

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
JUNE 30, 2024  
INCLUDING REPORTS ON FEDERAL AWARDS  
AND EXTRACLASSROOM ACTIVITY FUNDS

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
JUNE 30, 2024  
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# Nugent & Haeussler, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the President and Members  
of the Board of Education of the  
Tri-Valley Central School District  
Grahamsville, New York

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Norman M. Sassi, CPA  
Walter J. Jung, CPA

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tri-Valley Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Tri-Valley Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tri-Valley Central School District, as of June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tri-Valley Central School District's basic financial statements. The supplemental schedules are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2024 on our consideration of the Tri-Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tri-Valley Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-Valley Central School District's internal control over financial reporting and compliance.

***Nugent & Haussler PC***

Montgomery, New York  
October 7, 2024

# TRI-VALLEY CENTRAL SCHOOL DISTRICT

## **Management Discussion and Analysis**

### **Introductory Section**

The following is a discussion and analysis of Tri-Valley Central School District's financial performance for the fiscal year ended June 30, 2024. This section is a summary of the Tri-Valley Central 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. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

### **Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2024 are as follows:

- General Fund total revenues were \$355,204 more than budget.
- General Fund total expenditures and encumbrances were \$1,566,726 under budget.
- The District received federal funds for instructional programs and school lunch assistance of \$1,394,483 and \$556,475, respectively.

### **Overview of the Financial Statements**

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

TRI-VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

**Overview of the Financial Statements (Continued)**

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 District's budget for the year.

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements			
	District-Wide	Governmental Funds	
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	

## TRI-VALLEY CENTRAL SCHOOL DISTRICT

### **Management Discussion and Analysis (Continued)**

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

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. 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 statements report the District's net position and how it has changed. Net Position, the difference between the District's assets and deferred outflows and its liabilities and deferred inflows, is one way to measure the District's financial health or *Position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

#### **Fund Financial Statements**

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has one kind of fund:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided in the notes to the financial statements explains the relationship (or differences) between them.



TRI-VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

**Financial Analysis of the District as a Whole**

For the year ended June 30, 2024, net position decreased by \$126,906. The District's net position at June 30, 2024 is (\$15,063,778). The following table provides a summary of the District's net position:

	School District Activities		
	June 30, 2024	As Restated June 30, 2023	% Change
Current Assets	\$ 20,952,975	\$ 21,243,648	-1.37%
Right to Use Assets, Net	29,243	69,233	-57.76%
Capital Assets, Net	36,779,415	36,516,102	0.72%
Total Assets	<u>57,761,633</u>	<u>57,828,983</u>	-0.12%
Deferred Outflows of Resources	<u>9,661,613</u>	<u>11,934,361</u>	-19.04%
Current Liabilities	2,273,400	2,607,665	-12.82%
Net Pension Liability - Proportionate Share	2,126,894	3,185,410	-33.23%
Long-Term Debt Outstanding	61,748,034	60,132,042	2.69%
Total Liabilities	<u>66,148,328</u>	<u>65,925,117</u>	0.34%
Deferred Inflows of Resources	<u>16,338,696</u>	<u>18,775,099</u>	-12.98%
Net Position:			
Net Investment in Capital Assets	33,179,415	32,305,272	2.71%
Restricted	14,889,235	13,836,611	7.61%
Unrestricted	(63,132,428)	(61,078,755)	-3.36%
Total Net Position	<u>\$ (15,063,778)</u>	<u>\$ (14,936,872)</u>	-0.85%

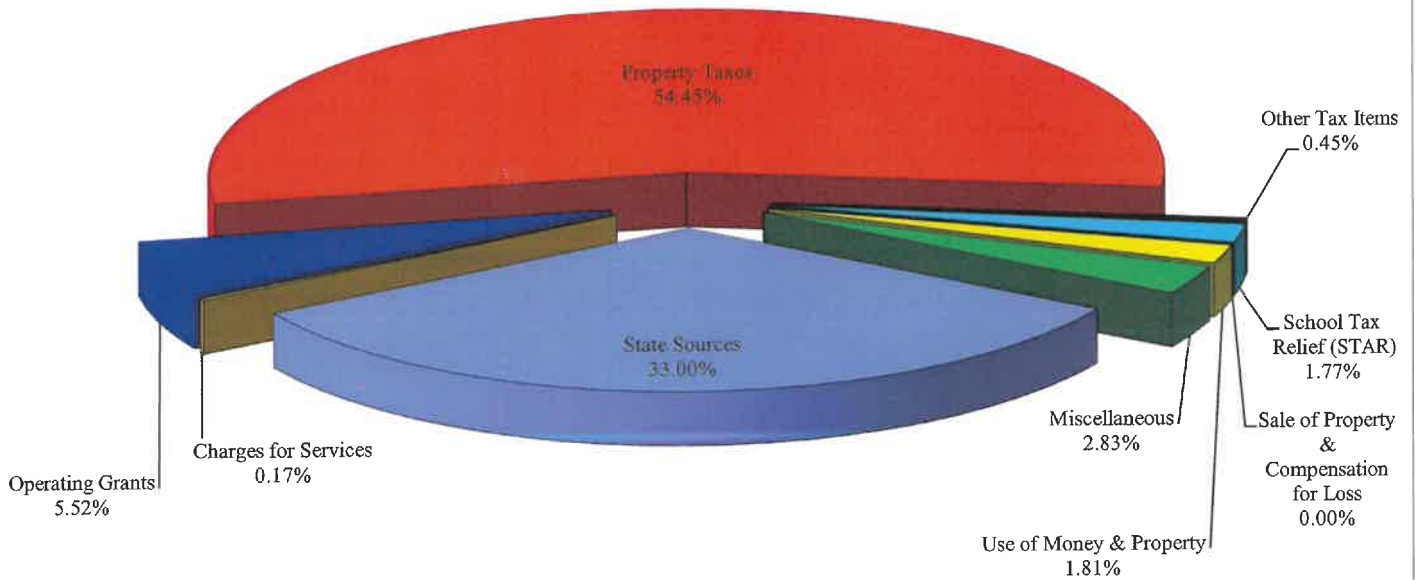
The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2024:

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
STATEMENT OF ACTIVITIES  
SUMMARY OF CHANGES IN NET POSITION

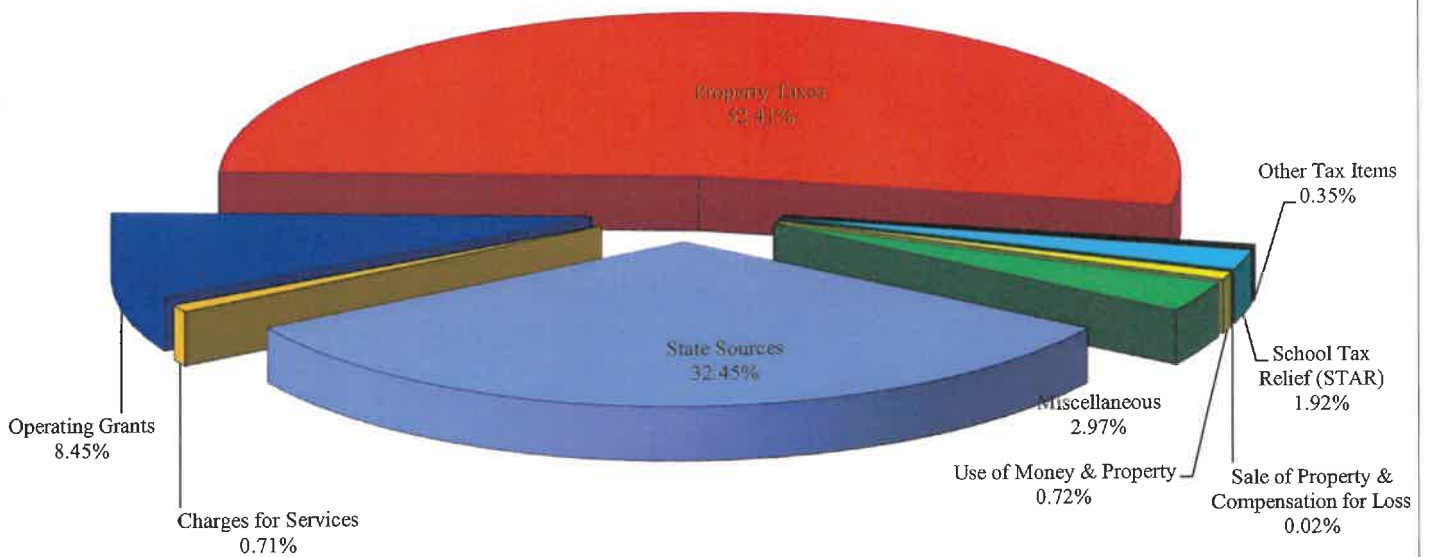
	<u>JUNE 30, 2024</u>	<u>%</u>	<u>JUNE 30, 2023</u>	<u>%</u>	<u>\$ Change</u>	<u>% Change</u>
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 63,161	0.17%	\$ 276,670	0.71%	\$ (213,509)	-77.17%
Operating Grants	2,106,773	5.52%	3,292,761	8.45%	(1,185,988)	-36.02%
GENERAL REVENUES:						
Property Taxes	20,763,370	54.45%	20,406,878	52.41%	356,492	1.75%
Other Tax Items	171,213	0.45%	136,766	0.35%	34,447	25.19%
School Tax Relief (STAR)	676,548	1.77%	747,940	1.92%	(71,392)	-9.55%
Sale of Property & Compensation for Loss	1,019	0.00%	7,957	0.02%	(6,938)	N/A
Use of Money & Property	689,083	1.81%	280,623	0.72%	408,460	145.55%
Miscellaneous	1,077,495	2.83%	1,157,225	2.97%	(79,730)	-6.89%
State Sources	12,586,379	33.00%	12,638,510	32.45%	(52,131)	-0.41%
TOTAL REVENUES	<u>38,135,041</u>	<u>100.00%</u>	<u>38,945,330</u>	<u>100.00%</u>	<u>(810,289)</u>	<u>-2.08%</u>
<u>EXPENSES</u>						
General Support	4,327,349	11.31%	3,924,299	10.61%	403,050	10.27%
Instruction	19,779,755	51.69%	19,607,668	53.00%	172,087	0.88%
Pupil Transportation	3,403,455	8.90%	3,238,007	8.75%	165,448	5.11%
Community Services	10,000	0.03%	10,000	0.03%	0	0.00%
Employee Benefits	9,110,603	23.81%	8,642,761	23.37%	467,842	5.41%
Debt Service Interest	62,125	0.16%	80,700	0.22%	(18,575)	-23.02%
Depreciation and Amortization	978,669	2.56%	912,816	2.47%	65,853	7.21%
School Lunch Program	589,991	1.54%	573,009	1.55%	16,982	2.96%
TOTAL EXPENSES	<u>38,261,947</u>	<u>100.00%</u>	<u>36,989,260</u>	<u>100.00%</u>	<u>1,272,687</u>	<u>3.44%</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ (126,906)</u>		<u>\$ 1,956,070</u>		<u>\$ (2,082,976)</u>	

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK

**SOURCES OF REVENUES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

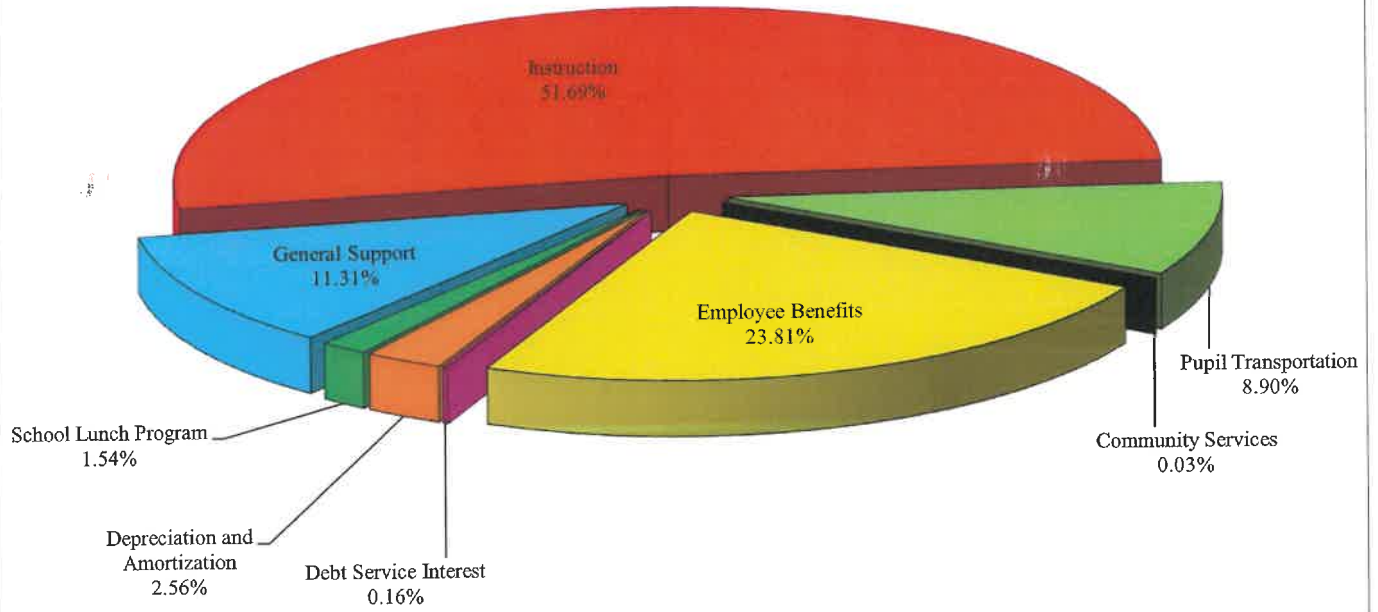


**SOURCES OF REVENUES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

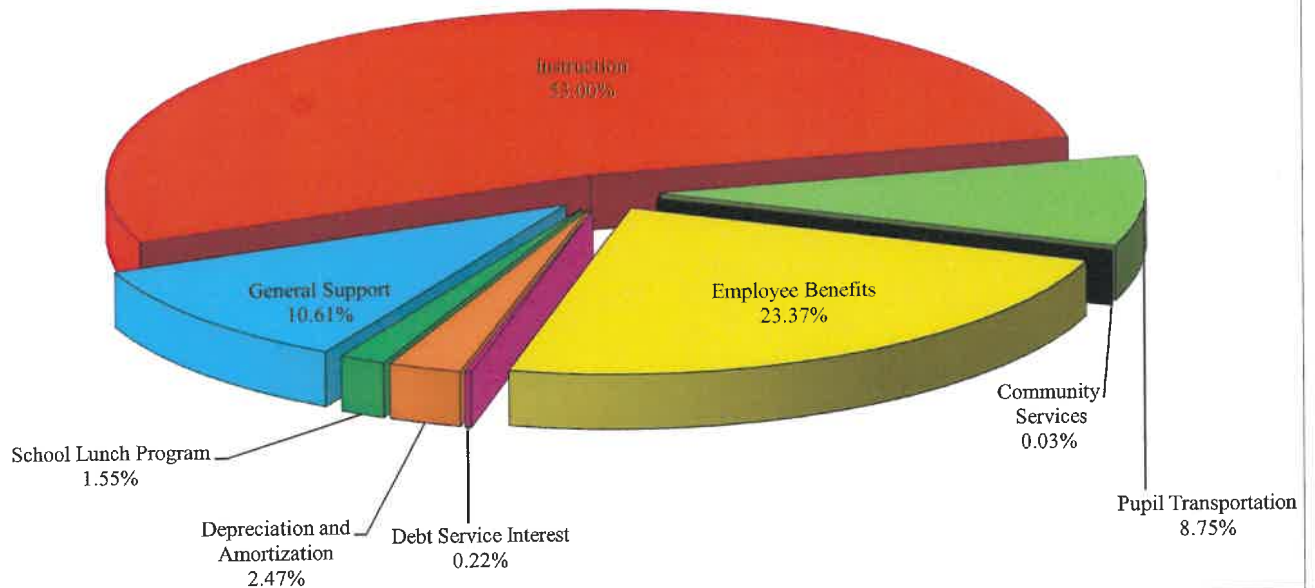


TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK

**EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

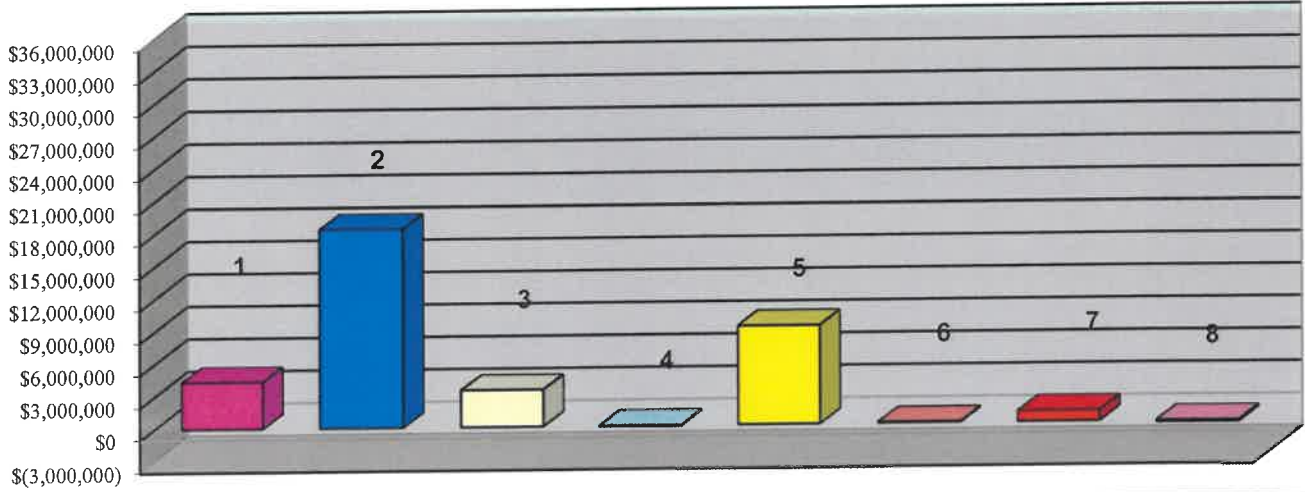


TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
STATEMENT OF ACTIVITIES  
NET COSTS

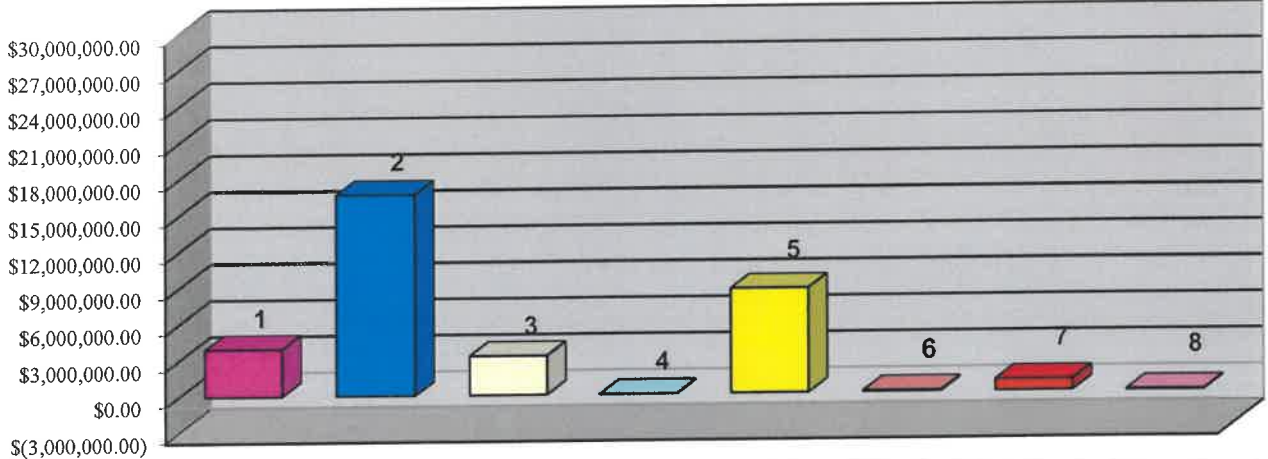
The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024	TOTAL COST OF SERVICES 2022-2023	NET COST OF SERVICES 2022-2023
General Support	1	\$ 4,327,349	\$ 4,327,349	\$ 3,924,299	\$ 3,924,299
Instruction	2	19,779,755	18,377,137	19,607,668	16,652,827
Pupil Transportation	3	3,403,455	3,403,455	3,238,007	3,238,007
Community Services	4	10,000	10,000	10,000	10,000
Employee Benefits	5	9,110,603	9,110,603	8,642,761	8,642,761
Debt Service - Interest	6	62,125	62,125	80,700	80,700
Depreciation	7	978,669	978,669	912,816	912,816
School Lunch Program	8	589,991	(177,325)	573,009	(41,581)
		<u>\$ 38,261,947</u>	<u>\$ 36,092,013</u>	<u>\$ 36,989,260</u>	<u>\$ 33,419,829</u>

**NET COSTS 2023-2024**



**NET COSTS 2022-2023**



TRI-VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

**Financial Analysis of the District's Funds**

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue, Debt Service Fund and Capital Projects Fund. The total fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2024			
	Nonspendable	Restricted	Assigned	Unassigned
General	\$ 0	\$ 13,712,263	\$ 2,301,862	\$ 1,490,947
Special Aid	0	0	0	0
School Lunch	0	930,813	0	0
Miscellaneous Special Revenue	0	97,230	0	0
Capital Projects	0	53,735	0	0
Debt Service	0	95,194	0	0
	\$ 0	\$ 14,889,235	\$ 2,301,862	\$ 1,490,947

	June 30, 2023			
	Nonspendable	Restricted	Assigned	Unassigned
General	\$ 0	\$ 12,771,757	\$ 2,274,628	\$ 2,527,338
Special Aid	0	0	0	0
School Lunch	0	744,827	0	0
Miscellaneous Special Revenue	0	89,178	0	0
Capital Projects	0	137,635	0	0
Debt Service	0	93,214	0	0
	\$ 0	\$ 13,836,611	\$ 2,274,628	\$ 2,527,338

General Fund Budgetary Highlights

In the General Fund for the fiscal year ended June 30, 2024, actual revenues were more than revised budgeted revenues by \$355,204.

Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$1,566,726. As tough economic times continued to affect both State Aid and local taxpayer funding, the District continued to maintain fiscal restraints on all purchases.

For fiscal year 2024-2025, the District has appropriated \$2,017,815 of unappropriated fund balance to reduce the 2024-2025 tax levy.

Factors that continue to affect the budget process are as follows:

- Increasing salaries and employee benefit costs (i.e. health insurance and retirement benefits, etc.).
- Increasing contractual costs (transportation and BOCES, etc.).
- Unfunded State mandates.

Management believes that the budget adopted for 2024-2025 is reasonably adaptable to any adverse changes that may arise based on the above factors.

TRI-VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

Other Fund Highlights

The School Lunch Fund ended the year with a fund balance of \$930,813. The revenues exceeded expenditures by \$185,986. The District plans to use the fund balance to replace aging food service equipment and improve future operations.

The Miscellaneous Special Revenue Fund ended the year with a fund balance of \$97,230. Expenditures were less than revenues by \$8,052.

The Capital Projects Fund ended the year with a fund balance of \$53,735.

The Debt Service Fund ended the year with a restricted fund balance of \$95,194.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2024, was \$36,808,658. The total increase in this net investment was 1.47% for the District as a whole (see schedule below). The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2023 was \$32,274,505. The District expended \$1,201,992 to acquire and construct capital assets during the fiscal year ended June 30, 2024, and depreciation and amortization expense for the fiscal year was \$978,669.

CAPITAL ASSETS

Net of Accumulated Depreciation and Amortization

	<u>School District Activities</u>		<u>% Change</u>
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	
<u>Non-Depreciable Assets:</u>			
Land	\$ 93,000	\$ 93,000	0.00%
Construction in Progress	11,315,379	10,343,414	9.40%
<u>Depreciable Assets:</u>			
Building and Improvements	24,176,374	24,834,057	-2.65%
Furniture and Equipment	1,194,662	934,801	27.80%
<u>Amortizable Assets:</u>			
Equipment	29,243	69,233	-57.76%
<b>TOTALS</b>	<u><u>\$ 36,808,658</u></u>	<u><u>\$ 36,274,505</u></u>	1.47%

TRI-VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

Long-Term Debt

At the end of the fiscal year, the District had total debt outstanding of \$3,600,000. This amount is backed by the full faith and credit of the Tri-Valley Central School District with debt service fully funded by voter approved property taxes. Activity in debt outstanding during the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Serial Bonds	\$ 3,900,000	\$ 0	\$ 300,000	\$ 3,600,000

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of Aa3 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Assistant Superintendent for Business at the school's business offices at 34 Moore Hill Rd., Grahamsville, New York, 12740.



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024

<u>ASSETS</u>	
Unrestricted Cash	\$ 4,922,112
Restricted Cash	14,340,549
State & Federal Aid Receivable	1,186,008
Due from Other Governments	504,306
Right to Use Assets, Net	29,243
Non Depreciable Capital Assets	11,408,379
Capital Assets, Net	25,371,036
TOTAL ASSETS	<u>57,761,633</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pensions	6,124,902
Other Postemployment Benefits	3,536,711
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>9,661,613</u>
 <u>LIABILITIES</u>	
Accounts Payable	744,228
Accrued Liabilities	52,270
Due to Other Governments	150
Deferred Revenues	61,675
Due to Teachers' Retirement System	1,281,876
Due to Employees' Retirement System	133,201
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	300,000
Due and Payable In More Than One Year:	
Bonds Payable	3,300,000
Net Pension Liability - Proportionate Share	2,126,894
Compensated Absences	1,271,391
Other Postemployment Benefits	56,876,643
TOTAL LIABILITIES	<u>66,148,328</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pensions	1,104,622
Other Postemployment Benefits	15,234,074
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>16,338,696</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	33,179,415
Restricted	14,889,235
Unrestricted	(63,132,428)
TOTAL NET POSITION	<u>\$ (15,063,778)</u>

See notes to financial statement.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	PROGRAM REVENUES			
FUNCTIONS & PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
General Support	\$ (5,895,976)	\$ 0	\$ 0	\$ (5,895,976)
Instruction	(27,140,345)	0	1,402,618	(25,737,727)
Pupil Transportation	(4,534,151)	0	0	(4,534,151)
Community Services	(10,000)	0	0	(10,000)
Debt Service - Interest	(62,125)	0	0	(62,125)
School Lunch Program	(619,351)	63,161	704,155	147,965
TOTAL FUNCTIONS & PROGRAMS	\$ (38,261,947)	\$ 63,161	\$ 2,106,773	(36,092,013)
<u>GENERAL REVENUES</u>				
Real Property Taxes				20,763,370
Other Tax Items				847,761
Use of Money & Property				689,083
Sale of Property & Compensation for Loss				1,019
Miscellaneous				1,019,432
State Sources				12,586,379
Federal Sources				58,063
TOTAL GENERAL REVENUES				35,965,107
CHANGE IN NET POSITION				(126,906)
NET POSITION, BEGINNING OF YEAR, (As Restated)				(14,936,872)
NET POSITION, END OF YEAR				\$ (15,063,778)

See notes to financial statement

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
Unrestricted Cash	\$ 4,886,293	\$ 35,819	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,922,112
Restricted Cash	13,712,263	0	487,840	97,230	43,216	0	14,340,549
State & Federal Aid Receivable	413,796	721,244	50,968	0	0	0	1,186,008
Due from Other Governments	504,306	0	0	0	0	0	504,306
Due from Other Funds	9,208,530	215,900	439,410	0	74,081	95,194	10,033,115
<b>TOTAL ASSETS</b>	<b>\$ 28,725,188</b>	<b>\$ 972,963</b>	<b>\$ 978,218</b>	<b>\$ 97,230</b>	<b>\$ 117,297</b>	<b>\$ 95,194</b>	<b>\$ 30,986,090</b>
<b>LIABILITIES &amp; FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 603,930	\$ 98,434	\$ 41,864	\$ 0	\$ 0	\$ 0	\$ 744,228
Accrued Liabilities	49,093	708	0	0	0	0	49,801
Due to Other Governments	0	0	150	0	0	0	150
Due to Other Funds	9,152,016	817,537	0	0	63,562	0	10,033,115
Deferred Revenues	0	56,284	5,391	0	0	0	61,675
Due to Teachers' Retirement System	1,281,876	0	0	0	0	0	1,281,876
Due to Employees' Retirement System	133,201	0	0	0	0	0	133,201
<b>TOTAL LIABILITIES</b>	<b>11,220,116</b>	<b>972,963</b>	<b>47,405</b>	<b>0</b>	<b>63,562</b>	<b>0</b>	<b>12,304,046</b>
<b>FUND BALANCES</b>							
Restricted	13,712,263	0	930,813	97,230	53,735	95,194	14,889,235
Assigned	2,301,862	0	0	0	0	0	2,301,862
Unassigned	1,490,947	0	0	0	0	0	1,490,947
<b>TOTAL FUND BALANCES</b>	<b>17,505,072</b>	<b>0</b>	<b>930,813</b>	<b>97,230</b>	<b>53,735</b>	<b>95,194</b>	<b>18,682,044</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 28,725,188</b>	<b>\$ 972,963</b>	<b>\$ 978,218</b>	<b>\$ 97,230</b>	<b>\$ 117,297</b>	<b>\$ 95,194</b>	<b>\$ 30,986,090</b>

See notes to financial statement.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
<b>ASSETS</b>				
Unrestricted Cash	\$ 4,922,112	\$ 0	\$ 0	\$ 4,922,112
Restricted Cash	14,340,549	0	0	14,340,549
State & Federal Aid Receivable	1,186,008	0	0	1,186,008
Due from Other Governments	504,306	0	0	504,306
Due from Other Funds	10,033,115	0	(10,033,115)	0
Right to Use Assets, Net	0	29,243	0	29,243
Non Depreciable Capital Assets	0	11,408,379	0	11,408,379
Capital Assets, Net	0	25,371,036	0	25,371,036
<b>TOTAL ASSETS</b>	<b>30,986,090</b>	<b>36,808,658</b>	<b>(10,033,115)</b>	<b>57,761,633</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	0	6,124,902	0	6,124,902
Other Postemployment Benefits	0	3,536,711	0	3,536,711
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0</b>	<b>9,661,613</b>	<b>0</b>	<b>9,661,613</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 30,986,090</b>	<b>\$ 46,470,271</b>	<b>\$ (10,033,115)</b>	<b>\$ 67,423,246</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 744,228	\$ 0	\$ 0	\$ 744,228
Accrued Liabilities	49,801	2,469	0	52,270
Due to Other Governments	150	0	0	150
Due to Other Funds	10,033,115	0	(10,033,115)	0
Deferred Revenues	61,675	0	0	61,675
Due to Teachers' Retirement System	1,281,876	0	0	1,281,876
Due to Employees' Retirement System	133,201	0	0	133,201
Net Pension Liability - Proportionate Share	0	2,126,894	0	2,126,894
Bonds and Notes Payable	0	3,600,000	0	3,600,000
Compensated Absences	0	1,271,391	0	1,271,391
Other Postemployment Benefits	0	56,876,643	0	56,876,643
<b>TOTAL LIABILITIES</b>	<b>12,304,046</b>	<b>63,877,397</b>	<b>(10,033,115)</b>	<b>66,148,328</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	0	1,104,622	0	1,104,622
Other Postemployment Benefits	0	15,234,074	0	15,234,074
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>0</b>	<b>16,338,696</b>	<b>0</b>	<b>16,338,696</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>12,304,046</b>	<b>80,216,093</b>	<b>(10,033,115)</b>	<b>82,487,024</b>
<b>FUND BALANCES / NET POSITION</b>	<b>18,682,044</b>	<b>(33,745,822)</b>	<b>0</b>	<b>(15,063,778)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES / NET POSITION</b>	<b>\$ 30,986,090</b>	<b>\$ 46,470,271</b>	<b>\$ (10,033,115)</b>	<b>\$ 67,423,246</b>

See notes to financial statement.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>							
Real Property Taxes	\$ 20,763,370	\$ 0	0	\$ 0	0	\$ 0	\$ 20,763,370
Other Tax Items	847,761	0	0	0	0	0	847,761
Charges for Services	536	0	0	0	0	0	536
Use of Money & Property	678,196	0	8,661	246	0	1,980	689,083
Sale of Property & Compensation for Loss	1,019	0	0	0	0	0	1,019
Miscellaneous	850,942	7,601	117	168,488	0	0	1,027,148
State Sources	11,855,326	731,053	147,680	0	0	0	12,734,059
Federal Sources	58,063	1,394,483	556,475	0	0	0	2,009,021
Sales	0	0	63,044	0	0	0	63,044
<b>TOTAL REVENUES</b>	<b>35,055,213</b>	<b>2,133,137</b>	<b>775,977</b>	<b>168,734</b>	<b>0</b>	<b>1,980</b>	<b>38,135,041</b>
<b>EXPENDITURES</b>							
General Support	4,279,770	0	0	0	0	0	4,279,770
Instruction	17,354,434	2,225,049	0	160,682	0	0	19,740,165
Pupil Transportation	3,403,455	0	0	0	0	0	3,403,455
Community Services	10,000	0	0	0	0	0	10,000
Employee Benefits	8,733,404	574	0	0	0	0	8,733,978
Debt Service:							
Principal	300,000	0	0	0	0	0	300,000
Interest	62,250	0	0	0	0	0	62,250
Cost of Sales	0	0	589,991	0	0	0	589,991
Capital Outlay	0	0	0	0	971,965	0	971,965
<b>TOTAL EXPENDITURES</b>	<b>34,143,313</b>	<b>2,225,623</b>	<b>589,991</b>	<b>160,682</b>	<b>971,965</b>	<b>0</b>	<b>38,091,574</b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	<b>911,900</b>	<b>(92,486)</b>	<b>185,986</b>	<b>8,052</b>	<b>(971,965)</b>	<b>1,980</b>	<b>43,467</b>
<b>OTHER SOURCES &amp; USES</b>							
Operating Transfers In	0	92,486	0	0	888,065	0	980,551
Operating Transfers (Out)	(980,551)	0	0	0	0	0	(980,551)
<b>TOTAL OTHER SOURCES &amp; USES</b>	<b>(980,551)</b>	<b>92,486</b>	<b>0</b>	<b>0</b>	<b>888,065</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) REVENUES &amp; OTHER SOURCES OVER EXPENDITURES &amp; OTHER USES</b>	<b>(68,651)</b>	<b>0</b>	<b>185,986</b>	<b>8,052</b>	<b>(83,900)</b>	<b>1,980</b>	<b>43,467</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>17,573,723</b>	<b>0</b>	<b>744,827</b>	<b>89,178</b>	<b>137,635</b>	<b>93,214</b>	<b>18,638,577</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 17,505,072</b>	<b>\$ 0</b>	<b>\$ 930,813</b>	<b>\$ 97,230</b>	<b>\$ 53,735</b>	<b>\$ 95,194</b>	<b>\$ 18,682,044</b>

See notes to financial statement.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
<b>REVENUES</b>						
Real Property Taxes	\$ 20,763,370	\$ 0	\$ 0	\$ 0	0	\$ 20,763,370
Other Tax Items	847,761	0	0	0	0	847,761
Charges for Services	536	0	0	0	0	536
Use of Money & Property	689,083	0	0	0	0	689,083
Sale of Property & Compensation for Loss	1,019	0	0	0	0	1,019
Miscellaneous	1,027,148	0	0	0	0	1,027,148
State Sources	12,734,059	0	0	0	0	12,734,059
Federal Sources	2,009,021	0	0	0	0	2,009,021
Sales	63,044	0	0	0	0	63,044
<b>TOTAL REVENUES</b>	<b>38,135,041</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,135,041</b>
<b>EXPENDITURES</b>						
General Support	4,279,770	47,579	146,800	0	1,421,826	5,895,976
Instruction	19,740,165	269,617	802,509	0	6,328,054	27,140,345
Pupil Transportation	3,403,455	0	0	0	1,130,696	4,534,151
Community Services	10,000	0	0	0	0	10,000
Employee Benefits	8,733,978	376,625	0	0	(9,110,603)	0
Debt Service:						
Principal	300,000	0	0	(300,000)	0	0
Interest	62,250	(125)	0	0	0	62,125
Cost of Sales	589,991	0	29,360	0	0	619,351
Capital Outlay	971,965	0	(1,201,992)	0	230,027	0
<b>TOTAL EXPENDITURES</b>	<b>38,091,574</b>	<b>693,696</b>	<b>(223,323)</b>	<b>(300,000)</b>	<b>0</b>	<b>38,261,947</b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	<b>43,467</b>	<b>(693,696)</b>	<b>223,323</b>	<b>300,000</b>	<b>0</b>	<b>(126,906)</b>
<b>OTHER SOURCES &amp; USES</b>						
Operating Transfers In	980,551	0	0	0	(980,551)	0
Operating Transfers (Out)	(980,551)	0	0	0	980,551	0
<b>TOTAL OTHER SOURCES &amp; USES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE FOR THE YEAR</b>	<b>\$ 43,467</b>	<b>\$ (693,696)</b>	<b>\$ 223,323</b>	<b>\$ 300,000</b>	<b>\$ 0</b>	<b>\$ (126,906)</b>

See notes to financial statement

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

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

A. Reporting Entity

The Tri-Valley Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue Fund.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

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

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

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

During the year ended June 30, 2024, the Tri-Valley Central School District was billed \$3,785,341 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$836,155. Financial statements for BOCES are available from the BOCES administrative office at Wierk Ave., Liberty, New York 12754.

C. Basis of Presentation

1. District-Wide Statements

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

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



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

The fund statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major 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 that are restricted for specific educational programs.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for the Scholarship and Extraclassroom Activity Funds.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup> and became a lien on September 1, 2023. Taxes were collected by the District during the period September 1, 2023 through November 1, 2023.

Uncollected real property taxes are subsequently enforced by Sullivan County. Sullivan County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions

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

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported 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, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in 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 United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

J. Accounts Receivable

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

K. 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 market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. A reserve for these non-liquid assets has been recognized in the School Lunch Fund to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for 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.

L. Other Assets/Restricted Assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

M. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The District reports deferred outflows related to pensions. For additional information on these deferred outflows related to pensions, see Note 8. The second deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 10.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The District reports deferred inflows of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 8.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

M. Deferred Outflows and Inflows of Resources (Continued)

The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits, see Note 10.

N. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction-in-process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 0	N/A	N/A
Buildings and Improvements	10,000	Straight Line	15 - 50 years
Furniture and Equipment	5,000	Straight Line	5 - 20 years
Vehicles	5,000	Straight Line	5 - 20 years

O. Right to Use Assets

A right to use asset is a lessee's right to use an asset over the life of the lease. Right use to assets are reported at present value.

P. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Unearned revenues recorded in governmental funds are typically adjusted prior to inclusion in the District-wide statements.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Vested Employee Benefits

1. Compensated Absences

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

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

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds 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.

2. Other Benefits

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 District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), 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 RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision 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.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Short-Term Debt (Continued)

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

The 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 year. The deficiency notes may mature no later than the close of the year following the year in which they were issued. However, they may mature no later than the close of the second fiscal year after the year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the year following the year in which they were issued.

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

1. District-wide Statements

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

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

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

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

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements

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

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District did not classify any of its fund balances as nonspendable as of June 30, 2024.

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

Tax Certiorari Reserve

Tax Certiorari Reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the General fund.

Unemployment Insurance Reserve

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

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-1) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Capital Reserve

According to Education Law §3651 must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the Capital Fund under Restricted Fund Balance.

Workers' Compensation Reserve

According to General Municipal Law §6-j must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General Fund under Restricted Fund Balance.

Employee Benefit Accrued Liability Reserve

According to General Municipal Law §6-p must be used 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. The reserve is accounted for in the General Fund under Restricted Fund Balance.

Repair Reserve

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

- T. Equity Classifications (Continued)  
 2. Funds Statements (Continued)

Retirement Contribution Reserve

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

Insurance Loss Reserve

According to General Municipal Law §6-2, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity, and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund

Restricted fund balance at June 30, 2024 consisted of:

General Fund:	
Unemployment Insurance Reserve	\$ 198,853
Workers Comp Reserve	999,839
Capital Reserve	2,646,751
Repair Reserve	1,385,424
Retirement Contribution Reserve	281,407
Insurance Loss Reserve	6,858,826
Employee Benefit Reserve	1,341,163
School Lunch Fund	930,813
Miscellaneous Special Revenue	97,230
Capital Fund	53,735
Debt Service Fund	95,194
Total Restricted Fund Balance	\$ 14,889,235

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2024.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Limitation on Unexpended Surplus Funds:

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

U. New Accounting Standards

GASB has issued Statement 99, Omnibus 2022, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has implemented GASB Statement 99, as required.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. New Accounting Standards (Continued)

GASB has issued Statement 100, Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District has implemented GASB Statement 100, as required.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. Future Changes in Accounting Standards

GASB has issued Statement 101, Compensated Absences, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

GASB has issued Statement 102, Certain Risk Disclosures, the objective of this Statement is to provide users of governmental financial statements with essential information about risk related to government's vulnerabilities due to certain concentrations or constraints. The Statement requires a government that reports a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event or events that could have a substantial impact, have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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

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

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

- The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2024 were as follows:

Original Cost of Capital Assets	\$ 55,449,037
Accumulated Depreciation	<u>(18,669,622)</u>
	<u>\$ 36,779,415</u>

- The cost of right to use assets (equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with their present value capitalized and amortization expensed annually over the life of the lease. The balances at June 30, 2024 are as follows:

Original Cost of Right to Use Assets	\$ 361,225
Accumulated Amortization	<u>(331,982)</u>
	<u>\$ 29,243</u>

- Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expensed when it is due, and thus requires the use of current financial resources. This liability at June 30, 2024 was as follows:

Accrued Interest	\$ 2,469
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TRI-VALLEY CENTRAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:  
(Continued)

4. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2024 were as follows:

Bonds Payable	\$ 3,600,000
Compensated Absences	1,271,391
Deferred Outflows of Resources - OPEB	(3,536,711)
Other Postemployment Benefits	56,876,643
Deferred Inflows of Resources - OPEB	15,234,074
	\$ 73,445,397

5. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2024 were as follows:

Deferred Outflow of Resources - Pensions	\$ 6,124,902
Net Pension Liability - Proportionate Share	(2,126,894)
Deferred Inflow of Resources - Pensions	(1,104,622)
	\$ 2,893,386

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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

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

1. Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Pension Plan Transaction Differences

Pension plan transaction differences occur as a result of changes in the District’s proportion of the collective net pension asset/liability and differences between the District’s contributions and its proportionate share of the total contributions to the pension systems.

5. Other Post Employment Benefit (OPEB) Related Differences

OPEB differences occur as a result of changes in the District’s total OPEB liability and differences between the District’s contributions and OPEB expense.



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities: (Continued)

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues

Total revenues reported in governmental funds (Schedule 5)	\$ 38,135,041
Differences	<u>0</u>
Total revenues in the Statement of Activities (Schedule 2)	<u>\$ 38,135,041</u>

Total Expenditures

Total expenditures reported in governmental funds (Schedule 5)	\$ 38,091,574
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$1,201,992 were more than depreciation of \$938,679 in the current year.	(263,313)
When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets is capitalized and the expense is allocated over their lease term and reported as amortization expense. This is the amount by which amortization of \$39,990 was more than the present value of right to use assets of \$0 purchased in the current year.	39,990

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:  
(Continued)

Explanation of Differences between Governmental Funds Operating Statement  
and the Statement of Activities

In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	(724,877)
In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The amount by which compensated absences earned exceeded the amount used during the year was \$317,196.	317,196
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year is less than the interest payable last year.	(125)
In the Statement of Activities and Changes in Net Position, pension expense related to ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was more than the amount of financial resources expended during the year.	1,101,502

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities: (Continued)

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Repayment of bond principal of \$300,000 reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	<u>(300,000)</u>
Total expenses in the Statement of Activities (Schedule 2)	<u>\$ 38,261,947</u>

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

- The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #5.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 3. STEWARDSHIP AND COMPLIANCE. (Continued)

A. Budgets (Continued)

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

B. Encumbrances

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

C. Other Stewardship and Compliance Matters

The District was in compliance with all legal and contractual provisions for the fiscal year.

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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

The District’s aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	0.
Collateralized with securities held by the pledging financial institution, or or its trust department or agent, but not in the District’s name	\$	20,962,840.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$14,340,549 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 5. CAPITAL ASSETS.

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 93,000	\$ 0	\$ 0	\$ 93,000
Construction in Progress	10,343,414	971,965	0	11,315,379
Total Nondepreciable Assets	<u>10,436,414</u>	<u>971,965</u>	<u>0</u>	<u>11,408,379</u>
Capital assets that are depreciated:				
Buildings and Improvements	41,248,577	0	11,603	41,260,180
Furniture & Equipment	2,219,926	230,027	330,525	2,780,478
Total Depreciable Assets	<u>43,468,503</u>	<u>230,027</u>	<u>342,128</u>	<u>44,040,658</u>
Accumulated Depreciation:				
Buildings and Improvements	(16,414,520)	(668,585)	(701)	(17,083,806)
Furniture & Equipment	(1,285,125)	(270,094)	(30,597)	(1,585,816)
	<u>(17,699,645)</u>	<u>(938,679)</u>	<u>(31,298)</u>	<u>(18,669,622)</u>
Capital Assets, Net	<u>\$ 36,205,272</u>	<u>\$ 263,313</u>	<u>\$ 310,830</u>	<u>\$ 36,779,415</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 140,802
Instruction	769,717
Cost of Sales	28,160
Total Depreciation	<u>\$ 938,679</u>

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 6. RIGHT TO USE ASSETS.

Right to use asset balances and activity for the year ended June 30, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Right to use assets that are amortized:				
Furniture & Equipment	\$ 820,817	\$ 0	\$ (459,592)	\$ 361,225
Accumulated Amortization:				
Furniture & Equipment	<u>(751,584)</u>	<u>(39,990)</u>	<u>459,592</u>	<u>(331,982)</u>
Right to Use Assets, Net	<u>\$ 69,233</u>	<u>\$ (39,990)</u>	<u>\$ 0</u>	<u>\$ 29,243</u>

Amortization expense was charged to governmental functions as follows:

General Support	\$ 5,999
Instruction	32,792
Cost of Sales	<u>1,200</u>
Total Amortization	<u>\$ 39,990</u>

NOTE 7. LONG-TERM LIABILITIES.

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid/ Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
Bonds Payable	\$ 3,900,000	\$ 0	\$ 300,000	\$ 3,600,000	\$ 300,000
Other Liabilities:					
Compensated Absences	954,194	317,197	0	1,271,391	0
Other Postemployment Benefits	55,277,848	4,151,480	2,552,685	56,876,643	0
Net Pension Liability - Proportionate Share	3,185,410	0	1,058,516	2,126,894	0
Total Long-Term Liabilities	<u>\$ 63,317,452</u>	<u>\$ 4,468,677</u>	<u>\$ 3,911,201</u>	<u>\$ 63,874,928</u>	<u>\$ 300,000</u>

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 7. LONG-TERM LIABILITIES. (Continued)

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Existing serial bond and installment purchase obligations are as follows:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
2021 Bond Issue	07/01/21	06/15/36	Var.	\$ 3,600,000

The following is a summary of maturing debt service requirements:

<u>For the Year Ended June 30,</u>	<u>Bonds and Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 300,000	\$ 59,250
2026	300,000	56,250
2027	300,000	53,250
2028	300,000	50,250
2029	300,000	46,500
2030 - 2034	1,500,000	150,000
2035 - 2039	600,000	18,000
TOTAL	<u>\$ 3,600,000</u>	<u>\$ 433,500</u>

Interest on long-term debt for the year was composed of:

Interest paid	\$ 62,250
Less: Interest accrued in the prior year	(2,594)
Plus: Interest accrued in the current year	<u>2,469</u>
Total interest expense	<u>\$ 62,125</u>

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary 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. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php).

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System's website located at [www.nystrs.org](http://www.nystrs.org).

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

*Tiers 3, 4, and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% greater than average of the previous four years.

*Special Plans*

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

*Disability Retirement Benefits*

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members' tier, years of service, and plan.

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

*Tier 1*

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

*Tier 2*

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

*Tier 3*

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

*Tier 4*

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

*Tier 5*

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

*Tier 6*

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

*Service Retirements*

Tier 1 and 2 members are generally eligible for a service retirement benefit of 2.0% per year of credited service times final average salary (FAS). A 5% reduction generally applies for each full year of state service under 20 years (prorated for partial years with a maximum reduction of 50%). Tier 1 and 2 members may retire as early as age 55 with five or more years of state service credit. Retirement may also occur for Tier 1 members at age 55 with less than five years of service if two years are credited since July 1, 1967, after the current membership date, and since the member turned age 53.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

*Service Retirements* (Continued)

Generally, the maximum pension payable to Tier 1 and 2 members (with two years of credit under the Article 19 Benefit Enhancement law) is 79% of FAS. An age factor applies to Tier 2 members who retire before age 62 with less than 30 years of service. There is no age factor for Tier 1 members.

Tier 3 and 4 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 2.0% per year for 20 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 3 and 4 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 3 and 4 members who retire before age 62 with less than 30 years of service.

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2.0% per year for 25 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 10 years of state service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 10 years of state service credit. An age factor applies for Tier 6 members who retire before age 63.

*Vested Benefits*

Retirement benefits for Tiers 1-6 are vested after five years of credited. Prior to April 9, 2022, Tiers 5-6 members needed to attain 10 years of state service credited to be vested. Benefits are payable at age 55 or greater with the limitations noted for service retirements above.

*Disability Retirement*

Members are eligible for disability retirement benefits after 10 years of credited New York State service, except for Tier 3 where disability retirement is permissible after five years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

*Death Benefits*

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

*Prior and Military Service*

After two years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

*Tier Reinstatement*

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and tier of membership.

*Permanent Cost of Living Adjustment (COLA)*

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for five years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for five years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI) not to exceed 3.0% nor be lower than 1.0%. It is applied to the first \$18,000 of the maximum annual benefit. The applicable percentage payable beginning September 2022 is 3.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of \$17,500 for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the Consumer Price Index (CPI) with a maximum per annum increase of 3.0%.

Contributions

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

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

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2023 - 2024	\$ 1,095,834	\$ 445,140
2022 - 2023	\$ 1,037,491	\$ 371,981
2021 - 2022	\$ 961,933	\$ 506,382

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined.

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	3/31/2024	6/30/2023
Net Pension asset/(liability)	\$ (1,467,490)	\$ (659,404)
District's Portion of the Plan's total net pension asset/(liability)	0.0099666%	0.0576610%

At March 31, 2024, the District's proportion of the NYSERS net pension liability/(asset) was .0099666%, which was an increase of .004596% from its proportion measured as of March 31, 2023.

At June 30, 2023, the District's proportion of the NYSTRS net pension liability/(asset) was .05976%, which was a decrease of .002099% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District's recognized pension expense of \$726,932 for ERS and \$1,933,432 for TRS in the government-wide financial statements. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 472,677	\$ 1,598,878	\$ 2,071,555
Changes of Assumptions	554,825	1,419,676	1,974,501
Net difference between projected and actual earnings on pension plan investments	0	337,074	337,074
Changes in proportion and difference between the District's contributions and proportionate share of contributions	199,773	126,922	326,695
District's contributions subsequent to the measurement date	133,201	1,281,876	1,415,077
Total	\$ 1,360,476	\$ 4,764,426	\$ 6,124,902

	Deferred Inflows or Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 40,015	\$ 3,951	\$ 43,966
Changes of Assumptions	0	309,411	309,411
Net difference between projected and actual earnings on pension plan investments	716,861	0	716,861
Changes in proportion and difference between the District's contributions and proportionate share of contributions	0	34,384	34,384
District's contributions subsequent to the measurement date	0	0	0
Total	\$ 756,876	\$ 347,746	\$ 1,104,622

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended 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:

Year Ended:	<u>ERS</u>	<u>TRS</u>
2024	\$ 188,303	\$ (303,447)
2025	(339,490)	328,519
2026	(457,567)	(2,664,375)
2027	138,354	(211,743)
2028	0	(173,186)
Thereafter	0	(110,573)

Actuarial Assumptions

The total ERS pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The total TRS pension liability at June 30, 2023 was determined by using an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. These actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the actuarial valuations referred to above were as follows:

	<u>ERS</u>	<u>TRS</u>										
Measurement Date	March 31, 2024	June 30, 2023										
Inflation Rate	2.9%	2.4%										
Projected Salary Increases	4.4%	Rates of increase differ based on service.										
		<table> <thead> <tr> <th style="text-align: center;"><u>Service</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">5.18%</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">3.64%</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">2.50%</td> </tr> <tr> <td style="text-align: center;">35</td> <td style="text-align: center;">1.95%</td> </tr> </tbody> </table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>											
5	5.18%											
15	3.64%											
25	2.50%											
35	1.95%											
Investment Rate of Return	5.9% compounded annually, net of investment expenses	6.95% compounded annually, net of pension plan investment expense, including inflation										
Decrement	Actuarial experience study for the period April 1, 2015 to March 31, 2020	Actuarial experience study for the period July 1, 2015 to June 30, 2020										
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021										



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differs from financial statement presentation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS		Measurement Date	TRS	
	March 31, 2024	Long-term		June 30, 2023	Long-term
	Target	expected real		Long-term	
	Allocation	rate of return		expected real	
				rate of return	
<u>Asset Class:</u>			<u>Asset Class:</u>		
Domestic Equity	32%	4.00%	Domestic Equity	33%	6.80%
International Equity	15%	6.65%	International Equity	15%	7.60%
Private Equity	10%	7.25%	Global Equity	4%	7.20%
Real Estate	9%	4.60%	Real Estate Equity	11%	6.30%
Opportunistic/ARS Portfolio	3%	5.25%	Private Equity	9%	10.10%
Credit	4%	5.40%	Domestic Fixed Income	16%	2.20%
Real Assets	3%	5.79%	Global Bonds	2%	1.60%
Fixed Income	23%	1.50%	Private Debt	2%	6.00%
Cash	1%	25.00%	Real estate Debt	6%	3.20%
			High-Yield Bonds	1%	4.40%
			Cash Equivalents	1%	0.30%
Total	<u>100%</u>		Total	<u>100%</u>	

\*For TRS Real rates of return are net of long-term inflation assumption of 2.4% for 2023.

\*For ERS Real rates of return are net of long-term inflation assumption of 2.9% for 2024.

Discount Rate

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

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

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

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 8. PENSION PLANS. (Continued)

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
<u>ERS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (4,613,940)	\$ (1,467,490)	\$ 1,160,448
	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
<u>TRS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	(10,043,050)	(659,404)	7,232,649

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
	March 31, 2024	June 30, 2023
Measurement Date		
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (138,365,122)
Plan net position	225,972,801	137,221,537
Employer's net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	99.20%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2024 represent the projected employer contributions for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$133,201.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through state aid intercept. Accrued retirement contributions as of June 30, 2024 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, 2024 amounted to \$1,281,876.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 9. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the year ended June 30, 2024, were as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 9,208,530	\$ 9,152,016	\$ 0	\$ 980,551
Special Aid Fund	215,900	817,537	92,486	0
School Lunch Fund	439,410	0	0	0
Capital Fund	74,081	63,562	888,065	0
Debt Service Fund	95,194	0	0	0
Totals	<u>\$ 10,033,115</u>	<u>\$ 10,033,115</u>	<u>\$ 980,551</u>	<u>\$ 980,551</u>

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

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 10. POST-EMPLOYMENT BENEFITS.

General Information about the OPEB Plan

**Plan Description** – The District’s defined benefit OPEB plan (“the District’s OPEB plan”), provides OPEB for all permanent full-time general and public safety employees of the District. The District’s OPEB plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**Benefits Provided** – The District’s OPEB plan provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. Minimum eligibility requirements for post-employment benefits are as follows:

- The retiree has attained age 55 years while in the employment of the District and meets the follow service requirements:
  - 5 years of full-time service for Administrative employees
  - 10 years of full-time service for Support Staff
  - 10 years of full-time service for Teachers
- The retiree is receiving retirement benefits from the NYS Employees’ Retirement System or the NYS Teachers’ Retirement System

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

General Information about the OPEB Plan

Retirees & Spouses contribute to the cost of their benefits based upon their Cost Sharing agreement with the School District. Arrangements are written to identify the percentage that the District pays for the Retiree, then the percentage the District pays for the Spouse. Contribution amounts are the Participant's share of the cost multiplied by the Blended Premium found in the Assumption section of the report. Cost Sharing percentages for current Retirees & Spouses were communicated in the data from the District and used in the valuation.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	168
Active employees	192
Total Employees Covered by Benefit Terms	360

Total OPEB Liability

The District's total OPEB liability of \$56,876,643 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

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

Discount Rate	3.65%
Healthcare Cost Trend Rates	Pre-65: 5.75% for 2021, decreasing to an ultimate rate of 4.5% for 2028 and later years
	Post-65: 5.00% for 2021, decreasing to an ultimate rate of 4.5% for 2028 and later years
Future Retirees' Share of Benefit Related Costs	Contributions vary by bargaining unit.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index.

Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with MP-2021 from the central year.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 - June 30, 2023.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 55,277,848</u>
 <u>Changes for the Year:</u>	
Service cost	2,138,427
Interest	2,013,053
Changes of benefit terms	0
Differences between expected and actual experience	(403,199)
Changes in assumptions or other inputs	(1,039,123)
Benefit payments	<u>(1,110,363)</u>
Net Changes	<u>1,598,795</u>
 Balance at June 30, 2024	 <u><u>\$ 56,876,643</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	<u>1%</u> <u>Decrease</u> <u>(2.65%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.65%)</u>	<u>1%</u> <u>Increase</u> <u>(4.65%)</u>
Total OPEB Liability	\$ 67,417,347	\$ 56,876,643	\$ 48,560,009

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

	<u>Trend Rate</u> <u>Less 1%</u>	<u>Current Health Care</u> <u>Cost Trend Rates</u>	<u>Trend Rate</u> <u>Plus 1%</u>
Total OPEB Liability	\$ 47,346,115	\$ 56,876,643	\$ 69,352,708

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$529,347. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 1,889,198
Changes of assumptions or other inputs	2,282,486	13,344,876
District's contributions subsequent to the measurement date	<u>1,254,225</u>	<u>0</u>
Total	<u>\$ 3,536,711</u>	<u>\$ 15,234,074</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended 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:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 3,622,133
2026	3,410,695
2027	2,690,936
2028	1,364,306
2029	1,456,314
Thereafter	407,204

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 11. RISK MANAGEMENT.

General Information

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

Pool, Non-Risk Retained

The District participates in Sullivan BOCES School District Health Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain limits and the District has essentially transferred all related risk to the pool.

Other Contingencies

The District has several claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

NOTE 12. COMMITMENTS AND CONTINGENCIES.

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

NOTE 13. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	\$ <u>284,047</u>
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TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 14. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards.

Donor-restricted endowments are reported at fair value. The amount of donor-restricted endowments that is available for authorization for expenditure by the District is \$12,374.

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

NOTE 15. TAX ABATEMENTS.

The District negotiates property tax abatement agreements on an individual basis. The District has tax abatement agreements with two entities as of June 30, 2024:

	Amount of PILOTS Received During the Year		Amount of Taxes Abated During the Year
FSH Lodge at Neversink	\$ 26,674		\$ 6,962
Four Goats LLC	\$ 12,808		\$ 6,254

Each agreement was negotiated under New York State law, allowing localities to abate property taxes for a variety of development purposes, including business relocation, retention and expansion. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. Localities may grant abatements of annual property taxes through a direct reduction of the entity's property tax bill. The New York State law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. The District has not made any commitments as part of the agreements other than to reduce property taxes.

NOTE 16. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 7, 2024 the date that the financial statements were available to be issued. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

NOTE 17. RESTATEMENT OF NET POSITION.

For the fiscal year ended June 30, 2023, the District has restated the Net Position as reflected in the current year Statement of Activities. The restatement was related to a change in Capital Assets balance as of June 30, 2023. The restatement of Net Position is as follows:

Net Position Beginning of Year, as Previously Stated	\$ (15,247,702)
Plus: Change in Capital Asset Balance	<u>310,830</u>
Net Position Beginning of Year, as Restated	<u>\$ (14,936,872)</u>



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2024

	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
<u>Total OPEB Liability</u>								
Service cost	\$ 2,138,427	\$ 2,978,657	\$ 2,557,782	\$ 2,027,869	\$ 1,759,036	\$ 1,951,294	\$ 2,374,116	\$ 0
Interest	2,013,053	1,384,959	1,302,205	2,032,702	2,013,760	2,133,427	1,863,972	0
Changes of benefit terms	0	0	0	0	0	1,650,151	0	0
Differences between expected and actual experience	(403,199)	(15,659)	(294,243)	(551,415)	(418,258)	(3,123,302)	0	0
Changes in assumptions or other inputs	(1,039,123)	(9,706,714)	2,199,927	(2,031,586)	3,228,540	(9,016,897)	(8,438,390)	36,969,694
Benefit payments	(1,110,363)	(1,001,150)	(981,520)	(1,007,027)	(943,278)	(977,498)	(1,394,268)	0
Net change in total OPEB liability	1,598,795	(6,339,907)	4,784,151	470,543	5,639,800	(7,382,825)	(5,594,570)	36,969,694
Total OPEB liability-beginning	55,277,848	61,637,755	56,853,604	56,383,061	50,743,261	58,126,086	63,720,656	26,750,962
Total OPEB liability-ending	\$ 56,876,643	\$ 55,277,848	\$ 61,637,755	\$ 56,853,604	\$ 56,383,061	\$ 50,743,261	\$ 58,126,086	\$ 63,720,656
Covered-employee payroll	\$ 12,522,518	\$ 13,316,588	\$ 13,055,479	\$ 12,799,489	\$ 12,522,518	\$ 12,092,975	\$ 12,730,626	\$ 12,730,626
Total OPEB liability as a percentage of covered-employee payroll	454.19%	415.11%	472.12%	444.19%	450.25%	419.61%	456.58%	500.53%

Notes to Schedule:

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

6/30/24 Measurement Date	3.65%
6/30/23 Measurement Date	3.54%
6/30/22 Measurement Date	2.16%
6/30/21 Measurement Date	2.16%
6/30/20 Measurement Date	2.21%
6/30/19 Measurement Date	3.51%
6/30/18 Measurement Date	3.87%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

\* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR'S REVENUES</u>	<u>OVER (UNDER) REVISED BUDGET</u>
<b>LOCAL SOURCES:</b>				
Real Property Taxes	\$ 20,763,370	\$ 20,763,370	\$ 20,763,370	\$ 0
Other Tax Items	825,158	825,158	847,761	22,603
Charges for Services	20,400	20,400	536	(19,864)
Use of Money & Property	115,000	115,000	678,196	563,196
Sale of Property & Compensation for Loss	750	750	1,019	269
Miscellaneous	365,000	365,000	850,942	485,942
<b>STATE SOURCES</b>	<u>12,575,331</u>	<u>12,575,331</u>	<u>11,855,326</u>	<u>(720,005)</u>
<b>FEDERAL SOURCES</b>	<u>35,000</u>	<u>35,000</u>	<u>58,063</u>	<u>23,063</u>
<b>TOTAL REVENUES</b>	<u>34,700,009</u>	<u>34,700,009</u>	<u>\$ 35,055,213</u>	<u>\$ 355,204</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>2,274,628</u>	<u>2,274,628</u>		
<b>TOTAL REVENUES &amp; APPROPRIATED FUND BALANCE</b>	<u>\$ 36,974,637</u>	<u>\$ 36,974,637</u>		

See paragraph on supplementary schedules included in the auditor's report.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

EXPENDITURES	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
<b>GENERAL SUPPORT:</b>					
Board of Education	\$ 66,431	\$ 66,431	\$ 56,432	\$ 474	\$ 9,525
Central Administration	309,771	352,574	351,851	723	0
Finance	665,131	679,324	679,324	0	0
Staff	113,000	60,615	59,405	1,210	0
Central Services	2,564,675	2,597,104	2,552,753	44,351	0
Special Items	639,100	602,060	580,005	0	22,055
<b>INSTRUCTIONAL:</b>					
Instruction, Administration & Improvement	1,094,101	1,094,101	974,828	4,826	114,447
Teaching - Regular School	8,340,446	8,340,446	8,282,280	15,088	43,078
Programs for Children with Handicapping Conditions	5,550,068	5,550,068	4,620,891	212,062	717,115
Occupational Education	648,402	648,402	626,173	846	21,383
Teaching - Special Schools	946,388	946,388	920,262	2,341	23,785
Instructional Media	1,650,620	1,571,829	1,237,353	1,968	332,508
Pupil Services	614,014	692,805	692,647	158	0
<b>PUPIL TRANSPORTATION</b>	3,590,500	3,590,500	3,403,455	0	187,045
<b>COMMUNITY SERVICES</b>	10,500	10,500	10,000	0	500
<b>EMPLOYEE BENEFITS</b>	8,994,240	8,828,689	8,733,404	0	95,285
<b>DEBT SERVICE:</b>					
Debt Service - Principal	300,000	300,000	300,000	0	0
Debt Service - Interest	62,250	62,250	62,250	0	0
<b>TOTAL EXPENDITURES</b>	36,159,637	35,994,086	34,143,313	284,047	1,566,726
<b>OTHER USES:</b>					
Operating Transfers Out	815,000	980,551	980,551	0	0
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	\$ 36,974,637	\$ 36,974,637	\$ 35,123,864	\$ 284,047	\$ 1,566,726
<b>EXCESS OF REVENUES &amp; OTHER SOURCES OVER EXPENDITURES &amp; OTHER USES</b>			\$ (68,651)		

See paragraph on supplementary schedules included in the auditor's report.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
 GRAHAMSVILLE, NEW YORK  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 FOR THE YEAR ENDED JUNE 30, 2024

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
	NYSERS Pension Plan Last 10 Fiscal Years									
District's proportion of the net pension asset/(liability)	0.0099666%	0.0095070%	0.0092431%	0.0087176%	0.0083909%	0.0087759%	0.0097180%	0.0094327%	0.0098345%	0.0750140%
District's proportionate share of the net pension asset/(liability)	\$ (1,467,490)	\$ (2,038,680)	\$ 755,588	\$ (8,680)	\$ (2,221,967)	\$ (621,802)	\$ (313,644)	\$ (886,302)	\$ (1,581,681)	\$ (349,389)
District's covered-employee payroll	\$ 3,509,977	\$ 3,385,894	\$ 3,131,991	\$ 3,070,579	\$ 3,229,732	\$ 2,667,075	\$ 3,538,153	\$ 3,468,777	\$ 3,400,762	\$ 3,334,080
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-41.81%	-60.21%	24.12%	-0.28%	-68.80%	-23.31%	-8.86%	-25.55%	-46.51%	-10.48%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
	NYSTRS Pension Plan Last 10 Fiscal Years									
District's proportion of the net pension asset/(liability)	0.057761%	0.059760%	0.059469%	0.058577%	0.058686%	0.058497%	0.060176%	0.062033%	0.062131%	0.066248%
District's proportionate share of the net pension asset/(liability)	\$ (659,404)	\$ (1,146,730)	\$ 10,305,348	\$ (1,618,642)	\$ 1,524,678	\$ 1,057,786	\$ 457,394	\$ (664,394)	\$ 6,453,482	\$ 7,379,648
District's covered-employee payroll	\$ 10,981,080	\$ 10,943,429	\$ 10,422,263	\$ 10,217,905	\$ 10,017,554	\$ 9,821,131	\$ 9,628,560	\$ 9,941,564	\$ 9,746,631	\$ 9,513,473
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-6.00%	-10.48%	98.88%	-15.84%	15.22%	10.77%	4.75%	-6.68%	66.21%	77.57%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

See paragraph on supplementary schedules included in auditor's report.

SUPPLEMENTAL SCHEDULE #4

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2024

	NYSPERS Pension Plan Last 10 Fiscal Years									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	\$ 445,140	\$ 371,981	\$ 506,382	\$ 429,267	\$ 405,425	\$ 391,234	\$ 422,472	\$ 394,651	\$ 436,617	\$ 610,478
Contributions in relation to the contractually required contribution	445,140	371,981	506,382	429,267	405,425	391,234	422,472	394,651	436,617	610,478
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 3,509,977	\$ 3,385,894	\$ 3,070,579	\$ 3,070,579	\$ 3,220,732	\$ 2,667,075	\$ 3,538,153	\$ 3,468,777	\$ 3,400,762	\$ 3,334,080
Contributions as a percentage of its covered-employee payroll	12.68%	10.99%	16.49%	13.98%	12.55%	14.67%	11.94%	11.38%	12.84%	18.31%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Contractually required contribution	\$ 1,095,834	\$ 1,037,491	\$ 961,933	\$ 880,895	\$ 1,040,306	\$ 933,799	\$ 1,117,600	\$ 1,269,279	\$ 1,636,074	\$ 1,990,210
Contributions in relation to the contractually required contribution	1,095,834	1,037,491	961,933	880,895	1,040,306	933,799	1,117,600	1,269,279	1,636,074	1,990,210
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 10,981,080	\$ 10,943,429	\$ 10,422,263	\$ 10,217,905	\$ 10,017,554	\$ 9,821,131	\$ 9,628,560	\$ 9,941,564	\$ 9,746,631	\$ 9,513,473
Contributions as a percentage of its covered-employee payroll	9.98%	9.48%	9.23%	8.62%	10.38%	9.51%	11.61%	12.77%	16.79%	16.72%

See paragraph on supplementary schedules included in auditor's report.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET		\$ 36,497,136
ADDITIONS:		
Encumbrances from Prior Year		477,501
FINAL BUDGET		\$ 36,974,637

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 Voter-approved expenditure budget maximum allowed (4% of 2024-2025 budget of \$37,273,719)		\$ 1,490,949
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 2,301,862	
Unassigned Fund Balance	1,490,947	
Total Unrestricted Fund Balance	\$ 3,792,809	
Less:		
Appropriated Fund Balance	\$ 2,017,815	
Encumbrances included in Committed and Assigned Fund Balance	284,047	
Total Adjustments	\$ 2,301,862	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		\$ 1,490,947
Actual Percentage		4.00%

See paragraph on supplementary schedules included in auditor's report.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
 GRAHAMSVILLE, NEW YORK  
 SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES  
 FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	EXPENDITURES TO DATE			UNEXPENDED BALANCE	METHODS OF FINANCING				FUND BALANCE JUNE 30, 2024	
			PRIOR YEARS	CURRENT YEAR	TOTAL		PROCEEDS FROM DEBT	STATE AID	LOCAL SOURCES	TOTAL		
Local Projects	\$ 460,000	\$ 460,000	\$ 424,428	\$ 0	\$ 424,428	\$ 35,572	\$ 0	\$ 0	\$ 0	\$ 460,000	\$ 460,000	\$ 35,572
School Renovation	5,742,000	5,742,000	5,726,756	0	5,726,756	15,244	3,620,000	0	2,118,182	5,738,182	5,738,182	11,426
Reconstruction Project	8,000,000	8,000,000	6,815,553	0	6,815,553	1,184,447	0	0	7,297,521	7,297,521	7,297,521	481,968
Security Vestibule	112,977	112,977	114,658	0	114,658	(1,681)	0	0	114,658	114,658	114,658	0
Smart Schools Bond	863,008	863,008	578,107	0	578,107	284,901	0	598,464	0	598,464	598,464	20,357
Energy Performance	2,165,000	2,165,000	2,131,182	0	2,131,182	33,818	0	0	2,131,182	2,131,182	2,131,182	0
2020 District-Wide	11,000,000	11,000,000	9,416,885	971,965	10,388,850	611,150	4,500,000	0	5,393,262	9,893,262	9,893,262	(495,588)
	\$ 28,342,985	\$ 28,342,985	\$ 25,207,569	\$ 971,965	\$ 26,179,534	\$ 2,163,451	\$ 8,120,000	\$ 598,464	\$ 17,514,805	\$ 26,233,269	\$ 26,233,269	\$ 53,735

See paragraph on supplementary schedules included in auditor's report.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NET INVESTMENT IN CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS, NET		\$ 36,779,415
RIGHT TO USE ASSETS, NET		29,243
DEDUCTIONS:		
Short-term Portion of Bonds Payable	\$ 300,000	
Long-term Portion of Bonds Payable	<u>3,300,000</u>	
Total Deductions		<u>3,600,000</u>
NET INVESTMENT IN CAPITAL ASSETS		<u><u>\$ 33,179,415</u></u>

See paragraph on supplementary schedules included in auditor's report.





# Nugent & Haeussler, P.C.

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

To the President and Members  
of the Board of Education of the  
Tri-Valley Central School District  
Grahamsville, 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 and each major fund of Tri-Valley Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Tri-Valley Central School District's basic financial statements and have issued our report thereon dated October 7, 2024.

## Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tri-Valley Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-Valley Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-Valley Central 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tri-Valley Central 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Nugent & Haussler PC*

Montgomery, New York  
October 7, 2024



**Nugent & Haeussler, P.C.**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members  
of the Board of Education of the  
Tri-Valley Central School District  
Grahamsville, New York

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

***Opinion on Each Major Federal Program***

We have audited Tri-Valley Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tri-Valley Central School District's major federal programs for the year ended June 30, 2024. Tri-Valley Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tri-Valley Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

To the President and Members  
of the Board of Education of the  
Tri-Valley Central School District

Page 3

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

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

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

*Nugent & Haussler PC*

Montgomery, New York  
October 7, 2024

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ASSITANCE LISTING NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-through NYS Education Department:				
Child Nutrition Cluster:				
Cash Assistance	10.555	N/A	\$ 0	\$ 377,076
National School Lunch Program	10.553	N/A	0	126,032
National School Breakfast Program				
Cash Assistance Subtotal			0	503,108
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A	0	53,367
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER			0	556,475
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed-through NYS Education Department:				
Special Education Cluster:				
IDEA - Part B, Section 611	84.027	0032-23-0678	37,577	269,487
IDEA - Part B, Section 619	84.173	0033-23-0678	782	8,454
Total Special Education Cluster			38,359	277,941
Education Stabilization Fund under the Coronavirus				
Elementary and Secondary School Emergency Relief (ESSER 3) Fund	84.425C	5880-24-3305	0	488,753
Elementary and Secondary School Emergency Relief (ESSER 2) Fund	84.425D	5891-24-3305	0	193,107
ARP SLR Learning Loss	84.425U	5884-24-3305	0	373
Total Education Stabilization Fund under the Coronavirus			0	682,233
Title I Parts A&D, Basic Program	84.010	0021-23-2235	0	375,968
Title V Rural Education	84.358	0006-23-3305	0	8,291
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-23-2235	0	704
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-24-2235	0	27,900
Title IV SSAE ALL	84.424	0204-23-3305	0	145
Title IV SSAE ALL	84.424	0204-24-3305	0	21,301
Total Passed-through NYS Education Department			0	434,309
TOTAL U.S. DEPARTMENT OF EDUCATION			38,359	1,394,483
TOTAL FEDERAL AWARDS EXPENDED			\$ 38,359	\$ 1,950,958

See Notes Schedule of Expenditures of Federal Awards.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION.

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

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

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

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$53,367 of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

NOTE 3. 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 District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:  
 Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified? \_\_\_\_\_ 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? \_\_\_\_\_ Yes  X  None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unmodified

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

IDENTIFICATION OF MAJOR PROGRAMS:

<u>ASSISTANCE LISTING NUMBERS</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee?  X  Yes \_\_\_\_\_ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements which were required to be reported.



TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).



# Nugent & Haeussler, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1925

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## INDEPENDENT AUDITOR'S REPORT

To the President and Members  
of the Board of Education of the  
Tri-Valley Central School District  
Grahamsville, New York

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Norman M. Sassi, CPA  
Walter J. Jung, CPA

### **Opinion**

We have audited the accompanying financial statements of Tri-Valley Central School District's extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2024 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of Tri-Valley Central School District's extraclassroom activity funds as of June 30, 2024, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

### **Basis for Opinion**

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

### **Basis of Accounting**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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 Tri-Valley Central School District's extraclassroom activity funds 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 Tri-Valley Central School District's extraclassroom activity funds 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.

*Nugent & Haessler PC*

Montgomery, New York  
October 7, 2024

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
JUNE 30, 2024

ASSETS

Cash	<u>\$ 84,856</u>
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FUND BALANCE

Fund Balance, Beginning of Year	\$ 77,050
Excess of Receipts over Disbursements	<u>7,806</u>
Fund Balance, End of Year	<u>\$ 84,856</u>

See notes to financial statement

TRI-VALLEY CENTRAL SCHOOL DISTRICT  
GRAHAMSVILLE, NEW YORK  
EXTRACLASSROOM ACTIVITY FUNDS  
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

	CASH BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2024
Class of 2029	\$ 0	\$ 2,230	\$ 1,147	\$ 1,083
Class of 2028	2,847	1,589	960	3,476
Class of 2027	2,142	1,433	1,104	2,471
Class of 2026	1,930	812	579	2,163
Class of 2025	1,353	23,855	19,017	6,191
Class of 2024	4,865	43,087	46,875	1,077
Class of 2023	(421)	1,255	834	0
Class of 2022	1,561	8	1,569	0
Class of 2021	471	2	473	0
Art Club	680	15	0	695
Animal Lovers Club	142	3	0	145
FBLA	(989)	33,571	25,931	6,651
FCCLA	659	10	261	408
FFA	6,580	25,250	23,437	8,393
Friends of Rachel (ES)	1,249	27	0	1,276
Frost Valley (Grade 6)	5,095	109	0	5,204
S.S.S.C	13,608	2,464	7,490	8,582
E.S.S.C.	4,296	2,081	1,361	5,016
7/8 Grade SC	2,534	429	1,257	1,706
Barista Bears	1,060	14,921	11,732	4,249
Jr. FBLA	1,140	534	667	1,007
Jr. National H.S	30	1	0	31
Music	3,630	1,577	1,986	3,221
National Honors Society	3,467	2,326	5,117	676
Theatre Club	8,907	8,644	7,238	10,313
GSA	100	2	0	102
Friends of Rachel (SS)	260	6	0	266
TC Alan Moss	4,050	86	250	3,886
Yearbook	5,802	2,160	1,397	6,565
Total Extraclassroom	<u>\$ 77,050</u>	<u>\$ 168,488</u>	<u>\$ 160,682</u>	<u>\$ 84,856</u>

See notes to financial statement.

GRAHAMSVILLE, NEW YORK  
EXTRACLASSROOM ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Tri-Valley Central School District. We have included the Extraclassroom Activity Fund balances within the Miscellaneous Special Revenue Fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of the Tri-Valley Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.