u></b>

The School District’s cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District’s investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state.

Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments are stated at fair value.

The School District has few investments (United States Treasury obligations) and chooses to disclose its investments by specifically identifying each. The School District’s investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following investments are held by the School District:

Fund	Cost	Fair Value	Type of Investment	Level
General Fund	\$ 4,742,323	\$ 4,749,029	U.S. Treasury Bills	(1)
School Lunch Fund	125,000	125,016	U.S. Treasury Bills	(1)
Debt Service Fund	730,844	732,326	U.S. Treasury Bills	(1)
Miscellaneous Special Revenue Fund	<u>74,677</u>	<u>74,677</u>	Certificate of Deposit	(2)
<b>Total</b>	<b><u>\$ 5,672,844</u></b>	<b><u>\$ 5,681,048</u></b>		

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

**Note 4 Due From State and Federal**

Due from state and federal consisted of the following, which are stated at net realizable value.

<b>Description</b>	<b>Amount</b>
Title I	\$ 39,450
IDEA	64,699
ESF	94,798
School Lunch	55,336
Excess Cost Aid	119,924
Other	135,752
<b>Total</b>	<b>\$ 509,959</b>

**Note 5 Interfund Balances and Activity**

Interfund balances at June 30, 2023, are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Interfund Revenues</b>	<b>Interfund Expenditures</b>
<b>Major Funds</b>				
General Fund	\$ 929,423	\$ 49	\$ 10,279	\$ 3,003,666
Special Aid Fund	-	385,750	129,081	-
Capital Projects Renovation Fund	-	543,890	672,852	10,279
Non-Major Governmental Funds	346	80	2,201,733	-
<b>Total</b>	<b>\$ 929,769</b>	<b>\$ 929,769</b>	<b>\$ 3,013,945</b>	<b>\$ 3,013,945</b>

Interfund receivables and payables are eliminated on the Statement of Net Position.

The School District typically transfers from the General Fund to the Special Aid Fund the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project and to and from the Debt Service Fund for the payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

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

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

**Note 6 Capital Assets**

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

Governmental Activities	Beginning Balance	Additions	Reclassifications, and Disposals	Ending Balance
<b>Capital Assets That Are Not Depreciated</b>				
Land	\$ 308,479	\$ -	\$ -	\$ 308,479
Construction in Progress	1,084,520	5,079,427	(574,511)	5,589,436
<b>Total Nondepreciable Historical Cost</b>	<u>1,392,999</u>	<u>5,079,427</u>	<u>(574,511)</u>	<u>5,897,915</u>
<b>Capital Assets That Are Depreciated</b>				
Buildings and Improvements	45,901,335	-	574,511	46,475,846
Furniture and Equipment	5,181,496	391,896	-	5,573,392
<b>Total Depreciable Historical Cost</b>	<u>51,082,831</u>	<u>391,896</u>	<u>574,511</u>	<u>52,049,238</u>
<b>Intangible Lease Assets</b>				
Equipment	165,714	130,158	-	295,872
<b>Total Historical Cost</b>	<u>52,641,544</u>	<u>5,601,481</u>	<u>-</u>	<u>58,243,025</u>
<b>(Less) Accumulated Depreciation</b>				
Buildings and Improvements	(20,253,171)	(1,053,885)	-	(21,307,056)
Furniture and Equipment	(3,286,089)	(367,220)	-	(3,653,309)
<b>Total Accumulated Depreciation</b>	<u>(23,539,260)</u>	<u>(1,421,105)</u>	<u>-</u>	<u>(24,960,365)</u>
<b>(Less) Accumulated Amortization</b>				
Equipment	(119,546)	(22,156)	-	(141,702)
<b>Total Historical Cost, Net</b>	<u><u>\$ 28,982,738</u></u>	<u><u>\$ 4,158,220</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,140,958</u></u>

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

General Support	\$ 57,893
Instruction	919,109
Pupil Transportation	457,337
School Lunch Program	8,922
<b>Total</b>	<u><u>\$ 1,443,261</u></u>



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

**Note 7 Short-Term Debt**

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs or TANs during the year.

The School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued. The School District did not issue or redeem any budget notes during the year.

The School District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued. The School District did not issue or redeem any deficiency notes during the year.

The School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. Such notes may be classified as long-term when (1) the intention is to refinance the debt on a long-term basis; and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. BAN activity for the year is summarized below:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>
BAN Maturing 12/21/2023 at 4.11%	\$ -	\$ 294,000	\$ -	\$ 294,000
BAN Maturing 6/28/2024 at 4.75%	-	4,816,000	-	4,816,000
BAN Maturing 6/29/2023 at 3.00%	2,500,000	-	(2,500,000)	-
<b>Total Short-Term Debt</b>	<b>\$ 2,500,000</b>	<b>\$ 5,110,000</b>	<b>\$ (2,500,000)</b>	<b>\$ 5,110,000</b>

Interest expense on short-term debt during the year was comprised of:

Interest Paid	\$ 75,000
Premium on BAN Obligations	(36,701)
(Less) Interest Accrued in the Prior Year	(208)
Plus Interest Accrued in the Current Year	5,567
<b>Total</b>	<b>\$ 43,658</b>

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

**Note 8 Long-Term Debt**

At June 30, 2023, the total outstanding indebtedness of the School District represented 46.0% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds and Statutory Installment Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. Statutory Installment Bonds are sometimes issued directly with a financial institution or investor and are not offered for public sale. There are no terms that present additional risk to the School District associated with these direct borrowings or placements.

The following is a summary of the School District's bonds payable for the year ended June 30, 2023:

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2023</u>
<b>Serial Bonds</b>				
Building	05/27/2016	06/15/2039	5.00%-5.125%	\$ 555,000
Building	05/27/2016	06/15/2034	5.00%	4,070,000
Building	06/14/2013	06/15/2024	0.50%-2.75%	65,000
Building	06/10/2015	06/15/2039	3.00%-5.00%	600,000
Building	06/16/2021	06/15/2036	4.00%-5.00%	1,250,000
Refunding	05/27/2016	06/15/2039	2.00%-5.00%	4,810,000
Total Serial Bonds				11,350,000
<b>Statutory Installment Bonds</b>				
Bus #175	10/24/2019	06/15/2024	2.55%	26,004
Bus #176	10/24/2019	06/15/2024	2.55%	26,004
Bus #177	12/30/2020	06/15/2025	2.30%	53,566
Bus #178	12/30/2020	06/15/2025	2.30%	53,566
Bus #179	12/28/2021	06/15/2026	1.60%	165,262
Total Statutory Installment Bonds				324,402
<b>Total</b>				<b>\$ 11,674,402</b>

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

Interest Paid	\$ 601,836
(Less) Interest Accrued in the Prior Year	(25,211)
Interest Accrued in the Current Year	22,323
Amortization of Deferred Charges on Defeased Debt	70,769
(Less) Amortization of Bond Premium	(190,954)
<b>Total</b>	<b>\$ 478,763</b>

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

**Note 8 Long-Term Debt - Continued**

Interest rates on the serial bonds vary from year to year, in accordance with the interest rates specified in the bond agreements.

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	\$ 12,745,000	\$ -	\$ (1,395,000)	\$ 11,350,000	\$ 1,455,000
Statutory Installment Bonds	562,696	-	(238,294)	324,402	160,659
Subtotal	13,307,696	-	(1,633,294)	11,674,402	1,615,659
Premium on Obligations	1,771,868	-	(190,954)	1,580,914	178,933
<b>Total</b>	<b><u>\$ 15,079,564</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (1,824,248)</u></b>	<b><u>\$ 13,255,316</u></b>	<b><u>\$ 1,794,592</u></b>

Deferred charges on defeased debt related to the 2016 bond refunding are amortized over the life of the bonds. Bond activity for the year is summarized below:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Deferred Charges on Defeased Debt	\$ 516,992	\$ -	\$ (70,769)	\$ 446,223	\$ 60,194
<b>Total</b>	<b><u>\$ 516,992</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (70,769)</u></b>	<b><u>\$ 446,223</u></b>	<b><u>\$ 60,194</u></b>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,615,659	\$ 533,262	\$ 2,148,921
2025	778,655	459,680	1,238,335
2026	750,088	424,819	1,174,907
2027	725,000	389,986	1,114,986
2028	760,000	353,738	1,113,738
2029-2033	4,100,000	1,178,022	5,278,022
2034-2038	2,565,000	301,020	2,866,020
2039	380,000	13,100	393,100
<b>Total</b>	<b><u>\$ 11,674,402</u></b>	<b><u>\$ 3,653,627</u></b>	<b><u>\$ 15,328,029</u></b>

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

**Note 8 Long-Term Debt - Continued**

On May 27, 2016, \$7,940,000 in general obligation bonds with variable interest rates ranging from 2.0% to 5.0% were issued to advance refund \$7,925,000 of outstanding bonds, with interest rates ranging from 3.0% to 5.125%. The net proceeds of \$9,054,326 (after payment of fiscal agent fees, original bond premium, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The outstanding principal on the defeased bonds was \$555,000 at June 30, 2023.

**Note 9 Compensated Absences**

Compensated absences represent the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated from the General and School Lunch Funds.

Current year activity consists of the following:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Compensated Absences	<u>\$572,323</u>	<u>\$ 87,970</u>	<u>\$ -</u>	<u>\$660,293</u>	<u>\$224,538</u>
<b>Total</b>	<b><u>\$572,323</u></b>	<b><u>\$ 87,970</u></b>	<b><u>\$ -</u></b>	<b><u>\$660,293</u></b>	<b><u>\$224,538</u></b>

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

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

### ***Note 10* Lease Liabilities**

The School District enters into lease agreements for certain equipment that are considered leases. The School District is not party to any material short term leases, and current leases do not require any variable payments.

At June 30, 2023, the School District reported \$287,003, offset by the accumulated amortization of \$173,659, in intangible lease assets that were not included in the lease liability below.

Lease liabilities as of June 30, 2023 are as follows:

<u>Description of Lease</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding June 30, 2023</u>
Postage Machine	8/7/2020	8/1/2025	3%	\$ 3,962
<b>Total</b>				<b><u>\$ 3,962</u></b>

Interest paid on lease liabilities totaled \$150.

The following is a summary of maturity of lease liabilities.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,728	\$ 100	\$ 1,828
2025	1,780	47	1,827
2025	454	3	457
<b>Total</b>	<b><u>\$ 3,962</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 4,112</u></b>

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

**Plan Descriptions and Benefits Provided**

**Teachers' Retirement System (TRS) (System)**

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

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the New York State Retirement and Social Security Law (RSSL), those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

**Plan Descriptions and Benefits Provided - Continued**

**Employees' Retirement System (ERS) (System)**

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of RSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](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, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

**Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

**Plan Descriptions and Benefits Provided - Continued**

**Contributions**

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

	<b>ERS</b>	<b>TRS</b>
<b>2023</b>	<b>\$ 237,360</b>	<b>\$ 608,366</b>
2022	291,362	561,140
2021	248,090	532,846

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

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

	<b>ERS</b>	<b>TRS</b>
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Net Pension (Asset)/ Liability	\$ 21,444,032,790	\$ 1,918,891,690
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	1,447,129	674,570
School District's Share of the Net Pension (Asset)/ Liability	0.0067484%	0.035154%



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

**Pension (Assets)/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

For the year ended June 30, 2023, the School District recognized pension expense of \$552,883 for ERS and \$825,877 for TRS in the District-wide financial statements. At June 30, 2023, the School District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 154,131	\$ 706,864	\$ 40,641	\$ 13,517
Changes of Assumptions	702,819	1,308,551	7,767	271,736
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	871,608	8,502	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	119,097	41,957	-	142,331
School District's Contributions Subsequent to the Measurement Date	69,113	667,669	-	-
<b>Total</b>	<b><u>\$ 1,045,160</u></b>	<b><u>\$ 3,596,649</u></b>	<b><u>\$ 56,910</u></b>	<b><u>\$ 427,584</u></b>

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

<u>Year Ended</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 231,803	\$ 473,437
2025	(39,382)	234,790
2026	321,087	(126,960)
2027	405,629	1,702,645
2028	-	214,292
Thereafter	-	3,192

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Investment Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95% - 5.18%
Cost of Living Adjustments	1.5%	1.3%
Inflation Rate	2.9%	2.4%

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

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

**Actuarial Assumptions - Continued**

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows.

Measurement Date	<b>ERS</b>	<b>TRS</b>
	March 31, 2023	June 30, 2022
<b>Asset Type</b>		
Domestic Equity	4.30%	6.50%
International Equity	6.85%	7.20%
Global Equity	-	6.90%
Real Estate	4.60%	6.20%
Private Equity	7.50%	9.90%
Opportunistic ARS Portfolio	5.38%	-
Real Assets	5.84%	-
Cash	0.00%	-
Credit	1.50%	-
Domestic Fixed Income	-	1.10%
Global Bonds	-	0.60%
Private Debt	-	5.30%
Real Estate Debt	-	2.40%
High-Yield Bonds	-	3.30%
Cash Equivalents	-	(0.30)%

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially determined. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 3,497,089	\$ 1,447,129	\$ (265,852)

  

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 6,219,849	\$ 674,570	\$ (3,988,974)

**Pension Plan Fiduciary Net Position**

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

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Employers' Total Pension Liability	\$ 232,627,259	\$ 133,883,474
Plan Net Position	(211,183,223)	(131,964,582)
<b>Employers' Net Pension (Asset)/Liability</b>	<b>\$ 21,444,036</b>	<b>\$ 1,918,892</b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%	98.6%

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$69,113.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023, are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023, represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$762,703.

**Current Year Activity**

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>ERS</b>			
Net Pension (Asset)/Liability	\$ (480,855)	\$ 1,927,984	\$ 1,447,129
Deferred Outflows of Resources	(995,385)	(49,775)	(1,045,160)
Deferred Inflows of Resources	1,638,082	(1,581,172)	56,910
Subtotal	161,842	297,037	458,879
<b>TRS</b>			
Net Pension (Asset)/Liability	(5,873,303)	6,547,873	674,570
Deferred Outflows of Resources	(3,400,587)	(196,062)	(3,596,649)
Deferred Inflows of Resources	6,622,835	(6,195,251)	427,584
Subtotal	(2,651,055)	156,560	(2,494,495)
<b>Total</b>	<b>\$ (2,489,213)</b>	<b>\$ 453,597</b>	<b>\$ (2,035,616)</b>

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

### Note 12 Postemployment Benefits Other Than Pensions (OPEB)

#### General Information about the OPEB Plan

Plan Description - The School District's defined OPEB plan provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The plan is a single-employer defined benefit healthcare plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements, because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The School District provides medical and prescription drug benefits for eligible retirees, spouses, and their covered dependents while contributing a portion of the expenses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms - At June 30, 2023, the following employees were covered by the benefit terms.

Retirees and Survivors	131
Terminated Vested Employees	-
Active Employees	<u>176</u>
<b>Total</b>	<b><u><u>307</u></u></b>

#### Total OPEB Liability

The School District's total OPEB liability of \$50,374,262 was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	3.54%
Single Discount Rate	3.54%
Salary Scale	4.25%
Rate of Inflation	2.50%
Dental Trend	4.00%
Vision Trend	2.00%
Marital Assumption	70.00%
Participation Rate	100.00% for Retirees 80.00% for Spouses
Healthcare Cost Trend Rates	7.80% for 2024, decreasing to an ultimate rate of 3.94% for 2093 and later years

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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

#### **Total OPEB Liability - Continued**

The long-term bond rate is based on the Bond Buyer Weekly 20-Year Bond GO Index as of the measurement date (or the nearest business day thereto).

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.

Rates of decrement due to turnover based on the experience under the New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). The ERS rates are based on the experience study released by the Retirement Systems Actuary and published in their August 2020 Report. The TRS rates are based on the experience study released by the Office of the Actuary and published in their October 19, 2021 report.

Election percentage: It was assumed that 100% of future retirees eligible for coverage will elect retiree group benefits.

Spousal Coverage: It is assumed that 70% of retirees will be married at the time of their retirement, with the male spouse assumed to be approximately 3 years older than the female.

The annual rate of increase in healthcare costs were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model (v2022\_f4). The short term (first 4 years) trend rates were based on the recent premium rate history for the School District. The long-term (after 4 years) trend rates were based on various assumptions.

The actuarial assumptions used in the July 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

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

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2022</b>	<b>\$ 56,969,945</b>
<b>Changes for the Year</b>	
Service Cost	2,147,575
Interest Cost	1,249,867
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(3,195,119)
Changes in Assumptions or Other Inputs	(5,372,963)
Benefit Payments	(1,425,043)
Net Change	(6,595,683)
<b>Balance at June 30, 2023</b>	<b>\$ 50,374,262</b>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14% percent on July 1, 2021 to 3.54% on July 1, 2022.

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

	<b>1% Decrease (2.54%)</b>	<b>Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Total OPEB Liability	\$ 59,259,484	\$ 50,374,262	\$ 43,275,163

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 42,421,127	\$ 50,374,262	\$ 60,751,474



# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$340,591.

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 6,738,642
Changes in Assumptions or Other Inputs	5,511,363	5,009,969
Contributions Subsequent to Measurement Date	1,470,212	-
<b>Total</b>	<b>\$ 6,981,575</b>	<b>\$ 11,748,611</b>

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

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2024	\$ (2,123,586)
2025	(395,690)
2026	(469,281)
2027	(1,173,781)
2028	(1,295,992)
2029 and Thereafter	(778,918)

#### Current Year Activity

The following is a summary of current year activity:

	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
<b>OPEB</b>			
Other Postemployment Benefits Liability	\$ 56,969,945	\$ (6,595,683)	\$ 50,374,262
Deferred Outflows of Resources	(8,762,865)	1,781,290	(6,981,575)
Deferred Inflows of Resources	8,063,839	3,684,772	11,748,611
<b>Total Effect on Net Position</b>	<b>\$ 56,270,919</b>	<b>\$ (1,129,621)</b>	<b>\$ 55,141,298</b>

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023**

### ***Note 13* Commitments and Contingencies**

#### **Risk Financing and Related Insurance**

##### **General Information**

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

##### **Health Insurance**

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by the Broome-Tioga health insurance consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Plan members include 18 school districts, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. Plan financial statements may be obtained from BOCES administrative office at 435 Glenwood Rd., Binghamton, NY 13905.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2023, the Tioga Central School District incurred premiums or contribution expenditures totaling \$3,646,155.

##### **Other Items**

The School 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 School District's administration believes disallowances, if any, will be immaterial.

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

**Note 14 Stewardship, Compliance, and Accountability**

**Deficit Net Position**

At June 30, 2023, the District-wide Statement of Net Position had an unrestricted net deficit of (\$50,901,379). This is the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 12). This deficit is not expected to be eliminated during the normal course of operations.

**Deficit Fund Balance**

The Special Aid Fund has a deficit fund balance of (\$48,228) at year end. This deficit will be eliminated as related revenues are recognized based on their recognition criteria.

The Capital Project Renovation and Capital Project Bus Funds have deficit fund balances of (\$3,689,146) and (\$144,353), respectively, at year end. This deficit will be eliminated as short-term debt is redeemed or converted to permanent financing.

**Note 15 Fund Balance Detail**

At June 30, 2023, nonspendable, restricted and assigned fund balance in the governmental funds was as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Funds
<b>Nonspendable</b>			
Prepaid Expenses	\$ 524,163	\$ 2,250	\$ -
Inventory	-	-	30,931
<b>Total Nonspendable Fund Balance</b>	<b>\$ 524,163</b>	<b>\$ 2,250</b>	<b>\$ 30,931</b>
<b>Restricted</b>			
Reserve for ERS Contributions	\$ 1,236,497	\$ -	\$ -
Reserve for TRS Contributions	365,476	-	-
Employee Benefit Accrued			
Liability Reserve	250,660	-	-
Capital Reserve	5,267,290	-	-
School Lunch	-	-	304,870
Capital Projects	-	-	-
Scholarships	-	-	242,014
Debt	-	-	860,974
<b>Total Restricted Fund Balance</b>	<b>\$ 7,119,923</b>	<b>\$ -</b>	<b>\$ 1,407,858</b>
<b>Assigned</b>			
Appropriated for Next Year's Budget	\$ 400,000	\$ -	\$ -
Encumbered for:			
General Support	1,899	-	-
Instruction	39,616	-	-
Pupil Transportation	5,757	-	-
<b>Total Assigned Fund Balance</b>	<b>\$ 447,272</b>	<b>\$ -</b>	<b>\$ -</b>

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

**Note 16 General Fund Restricted Fund Balances**

Portions of restricted fund balance are reserved and are not available for current expenditures as reported in the Governmental Funds Balance Sheet. Balances and activity for the year ended June 30, 2023 of the General Fund reserves were as follows:

<u>General Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Reserve for ERS Contributions	\$ 1,209,909	\$ -	\$ 26,588	\$ -	\$ 1,236,497
Reserve for TRS Contributions	235,742	124,553	5,181	-	365,476
Employee Benefit Accrued Liability Reserve	127,850	120,000	2,810	-	250,660
Capital Reserve	5,154,029	-	113,261	-	5,267,290
<b>Total Restricted Fund Balance</b>	<b><u>\$ 6,727,530</u></b>	<b><u>\$ 244,553</u></b>	<b><u>\$ 147,840</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,119,923</u></b>

**Note 17 Tax Abatements**

For the year ended June 30, 2023, property in the School District was subject to property tax abatements negotiated by the Tioga County Industrial Development Agency (TCIDA).

TCIDA enters into PILOT agreements with businesses within Tioga County under New York State GML §858. Economic development agreements entered into by TCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which TCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

Information relevant to disclosure of the programs for the year ended June 30, 2023 is as follows:

	<u>Taxable Assessed Value</u>	<u>Combined Tax Rates Per \$1,000</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
<b>Tioga County Industrial Development Agency</b>					
Tioga Downs	\$ 30,255,835	\$ 44	\$ 1,318,101	\$ 340,622	\$ 977,479
<b>Total PILOT Agreements</b>	<b><u>\$ 30,255,835</u></b>		<b><u>\$ 1,318,101</u></b>	<b><u>\$ 340,622</u></b>	<b><u>\$ 977,479</u></b>

**Note 18 Subsequent Event**

On July 6, 2023, the School District issued bond anticipation notes totaling \$12,600,000 at an interest rate of 4.5%. The purpose of this issuance is to finance construction and improvements to various School District buildings and facilities.

# TIOGA CENTRAL SCHOOL DISTRICT

## SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
<b>Local Sources</b>				
Real Property Taxes	\$ 3,878,978	\$ 3,412,281	\$ 3,411,989	\$ (292)
Other Tax Items	361,204	827,901	816,854	(11,047)
Charges for Services	9,500	9,500	33,551	24,051
Use of Money and Property	2,500	2,500	268,493	265,993
Sale of Property and Compensation for Loss	-	-	782	782
Miscellaneous	165,000	165,000	188,534	23,534
<b>Total Local Sources</b>	<u>4,417,182</u>	<u>4,417,182</u>	<u>4,720,203</u>	<u>303,021</u>
State Sources	15,799,311	15,799,311	16,063,938	264,627
Federal Sources	-	-	28,701	28,701
Medicaid Reimbursement	-	-	29,804	29,804
<b>Total Revenues</b>	<u>20,216,493</u>	<u>20,216,493</u>	<u>20,842,646</u>	<u>626,153</u>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	-	-	10,279	10,279
<b>Total Revenues and Other Financing Sources</b>	<u>20,216,493</u>	<u>20,216,493</u>	<u>\$ 20,852,925</u>	<u>\$ 636,432</u>
Appropriated Fund Balance	341,598	341,598		
Appropriated Reserves	-	400,000		
Designated Fund Balance and Encumbrances Carried Forward from Prior Year	<u>67,364</u>	<u>67,364</u>		
<b>Total Revenues, Appropriated Reserves, and Designated Fund Balance</b>	<u>\$ 20,625,455</u>	<u>\$ 21,025,455</u>		

*See Notes to Required Supplementary Information*

# TIOGA CENTRAL SCHOOL DISTRICT

## SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	\$ 19,153	\$ 19,679	\$ 15,475	\$ -	\$ 4,204
Central Administration	198,489	235,614	221,946	-	13,668
Finance	419,021	458,161	446,812	850	10,499
Staff	18,282	20,082	10,657	-	9,425
Central Services	1,880,509	1,958,816	1,827,522	1,049	130,245
Special Items	157,694	152,544	151,164	-	1,380
<b>Total General Support</b>	<b>2,693,148</b>	<b>2,844,896</b>	<b>2,673,576</b>	<b>1,899</b>	<b>169,421</b>
<b>Instruction</b>					
Instruction, Administration, and Improvement	572,113	509,046	493,981	-	15,065
Teaching - Regular School	4,961,281	4,879,929	4,794,402	7,091	78,436
Programs for Students With Disabilities	1,834,626	1,642,182	1,597,269	1,357	43,556
Occupational Education	400,796	400,796	395,599	-	5,197
Teaching - Special School	8,050	-	-	-	-
Instructional Media	216,720	209,761	192,202	-	17,559
Pupil Services	849,421	885,208	825,510	31,168	28,530
<b>Total Instruction</b>	<b>8,843,007</b>	<b>8,526,922</b>	<b>8,298,963</b>	<b>39,616</b>	<b>188,343</b>
Pupil Transportation	1,032,574	1,117,608	1,040,860	5,757	70,991
Community Services	9,308	3,908	276	-	3,632
Employee Benefits	5,485,179	5,197,707	4,974,722	-	222,985
<b>Debt Service</b>					
Principal	297,096	315,980	315,978	-	2
Interest	15,409	13,359	12,586	-	773
<b>Total Debt Service</b>	<b>312,505</b>	<b>329,339</b>	<b>328,564</b>	<b>-</b>	<b>775</b>
<b>Total Expenditures</b>	<b>18,375,721</b>	<b>18,020,380</b>	<b>17,316,961</b>	<b>47,272</b>	<b>656,147</b>
<b>OTHER FINANCING USES</b>					
Operating Transfers Out	2,249,734	3,005,075	3,003,666	-	1,409
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 20,625,455</b>	<b>\$ 21,025,455</b>	<b>20,320,627</b>	<b>\$ 47,272</b>	<b>\$ 657,556</b>
Net Change in Fund Balance			532,298		
Fund Balance - Beginning of Year			8,423,002		
<b>Fund Balance - End of Year</b>			<b>\$ 8,955,300</b>		

*See Notes to Required Supplementary Information*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	<b>\$ 237,360</b>	\$ 291,362	\$ 248,090	\$ 221,829	\$ 224,217	\$ 223,617	\$ 234,420	\$ 257,975	\$ 281,863	\$ 341,070
Contributions in Relation to the Contractually Required Contribution	<b>(237,360)</b>	(291,362)	(248,090)	(221,829)	(224,217)	(223,617)	(234,420)	(257,975)	(281,863)	(341,070)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	<b>2,182,470</b>	1,828,053	1,791,679	1,629,661	1,578,420	1,537,150	1,550,455	1,506,778	1,510,236	1,582,724
Contributions as a Percentage of Covered Payroll	<b>10.9%</b>	15.9%	13.8%	13.6%	14.2%	14.5%	15.1%	17.1%	18.7%	21.5%

## **SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	<b>\$ 667,669</b>	\$ 608,366	\$ 561,140	\$ 532,846	\$ 628,824	\$ 539,877	\$ 609,729	\$ 670,185	\$ 860,426	\$ 781,640
Contributions in Relation to the Contractually Required Contribution	<b>(667,669)</b>	(608,366)	(561,140)	(532,846)	(628,824)	(539,877)	(609,729)	(670,185)	(860,426)	(781,640)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Payroll	<b>6,488,523</b>	6,207,816	5,888,143	6,014,063	5,921,130	5,508,949	5,202,466	5,054,186	4,908,306	4,810,092
Contributions as a Percentage of Covered Payroll	<b>10.3%</b>	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%

*See Notes to Required Supplementary Information*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	<b>0.0067484%</b>	0.0058823%	0.0054203%	0.0051149%	0.0050910%	0.0053390%	0.0052690%	0.0056690%	0.0032710%
School District's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 1,447,129</b>	\$ (480,855)	\$ 5,397	\$ 1,354,446	\$ 360,703	\$ 172,322	\$ 495,081	\$ 909,893	\$ 199,537
School District's Covered Payroll During the Measurement Period	<b>2,159,149</b>	1,812,895	1,791,679	1,614,725	1,571,293	1,525,400	1,542,119	1,494,997	1,515,316
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	<b>67.02%</b>	26.52%	0.3%	83.9%	23.0%	11.3%	32.1%	60.9%	13.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>90.8%</b>	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<b>The Following is a Summary of Changes of Assumptions</b>									
Inflation	<b>2.90%</b>	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	<b>4.40%</b>	4.40%	4.50%	4.20%	3.80%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	<b>1.50%</b>	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	<b>5.90%</b>	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	<b>5.90%</b>	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	<b>MP-2021</b>	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is Intended to Show Information for 10 Years.  
Additional Years Will be Displayed as They Become Available.*

*See Notes to Required Supplementary Information*



# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District's Proportion of the Net Pension (Asset)/Liability	<b>0.035154%</b>	0.033893%	0.035555%	0.034405%	0.033974%	0.032939%	0.032776%	0.032676%	0.016891%
School District's Proportionate Share of the Net Pension (Asset)/Liability	<b>\$ 674,570</b>	\$ (5,873,303)	\$ 982,483	\$ (893,850)	\$ (614,340)	\$ (250,372)	\$ 351,035	\$ (3,393,946)	\$ (3,627,338)
School District's Covered Payroll During the Measurement Period	<b>6,207,816</b>	5,888,143	6,014,063	5,921,130	5,508,949	5,202,466	5,054,186	4,908,306	4,810,093
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	<b>10.9%</b>	99.7%	16.3%	(15.1)%	(11.2)%	(4.8)%	6.9%	(69.1)%	(75.4)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>98.6%</b>	113.2%	97.8%	(102.2)%	(101.5)%	(100.7)%	99.0%	(110.5)%	(111.5)%
<b>The Following is a Summary of Changes of Assumptions</b>									
Inflation	<b>2.40%</b>	2.20%	2.20%	2.25%	2.50%	2.50%	3.00%	3.00%	3.00%
Salary Increases	<b>1.95% - 5.18%</b>	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	4.0% - 10.9%	4.0% - 10.9%	4.0% - 10.9%
Cost of Living Adjustments	<b>1.30%</b>	1.30%	1.30%	1.50%	1.50%	1.50%	1.63%	1.63%	1.63%
Investment Rate of Return	<b>6.95%</b>	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%	8.00%
Discount Rate	<b>6.95%</b>	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%	8.00%
Society of Actuaries' Mortality Scale	<b>MP-2020</b>	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

*Schedule is Intended to Show Information for 10 Years.  
Additional Years Will be Displayed as They Become Available.*

*See Notes to Required Supplementary Information*

# TIOGA CENTRAL SCHOOL DISTRICT

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 2,147,575	\$ 2,162,680	\$ 1,495,577	\$ 1,503,600	\$ 1,627,269	\$ 2,060,542	\$ *	\$ *	\$ *	\$ *
Interest Cost	1,249,867	1,232,387	1,713,574	1,800,092	2,061,381	1,794,107	*	*	*	*
Changes of Benefit Terms		-	-	-	(141,080)	-	*	*	*	*
Differences Between Expected and Actual Experience	(3,195,119)	-	(5,444,440)	-	(9,501,223)	-	*	*	*	*
Changes in Assumptions or Other Inputs	(5,372,963)	662,406	9,772,094	539,361	(3,306,101)	(7,792,746)	*	*	*	*
Benefit Payments	(1,425,043)	(1,377,917)	(1,420,208)	(1,359,375)	(1,366,889)	(1,271,079)	*	*	*	*
Total OPEB Liability - Beginning of Year	<u>56,969,945</u>	<u>54,290,389</u>	<u>48,173,792</u>	<u>45,690,114</u>	<u>56,316,757</u>	<u>61,526,133</u>	*	*	*	*
<b>Total OPEB Liability - End of Year</b>	<u>\$ 50,374,262</u>	<u>\$ 56,969,945</u>	<u>\$ 54,290,389</u>	<u>\$ 48,173,792</u>	<u>\$ 45,690,114</u>	<u>\$ 56,316,957</u>	<u>\$ 61,526,133</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
<b>Covered Employee Payroll</b>	<b>\$ 8,900,000</b>	<b>\$ 8,043,000</b>	<b>\$ 8,300,000</b>	<b>\$ 7,800,000</b>	<b>\$ 7,500,000</b>	<b>\$ 6,450,000</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>	<b>\$ *</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	<b>566%</b>	<b>708%</b>	<b>654%</b>	<b>618%</b>	<b>609%</b>	<b>873%</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>

**The Following is a Summary of Changes of Assumptions**

Healthcare Cost Trend Rates	7.80% - 3.94%	6.50% - 4.04%	6.50% - 4.04%	7.00% - 4.13%	7.00% - 4.13%	7.20% - 3.94%
Salary Increases	4.25%	4.25%	4.25%	3.50%	4.25%	4.25%
Discount Rate	3.54%	2.14%	2.21%	3.50%	3.87%	3.60%
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2017

\* Information for Periods Prior to Implementation of GASB Statement No. 75 is Unavailable and Will be Completed for Each Year Going Forward as it Becomes Available.

*See Notes to Required Supplementary Information*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023**

### ***Note 1* Budgetary Procedures and Budgetary Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid, School Lunch, and Miscellaneous Special Revenue). Budgetary controls for the Special Aid Fund are established in accordance with the applicable grant agreements. Special Aid grants may also cover a period other than the School District's fiscal year. Budgetary controls for School Lunch Fund are established internally.

### ***Note 2* Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert excess of revenues and other sources over expenditures and other uses on the U.S GAAP basis to the budget basis, as there were no encumbrances added to the actual expenditures recorded in the budgetary comparison schedules.

### ***Note 3* Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability**

#### **NYSLRS**

##### **Changes in Benefit Terms**

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten years to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation.

#### **NYSTRS**

##### **Changes in Benefit Terms**

Effective with the 2022 actuarial valuation, the following plan change was effective: The number of years of credited service required for vesting changed from ten years to five years for Tier 5 and 6 members for purposes of eligibility for a service retirement benefit or a deferred-vested benefit.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2023**

	<b>Debt Service Fund</b>	<b>Special Revenue Funds</b>		<b>Capital Projects Fund Buses</b>	<b>Total Non-Major Governmental Funds</b>
		<b>School Lunch Fund</b>	<b>Miscellaneous Special Revenue Fund</b>		
<b>ASSETS</b>					
Cash and Cash Equivalents - Restricted	\$ 128,302	\$ 136,583	\$ 167,337	\$ 149,647	\$ 581,869
Investments - Restricted	732,326	125,016	74,677	-	932,019
Due From Other Funds	346	-	-	-	346
Due From State and Federal Governments	-	55,336	-	-	55,336
Other Receivables	-	183	-	-	183
Inventories	-	30,931	-	-	30,931
<b>Total Assets</b>	<b>\$ 860,974</b>	<b>\$ 348,049</b>	<b>\$ 242,014</b>	<b>\$ 149,647</b>	<b>\$ 1,600,684</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 3,035	\$ -	\$ -	\$ 3,035
Accrued Liabilities	-	1,925	-	-	1,925
Due to Other Funds	-	80	-	-	80
Due to Other Governments	-	360	-	-	360
Bond Anticipation Notes Payable	-	-	-	294,000	294,000
Unearned Revenues	-	6,848	-	-	6,848
<b>Total Liabilities</b>	<b>-</b>	<b>12,248</b>	<b>-</b>	<b>294,000</b>	<b>306,248</b>
<b>FUND BALANCES</b>					
Nonspendable	-	30,931	-	-	30,931
Restricted	860,974	304,870	242,014	-	1,407,858
Unassigned	-	-	-	(144,353)	(144,353)
<b>Total Fund Balances</b>	<b>860,974</b>	<b>335,801</b>	<b>242,014</b>	<b>(144,353)</b>	<b>1,294,436</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 860,974</b>	<b>\$ 348,049</b>	<b>\$ 242,014</b>	<b>\$ 149,647</b>	<b>\$ 1,600,684</b>

# TIOGA CENTRAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			Capital Projects Fund Buses	Total Non-Major Governmental Funds
	Debt Service Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
<b>REVENUES</b>					
Use of Money and Property	\$ 21,769	\$ 2,315	\$ 3,780	\$ -	\$ 27,864
Miscellaneous	-	-	26,327	-	26,327
State Sources	-	89,594	-	-	89,594
Federal Sources	-	671,641	-	-	671,641
Sales - School Lunch	-	56,166	-	-	56,166
<b>Total Revenues</b>	<u>21,769</u>	<u>819,716</u>	<u>30,107</u>	<u>-</u>	<u>871,592</u>
<b>EXPENDITURES</b>					
Instruction	-	263,413	42,955	-	306,368
Employee Benefits	-	78,670	-	-	78,670
Debt Service					
Principal	1,579,000	-	-	-	1,579,000
Interest	664,400	-	-	-	664,400
Cost of Sales	-	651,885	-	-	651,885
Capital Outlay	-	-	-	144,353	144,353
<b>Total Expenditures</b>	<u>2,243,400</u>	<u>993,968</u>	<u>42,955</u>	<u>144,353</u>	<u>3,424,676</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,221,631)</u>	<u>(174,252)</u>	<u>(12,848)</u>	<u>(144,353)</u>	<u>(2,553,084)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Premium on Obligations	36,701	-	-	-	36,701
Operating Transfers In	2,201,733	-	-	-	2,201,733
Total Other Sources (Uses)	<u>2,238,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,238,434</u>
Net Change in Fund Balances	16,803	(174,252)	(12,848)	(144,353)	(314,650)
Fund Balances - Beginning of Year	844,171	510,053	254,862	-	1,609,086
<b>Fund Balances (Deficit) - End of Year</b>	<u>\$ 860,974</u>	<u>\$ 335,801</u>	<u>\$ 242,014</u>	<u>\$ (144,353)</u>	<u>\$ 1,294,436</u>

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2023**

### **CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 20,558,091
Prior Year's Encumbrances	67,364
Original Budget	20,625,455
Appropriated Reserves	400,000
<b>Final Budget</b>	<b>\$ 21,025,455</b>

### **§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

Next Year's Budget is a Voter Approved Budget	<b>\$ 21,910,675</b>	
Maximum Allowed (4% of the 2023-2024 Budget)		<b>\$ 876,427</b>

### **General Fund Fund Balance Subject to §1318 of Real Property Tax Law**

<b>Unrestricted Fund Balance</b>		
Assigned Fund Balance	\$ 447,272	
Unassigned Fund Balance	863,942	
<b>Total Unrestricted Fund Balance</b>	<b>1,311,214</b>	

**(Less):**

Appropriated Fund Balance	\$ 400,000	
Encumbrances Included in Committed and Assigned Fund Balance	47,272	
<b>Total Adjustments</b>	<b>447,272</b>	

<b>General Fund Fund Balance Subject to §1318 of Real Property Tax Law</b>	<b>\$ 863,942</b>
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Actual Percentage	3.94%
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# TIOGA CENTRAL SCHOOL DISTRICT

## SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2023

PROJECT TITLE	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2023
			Prior Years	Current Year	Transfer to General Fund	Total		Proceeds of Obligations	Federal/State Aid	Local Sources	Total	
SMART Schools Investment Plan	\$ 150,000	\$ 150,000	\$ 142,440	\$ 9,600	\$ -	\$ 152,040	\$ (2,040)	\$ -	\$ 142,440	\$ -	\$ 142,440	\$ (9,600) *
\$100K Project F0007-25	100,000	100,000	-	89,721	10,279	100,000	-	-	-	100,000	100,000	-
2021 \$18.6M Project A0007	-	18,607,575	750,710	2,313,923	-	3,064,633	15,542,942	2,132,000	-	417,999	2,549,999	(514,634) *
Emergency Cap Project K-12 C0007	460,000	460,000	497,957	80,054	-	578,011	(118,011)	226,650	-	302,031	528,681	(49,330) *
ARP Project HVAC E0007-023	964,559	964,559	-	916,331	-	916,331	48,228	-	964,560	-	964,560	48,229 *
Turf Track Project K-12 I0007-027	4,500,000	4,500,000	-	1,247,811	-	1,247,811	3,252,189	2,500,000	-	400,000	2,900,000	1,652,189 *
CRRSA Project Fuel Tank D0007-021	600,000	600,000	52,524	421,987	-	474,511	125,489	-	474,511	-	474,511	- *
Bus Purchases	294,000	294,000	-	144,353	-	144,353	149,647	294,000	-	-	294,000	149,647
GASB 87 -Leases	76,006	76,006	-	76,006	-	76,006	-	76,006	-	-	76,006	-
<b>Subtotal</b>	<b>7,144,565</b>	<b>25,752,140</b>	<b>1,443,631</b>	<b>5,299,786</b>	<b>10,279</b>	<b>6,753,696</b>	<b>18,998,444</b>	<b>5,228,656</b>	<b>1,581,511</b>	<b>1,220,030</b>	<b>8,030,197</b>	<b>1,276,501</b>
Unredeemed BANs - Buses	-	-	-	-	-	-	-	(294,000)	-	-	(294,000)	(294,000)
Unredeemed BANs - Capital Projects	-	-	-	-	-	-	-	(4,816,000)	-	-	(4,816,000)	(4,816,000)
<b>Total</b>	<b>\$7,144,565</b>	<b>\$25,752,140</b>	<b>\$1,443,631</b>	<b>\$5,299,786</b>	<b>\$ 10,279</b>	<b>\$6,753,696</b>	<b>\$ 18,998,444</b>	<b>\$ 118,656</b>	<b>\$1,581,511</b>	<b>\$1,220,030</b>	<b>\$ 2,920,197</b>	<b>\$ (3,833,499)</b>

\*Architectural and State Approved Budget Modifications for Subproject Reallocations  
Not Yet Finalized and Were Available at this Report Date.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS JUNE 30, 2023**

<b>Capital Assets, Net</b>	<b><u>\$ 33,140,958</u></b>
Add:	
Amounts Deferred on Refunding	446,223
Unspent Bond Proceeds	<u>1,401,836</u>
(Deduct):	
Bond Anticipation Notes	<u>(5,110,000)</u>
Payables for Capital Projects	<u>(975,203)</u>
Premium on Bonds	<u>(1,580,914)</u>
Short-Term Portion of Lease Liabilities	<u>(1,728)</u>
Long-Term Portion of Lease Liabilities	<u>(2,234)</u>
Short-Term Portion of Bonds Payable, Before Deferred Amounts	<u>(1,615,659)</u>
Long-Term Portion of Bonds Payable, Before Deferred Amounts	<u>(10,058,743)</u>
 <b>Net Investment in Capital Assets</b>	 <b><u><u>\$ 15,644,536</u></u></b>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Tioga Central School District  
Tioga Center, New York

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 Tioga Central School District (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 26, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 26, 2023



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

Board of Education  
Tioga Central School District  
Tioga Center, New York

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Tioga Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

**Basis for Opinion on Each Major Federal Program**

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

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

### **Responsibilities of Management for Compliance**

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

### **Auditors' Responsibilities for the Audit of Compliance**

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 26, 2023

# TIOGA CENTRAL SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2023

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN #	Pass - Through Grantor #	Expenditures to Subrecipients	Expenditures
<b>U.S. Department of Education</b>				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021233355	\$ -	\$ 234,029
Supporting Effective Instruction State Grants	84.367	0147223355	-	30,144
Student Support and Academic Enrichment Grants	84.424	0204223355	-	18,713
Education Stabilization Fund (ESF)				
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880213355	-	1,177,553
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5882213355	-	70,847
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5883213355	-	168,888
(COVID-19) American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5884213355	-	505,343
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5891213355	-	583,454
Total ESF			-	2,506,085
Special Education Cluster:				
Special Education - Grants to States	84.027	0032230979	-	230,104
(COVID-19) ARP - Special Education - Grants to States	84.027X	5532230979	-	48,327
Special Education - Preschool Grants	84.173	0033230979	-	9,290
(COVID-19) ARP - Special Education - Preschool Grants	84.173X	5533230979	-	5,612
Total Special Education Cluster			-	293,333
<b>Total U.S. Department of Education</b>			-	3,082,304
<b>U.S. Department of Agriculture</b>				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
National School Lunch	10.555	(1)	-	456,483
School Breakfast Program	10.553	(1)	-	164,130
Summer Food Service Program	10.559	(1)	-	14,440
Total Child Nutrition Cluster			-	635,053
Direct Programs:				
(COVID-19) Supply Chain Assistance	10.649	N/A	-	34,704
(COVID-19) Pandemic EBT Food Benefits	10.542	N/A	-	1,884
<b>Total U.S. Department of Agriculture</b>			-	671,641
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 3,753,945</b>

(1) Unknown

*See Notes to Schedule of Expenditures of Federal Awards*

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023**

***Note 1***     **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

***Note 2***     **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Uniform Guidance, *Audits of State and Local Governments*, and *Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

***Note 3***     **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The School District has elected not to use the 10% de minimis indirect cost rate.

***Note 4***     **Matching Costs**

Matching costs, such as the School District's share of certain program costs, are not included in the reported expenditures.

***Note 5***     **Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2023, the Tioga Central School District received \$53,414 worth of commodities under the National School Lunch Program (ALN #10.555).

***Note 6***     **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value and is covered by the School District's casualty insurance policies. There were no loans or loan guarantees outstanding at year end. No amounts were provided to subrecipients.

# ***TIOGA CENTRAL SCHOOL DISTRICT***

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023**

### **Section I Summary of Auditors' Results**

#### ***Financial Statements***

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified?      Yes   X   No

Significant Deficiency(ies) Identified that are not  
Considered to be Material Weakness(es)?      Yes   X   None Reported

Noncompliance Material to Financial Statements Noted?      Yes   X   No

#### ***Federal Awards***

Internal Control Over Major Programs:

Material Weakness(es) Identified?      Yes   X   No

Significant Deficiency(ies) Identified that are not  
Considered to be Material Weakness(es)?      Yes   X   None Reported

Type of Auditors' Report Issued on Compliance for Major Programs: Unmodified

Any Audit Findings Disclosed that are Required to be Reported  
in Accordance with 2 CFR §200.516(a)?      Yes   X   No

#### Identification of Major Programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425</u>	<u>Education Stabilization Fund</u>

Dollar threshold used to distinguish between Type A and Type B  
Programs: \$ 750,000

Auditee qualified as low-risk?      Yes   X   No

**Section II Financial Statement Findings** None.

**Section III Federal Award Findings and Questioned Costs** None.