

Tri-Valley Local School District

Muskingum County, Ohio

Basic Financial Statements

For the Fiscal Year Ended
June 30, 2024



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**TRI-VALLEY LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY, OHIO**

Table of Contents

Management's Discussion and Analysis	Page 5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	19
Statement of Fund Net Position – Proprietary Fund	20
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	21
Statement of Cash Flows – Proprietary Fund	22
Statement of Fiduciary Net Position – Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	24
Notes to the Basic Financial Statements	25
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability	64
Schedule of School District Contributions - Pension	66
Schedule of the School District's Proportionate Share of the Net OPEB Asset/Liability.....	68
Schedule of School District Contributions - OPEB.....	70
Notes to the Required Supplementary Information	72

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The discussion and analysis of the Tri-Valley Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- Net position increased \$6,392,898 from 2023's restated net position.
- Capital assets of governmental activities increased \$1,704,709 during fiscal year 2024.
- Outstanding debt of governmental activities decreased from the prior year as a result of principal payments on outstanding debt.
- The School District implemented GASB Statement No. 101 during fiscal year 2024. This implementation recognized additional compensated absences liabilities amounting to \$5,283,728 for fiscal year 2023, resulting in a reduction of the net position as of June 30, 2023. Consequently, the net position for fiscal year 2023 has been restated.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the School District as a whole entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations and community services.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the capital projects fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Fund The School District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

Reporting the School District's Fiduciary Responsibilities

The School District is the custodian, or fiduciary for certain scholarship programs. These activities are classified as custodial funds. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

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Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2024 compared to 2023:

Table 1
Net Position

	Governmental Activities		
	2024	Restated 2023	Change
Assets			
Current & Other Assets	\$ 49,926,972	\$ 46,606,511	\$ 3,320,461
Net OPEB Asset	1,930,773	2,561,308	(630,535)
Capital Assets	42,660,722	40,956,013	1,704,709
<i>Total Assets</i>	<u>94,518,467</u>	<u>90,123,832</u>	<u>4,394,635</u>
Deferred Outflows of Resources			
Pension & OPEB	7,546,825	8,578,919	(1,032,094)
<i>Total Deferred Outflows of Resources</i>	<u>7,546,825</u>	<u>8,578,919</u>	<u>(1,032,094)</u>
Liabilities			
Current & Other Liabilities	4,943,523	4,720,161	223,362
Long-Term Liabilities:			
Due Within One Year	2,032,525	1,885,967	146,558
Due In More Than One Year:			
Pension & OPEB	30,744,916	31,095,937	(351,021)
Other Amounts	14,228,179	15,068,920	(840,741)
<i>Total Liabilities</i>	<u>51,949,143</u>	<u>52,770,985</u>	<u>(821,842)</u>
Deferred Inflows of Resources			
Property Taxes	9,580,570	9,807,337	(226,767)
Pension & OPEB	6,081,730	8,063,478	(1,981,748)
<i>Total Deferred Inflows of Resources</i>	<u>15,662,300</u>	<u>17,870,815</u>	<u>(2,208,515)</u>
Net Position			
Net Investment in Capital Assets	34,404,426	31,592,055	2,812,371
Restricted	7,159,006	5,973,342	1,185,664
Unrestricted	(7,109,583)	(9,504,446)	2,394,863
<i>Total Net Position</i>	<u>\$ 34,453,849</u>	<u>\$ 28,060,951</u>	<u>\$ 6,392,898</u>

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Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Collectively, the net pension liability (NPL), reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and the net OPEB liability, pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are the largest liabilities reported by the School District at June 30, 2024. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB asset/liability (NOA/NOL) to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these assets/liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded asset/liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

Governmental Activities

Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and infrastructure. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance, which is primarily caused by the accounting treatment related to GASB 68 and GASB 75.

The substantial increase in current and other assets was primarily driven by an increase in intergovernmental revenue from ESSER funds, which lessened the reliance on general fund revenues for current year expenditures.

There was a change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2024 and 2023.

Table 2
Changes in Net Position

	Governmental Activities		
	2024	2023	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$ 1,973,774	\$ 1,976,986	\$ (3,212)
Operating Grants	6,470,091	3,740,406	2,729,685
<i>Total Program Revenues</i>	<u>8,443,865</u>	<u>5,717,392</u>	<u>2,726,473</u>
General Revenues			
Property Taxes	16,752,311	17,491,040	(738,729)
Grants & Entitlements	19,894,448	19,238,513	655,935
Other	1,244,128	786,962	457,166
<i>Total General Revenues</i>	<u>37,890,887</u>	<u>37,516,515</u>	<u>374,372</u>
<i>Total Revenues</i>	<u>46,334,752</u>	<u>43,233,907</u>	<u>3,100,845</u>
Program Expenses			
Instruction:			
Regular	17,512,853	18,466,295	(953,442)
Special	6,138,690	6,084,403	54,287
Vocational	237,670	214,285	23,385
Support Services:			
Pupils	1,497,594	1,510,729	(13,135)
Instructional Staff	156,215	162,498	(6,283)
Board of Education	970,830	864,563	106,267
Administration	3,333,992	3,518,362	(184,370)
Fiscal	689,912	706,090	(16,178)
Operation and Maintenance of Plant	3,362,169	3,369,333	(7,164)
Pupil Transportation	2,516,620	2,551,194	(34,574)
Central	433,665	587,196	(153,531)
Operation of Non-Instructional/Shared Services:			
Food Service Operations	1,740,437	1,611,785	128,652
Community Services	216,871	211,712	5,159
Extracurricular Activities	931,866	939,676	(7,810)
Interest and Fiscal Charges	202,470	218,583	(16,113)
<i>Total Expenses</i>	<u>39,941,854</u>	<u>41,016,704</u>	<u>(1,074,850)</u>
<i>Change in Net Position</i>	<u>6,392,898</u>	<u>2,217,203</u>	<u>4,175,695</u>
<i>Net Position Beginning of Year</i>	<u>28,060,951</u>	<u>31,127,476</u>	<u>(3,066,525)</u>
<i>Restatement - See Note 2</i>	<u>-</u>	<u>(5,283,728)</u>	<u>5,283,728</u>
<i>Net Position End of Year</i>	<u>\$ 34,453,849</u>	<u>\$ 28,060,951</u>	<u>\$ 6,392,898</u>

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Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The increase in operating grant revenue during 2024 was primarily caused by ESSER revenues received throughout the year. Other revenues increased primarily due to increased interest revenue resulting from improved investment markets.

Fluctuations in instructional and support services expenses were caused by changes in the School District's pension and OPEB accruals as previously discussed.

Governmental Funds

The School District's major funds are accounted for using the modified accrual basis of accounting.

The general fund's balance increased primarily due to higher interest revenues, as previously discussed.

The capital projects fund balance increased due to transfers from the general fund for building maintenance.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2024, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Original Budget Compared to Final Budget During the year, the School District amended their original budgeted revenues to more accurately reflect tuition and fees and interest revenues and to budget for additional expected intergovernmental revenues. Original budgeted appropriations were amended to keep pace with the increased financial resources expected to be available.

Final Budget Compared to Actual Results A comparison of actual revenues to final budgeted revenues shows a shortage in intergovernmental revenues and property tax revenues as actual revenues fell short of expectations. A review of actual expenditures compared to the appropriations in the final budget revealed a significant variance primarily for regular and special instruction expenditures and pupil transportation expenditures as the ESSER grant continues to offset the need for support from the general fund.

Capital Assets and Debt Administration

Capital Assets

Construction in progress increased as the School District continued construction on the district office and Nashport Elementary classroom projects. See Note 6 for more information about the capital assets of the School District.

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Tri-Valley Local School District
Muskingum County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Debt

There were no significant changes in the School District's debt during the fiscal year, other than debt retirement. See Note 12 for additional details.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ryan Smith, Treasurer of Tri-Valley Local School District, 36 E. Muskingum Avenue, Dresden, Ohio, 43821 or email at rdsmith@tvschools.org.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 31,840,197
Intergovernmental Receivable	537,555
Taxes Receivable	17,549,220
Net OPEB Asset	1,930,773
Non-Depreciable Capital Assets	10,169,113
Depreciable Capital Assets, net	32,491,609
<i>Total Assets</i>	<u>94,518,467</u>
Deferred Outflows of Resources	
Pension	6,203,166
OPEB	1,343,659
<i>Total Deferred Outflows of Resources</i>	<u>7,546,825</u>
Liabilities	
Accounts Payable	570,753
Accrued Wages and Benefits	3,243,046
Contracts Payable	147,715
Retainage Payable	42,611
Intergovernmental Payable	538,087
Claims Payable	401,311
Long-Term Liabilities:	
Due Within One Year	2,032,525
Due In More Than One Year:	
Net Pension Liability	28,545,197
Net OPEB Liability	2,199,719
Other Amounts Due in More Than One Year	14,228,179
<i>Total Liabilities</i>	<u>51,949,143</u>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	9,580,570
Pension	2,374,210
OPEB	3,707,520
<i>Total Deferred Inflows of Resources</i>	<u>15,662,300</u>
Net Position	
Net Investment in Capital Assets	34,404,426
Restricted for:	
Capital Outlay	1,712,697
Debt Service	2,220,174
State Programs	69,772
Federal Programs	93,783
Maintenance of Facilities	313,945
OPEB Asset	1,930,773
Other Purposes	817,862
Unrestricted	(7,109,583)
<i>Total Net Position</i>	<u>\$ 34,453,849</u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$ 17,512,853	\$ 383,203	\$ 149,764	\$ (16,979,886)
Special	6,138,690	408,334	1,550,448	(4,179,908)
Vocational	237,670	-	-	(237,670)
Support Services:				
Pupils	1,497,594	21,012	121,941	(1,354,641)
Instructional Staff	156,215	-	-	(156,215)
Board of Education	970,830	-	-	(970,830)
Administration	3,333,992	40,836	-	(3,293,156)
Fiscal	689,912	-	-	(689,912)
Operation and Maintenance of Plant	3,362,169	-	3,649,220	287,051
Pupil Transportation	2,516,620	-	39,625	(2,476,995)
Central	433,665	31	-	(433,634)
Operation of Non-Instructional/Shared Services:				
Food Service Operations	1,740,437	624,435	957,243	(158,759)
Community Services	216,871	172,706	1,850	(42,315)
Extracurricular Activities	931,866	323,217	-	(608,649)
Interest and Fiscal Charges	202,470	-	-	(202,470)
Total	\$ 39,941,854	\$ 1,973,774	\$ 6,470,091	(31,497,989)
General Revenues				
Property Taxes Levied for:				
General Purpose				15,319,411
Debt Services				1,192,802
Classroom Facilities				240,098
Grants and Entitlements not Restricted to Specific Programs				19,894,448
Investment Earnings				927,133
Miscellaneous				316,995
Total General Revenues				37,890,887
Change in Net Position				6,392,898
Net Position Beginning of Year, as previously reported				33,344,679
Change in accounting principal (GASB 101)				(5,283,728)
Net Position Beginning of Year, as restated				28,060,951
Net Position End of Year				\$ 34,453,849

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See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Balance Sheet
Governmental Funds
June 30, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 20,151,168	\$ 6,133,603	\$ 4,570,692	\$ 30,855,463
Interfund Receivable	74,813	-	-	74,813
Intergovernmental Receivable	-	-	537,555	537,555
Taxes Receivable	16,016,368	-	1,532,852	17,549,220
<i>Total Assets</i>	<u>\$ 36,242,349</u>	<u>\$ 6,133,603</u>	<u>\$ 6,641,099</u>	<u>\$ 49,017,051</u>
Liabilities				
Accounts Payable	\$ 548,833	\$ -	\$ 21,920	\$ 570,753
Accrued Wages and Benefits	2,850,415	-	392,631	3,243,046
Contracts Payable	-	-	147,715	147,715
Retainage Payable	-	42,611	-	42,611
Intergovernmental Payable	508,048	-	30,039	538,087
Interfund Payable	-	-	74,813	74,813
<i>Total Liabilities</i>	<u>3,907,296</u>	<u>42,611</u>	<u>667,118</u>	<u>4,617,025</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	8,725,558	-	855,012	9,580,570
Unavailable Revenue	608,477	-	606,276	1,214,753
<i>Total Deferred Inflows of Resources</i>	<u>9,334,035</u>	<u>-</u>	<u>1,461,288</u>	<u>10,795,323</u>
Fund Balances				
Nonspendable	11,434	-	-	11,434
Restricted	-	-	5,038,819	5,038,819
Committed	11,000	-	-	11,000
Assigned	1,247,968	6,090,992	-	7,338,960
Unassigned	21,730,616	-	(526,126)	21,204,490
<i>Total Fund Balance</i>	<u>23,001,018</u>	<u>6,090,992</u>	<u>4,512,693</u>	<u>33,604,703</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 36,242,349</u>	<u>\$ 6,133,603</u>	<u>\$ 6,641,099</u>	<u>\$ 49,017,051</u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024

Total Governmental Fund Balances		\$ 33,604,703
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		42,660,722
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 537,555	
Delinquent Property Taxes	<u>677,198</u>	1,214,753
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		583,423
The net pension liability and net OPEB liability/asset are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	1,930,773	
Deferred Outflows - Pension	6,203,166	
Deferred Outflows - OPEB	1,343,659	
Net Pension Liability	(28,545,197)	
Net OPEB Liability	(2,199,719)	
Deferred Inflows - Pension	(2,374,210)	
Deferred Inflows - OPEB	<u>(3,707,520)</u>	(27,349,048)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(7,610,000)	
Unamortized Bond Premium	(455,970)	
Compensated Absences	<u>(8,194,734)</u>	(16,260,704)
<i>Net Position of Governmental Activities</i>		<u><u>\$ 34,453,849</u></u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 15,365,270	\$ -	\$ 1,439,416	\$ 16,804,686
Intergovernmental	19,680,156	-	6,343,418	26,023,574
Investment Income	915,009	-	36,912	951,921
Tuition and Fees	786,580	-	-	786,580
Extracurricular Activities	86,359	-	303,694	390,053
Charges for Services	-	-	797,141	797,141
Contributions and Donations	-	-	8,998	8,998
Other	157,055	148,164	11,776	316,995
<i>Total Revenues</i>	<u>36,990,429</u>	<u>148,164</u>	<u>8,941,355</u>	<u>46,079,948</u>
Expenditures				
Instruction:				
Regular	15,978,392	-	152,898	16,131,290
Special	4,757,760	-	1,443,577	6,201,337
Vocational	252,999	-	-	252,999
Support Services:				
Pupils	1,326,338	-	125,436	1,451,774
Instructional Staff	22,119	-	-	22,119
Board of Education	938,833	-	28,573	967,406
Administration	3,290,950	-	-	3,290,950
Fiscal	755,453	-	-	755,453
Operation and Maintenance of Plant	2,932,680	-	559,668	3,492,348
Pupil Transportation	2,751,578	-	41,036	2,792,614
Central	426,684	-	-	426,684
Operation of Non-Instructional/Shared Services:				
Food Service Operations	7,594	-	1,720,105	1,727,699
Community Services	-	-	163,847	163,847
Extracurricular Activities	402,858	-	324,326	727,184
Capital Outlay	185,763	-	3,526,323	3,712,086
Debt Service				
Principal Retirement	-	-	940,000	940,000
Interest and Fiscal Charges	-	-	298,750	298,750
<i>Total Expenditures</i>	<u>34,030,001</u>	<u>-</u>	<u>9,324,539</u>	<u>43,354,540</u>
Other Financing Sources (Uses)				
Transfers In	-	2,000,000	-	2,000,000
Transfers Out	(2,000,000)	-	-	(2,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,000,000)</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	960,428	2,148,164	(383,184)	2,725,408
<i>Fund Balances Beginning of Year, as previously presented</i>	22,040,590	-	8,838,705	30,879,295
Change within financial reporting entity (nonmajor to major fund)	-	3,942,828	(3,942,828)	-
<i>Fund Balances Beginning of Year, as adjusted</i>	<u>22,040,590</u>	<u>3,942,828</u>	<u>4,895,877</u>	<u>30,879,295</u>
<i>Fund Balances End of Year</i>	<u>\$ 23,001,018</u>	<u>\$ 6,090,992</u>	<u>\$ 4,512,693</u>	<u>\$ 33,604,703</u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024*

Net Change in Fund Balances - Total Governmental Funds	\$ 2,725,408
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital Asset Additions	\$ 4,340,609
Current Year Depreciation	<u>(2,635,900)</u>
	1,704,709
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Intergovernmental	307,179
Property Taxes	<u>(52,375)</u>
	254,804
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
General Obligation Bonds	940,000
Amortization of bond premium on bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.	96,280
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	2,684,939
OPEB	<u>92,205</u>
	2,777,144
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.	
Pension	(2,362,936)
OPEB	<u>255,932</u>
	(2,107,004)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	343,654
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated Absences	<u>(342,097)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 6,392,898</u></u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 15,807,248	\$ 15,807,248	\$ 15,231,896	\$ (575,352)
Intergovernmental	19,682,004	19,890,837	19,680,156	(210,681)
Investment Income	502,000	720,861	794,408	73,547
Tuition and Fees	683,000	780,772	780,672	(100)
Extracurricular Activities	19,000	19,523	19,523	-
Miscellaneous	75,000	129,218	129,218	-
<i>Total Revenues</i>	<u>36,768,252</u>	<u>37,348,459</u>	<u>36,635,873</u>	<u>(712,586)</u>
Expenditures				
Instruction:				
Regular	15,363,338	16,580,658	16,325,821	254,837
Special	4,841,529	5,137,428	4,850,245	287,183
Vocational	138,684	271,684	257,743	13,941
Support Services:				
Pupils	1,143,865	1,335,610	1,378,644	(43,034)
Instructional Staff	36,968	36,966	23,437	13,529
Board of Education	957,775	1,010,025	977,905	32,120
Administration	3,360,967	3,375,969	3,327,871	48,098
Fiscal	770,834	771,084	759,395	11,689
Operation and Maintenance of Plant	3,218,683	3,218,684	3,124,492	94,192
Pupil Transportation	3,116,502	3,386,500	2,956,595	429,905
Central	612,824	612,826	467,538	145,288
Operation of Non-Instructional/Shared Services:				
Food Service Operations	6,766	8,017	7,594	423
Extracurricular Activities	426,024	426,024	402,050	23,974
Capital Outlay	262,493	262,493	185,763	76,730
<i>Total Expenditures</i>	<u>34,257,252</u>	<u>36,433,968</u>	<u>35,045,093</u>	<u>1,388,875</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>2,511,000</u>	<u>914,491</u>	<u>1,590,780</u>	<u>676,289</u>
Other Financing Sources (Uses)				
Advances In	1,741,643	1,741,643	1,741,643	-
Advances Out	(1,000,000)	(1,000,000)	(74,813)	925,187
Transfers Out	-	-	(2,000,000)	(2,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>741,643</u>	<u>741,643</u>	<u>(333,170)</u>	<u>(1,074,813)</u>
<i>Net Change in Fund Balance</i>	<u>3,252,643</u>	<u>1,656,134</u>	<u>1,257,610</u>	<u>(398,524)</u>
<i>Fund Balance Beginning of Year</i>	<u>15,417,488</u>	<u>15,417,488</u>	<u>15,417,488</u>	<u>-</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>1,712,395</u>	<u>1,712,395</u>	<u>1,712,395</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 20,382,526</u>	<u>\$ 18,786,017</u>	<u>\$ 18,387,493</u>	<u>\$ (398,524)</u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2024

	Governmental Activities
	<hr/>
	Internal Service Fund
	<hr/>
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 984,734
	<hr/>
<i>Current Liabilities:</i>	
Claims Payable	401,311
	<hr/>
Net Position	
Unrestricted	\$ 583,423
	<hr/> <hr/>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	\$ 5,437,273
Operating Expenses	
Purchased Services	704,322
Claims	4,389,297
<i>Total Operating Expenses</i>	5,093,619
<i>Change in Net Position</i>	343,654
<i>Net Position Beginning of Year</i>	239,769
<i>Net Position End of Year</i>	\$ 583,423

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 5,437,273
Cash Payments for Goods and Services	(761,767)
Cash Payments for Claims	(4,344,491)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>331,015</u>
Cash Flows from Noncapital Financing Activities	
Advances Out	<u>(300,000)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	31,015
<i>Cash and Investments Beginning of Year</i>	<u>953,719</u>
<i>Cash and Investments End of Year</i>	<u><u>\$ 984,734</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ 343,654
Adjustments:	
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(57,445)
Claims Payable	44,806
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u><u>\$ 331,015</u></u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$ 109,752</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$ 109,752</u></u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	<u>Custodial</u>
Additions	
Custodial Receipts	\$ 2,324
Extracurricular Amounts Collected for Other Governments	<u>5,392</u>
<i>Total Additions</i>	<u>7,716</u>
 Deductions	
Custodial Fund Disbursements	5,143
Extracurricular Distributions to Other Governments	<u>5,392</u>
<i>Total Deductions</i>	<u>10,535</u>
 <i>Change in Net Position</i>	 (2,819)
 <i>Net Position Beginning of Year</i>	 <u>112,571</u>
 <i>Net Position End of Year</i>	 <u>\$ 109,752</u>

No assurance is provided on these financial statements.
See accompanying notes to the basic financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Tri-Valley Local School District (the “School District”) is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five-members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The School District was established in 1966. The School District serves an area of approximately 230 square miles. It is located in Muskingum and Coshocton Counties and includes all of Adams, Jefferson, Salem, Jackson, Muskingum and Madison Townships and a portion of Licking, Virginia, and Washington Townships. The School District currently operates 11 instructional/support buildings.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Tri-Valley Local School District, this includes general operations, food service and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

Jointly Governed Organizations

Licking Area Computer Association – Licking Area Computer Association (LACA) is a non-profit K-12 regional council of governments (COG) representing school districts in five counties. LACA is an association which serves 18 entities within the boundaries of Licking, Muskingum, Knox, Fairfield, and Perry Counties. These entities consist of public school districts, private schools and education service centers. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The continued existence of LACA is not dependent on the School District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. Financial information may be obtained from LACA at 150 South Quentin Road, Newark, Ohio 43055.

Mid-East Ohio Career and Technology Center – The Mid-East Ohio Career and Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the 13 participating school district's elected boards. The Board possesses its own budgeting and taxing authority. The Board controls the financial activity of the Career and Technology Center. To obtain financial information, write to the Mid-East Ohio Career and Technology Center, Nanette Nolder, Treasurer, at 400 Richards Road, Zanesville, Ohio 43701.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Ohio Mid-Eastern Regional Educational Service Agency - The Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprised of a representative from each participating school district. The Board possesses its own budgeting and taxing authority. OME-RESA provides cooperative purchasing programs to member districts. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Attn: Treasurer, at 2230 Sunset Boulevard, Suite 2, Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools – The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 120 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of no more than 19 members. One elected and one appointed from each of the eight regions into which the 32 Appalachian counties are divided; and three (3) from Ohio University College of Education, including the Dean of the College of Education. The Council provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess the development programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Council. To obtain financial information write to the Coalition of Rural and Appalachian Schools, Executive Director, at Patton Hall 322, 1 Ohio University, Athens, Ohio 45701.

Public Entity Pools

Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Plan – The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), a group insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Claims Servicing Pool

Ohio School Benefits Cooperative – The School District participates in the Ohio School Benefits Cooperative, a claims servicing and a group purchasing pool comprised of fifteen members. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. The OSBC is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, like and/or other types of group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees, and propose to have certain other eligible school districts or groups join them for the same purposes. The OSBC's business and affairs are conducted by a nine member Board of Directors consisting of school district superintendents elected by the members of the OSBC. Medical Mutual/Antares is the Administrator of the OSBC.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the School District's accounting policies.

Basis of Presentation

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

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a separate column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

General Fund The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Projects Fund The capital projects fund accounts for monies accumulated for the acquisition, construction, and improvement of capital assets throughout the School District.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The School District's only proprietary fund is an internal service fund.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for a self-insurance program for employee medical, prescription drug and dental claims.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The School District's only fiduciary funds are custodial funds. The School District's custodial funds account for scholarships and assets held by the School District as an agent for outside activities.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the fund are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activities.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, grants and entitlements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 9 and 10).

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Budgetary Data

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given the authority to allocate fund appropriations within all funds. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the appropriations were passed by the Board.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

Investments are reported at fair value, except for nonparticipating investment contracts such as repurchase agreements, which are reported at cost.

The School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Under existing Ohio statutes, all investment earnings are assigned to the general fund except for those specifically related to the building capital projects fund (a nonmajor governmental fund), or certain trust funds individually authorized by board resolution. Investment earnings (including fair value adjustments for investments) credited to the general fund during fiscal year 2024 amounted to \$915,009 which includes \$318,884 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as equity in pooled cash and investments. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” Receivables and payables resulting from long-term interfund loans are classified as “advances to/from other funds.” These amounts are eliminated in the governmental activities column of the statement of net position.

Capital Assets

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	10 - 20 Years
Buildings and Improvements	10 - 50 Years
Furniture, Fixtures and Equipment	5 - 10 Years
Vehicles	5 - 10 Years
Infrastructure	10 Years

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Compensated Absences

For the School District, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule.

Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For the School District, this includes sick, vacation, and personal leave.

Liabilities for compensated absences should be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

The amount of compensated absences recognized as expenditures in financial statements prepared using the current financial resources measurement focus should be the amount that normally would be liquidated with expendable available financial resources.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense; information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Bond Discounts and Premiums

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

On the governmental fund financial statements, bond premiums and bond discounts are recognized in the period in which debt is issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At fiscal year end, there was no net position restricted by enabling legislation.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District’s Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the Board of Education or a School District official delegated by that authority by resolution or by State Statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2024, the School District has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves 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 implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the School District.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 was incorporated into the financial statements of the School District as shown on the table below.

GASB Statement No. 101 enhances accounting and financial reporting requirements that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. For the School District, GASB 101 increased the liability and the cumulative effects of compensated absence related expense on net position as shown on the table below.

Restatement of Fund Balance/Net Position

During 2024, the implementation of GASB 100 and GASB 101 had the following effects on beginning fund balances and net position:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Funds		Government-Wide
	Capital Projects	Nonmajor	Governmental
	Fund	Governmental	Activities
June 30, 2023, as previously reported	\$ -	\$ 8,838,705	\$ 33,344,679
Change from nonmajor to major fund	3,942,828	(3,942,828)	-
Change in accounting principle (GASB 101)	-	-	(5,283,728)
June 30, 2023, as adjusted or restated	<u>\$ 3,942,828</u>	<u>\$ 4,895,877</u>	<u>\$ 28,060,951</u>

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented on the budgetary basis for the general fund. The major differences between the budget basis and GAAP basis are:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

Net Change in Fund Balance

GAAP Basis	\$ 960,428
Net Adjustment for Revenue Accruals	1,487,668
Net Adjustment for Expenditure Accruals	356,174
Funds Budgeted Elsewhere	(11,481)
Adjustment for Encumbrances	<u>(1,535,179)</u>
Budget Basis	<u><u>\$ 1,257,610</u></u>

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes flower, uniform school supplies, summer basketball camp, underground storage tank deductible and public school support funds.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statute classifies monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive monies are public deposits that the School District's Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively, in an amount not to exceed 40 percent of the interim moneys available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate 5 percent of interim moneys available for investment at the time of purchase ; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits - At year-end, School District's bank balance of \$24,361,467 was fully insured by the FDIC.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2024, the School District had the following investments:

S&P			Investment Maturities			
Global		Measurement	12 Months	12 to 36	More Than 36	Percent
Ratings	Investment Type	Value	or Less	Months	Months	of Total
	Net Asset Value (NAV):					
AAAm	STAR Ohio	\$ 1,074,570	\$ 1,074,570	\$ -	\$ -	14.10%
AAAm	Money Market	45,971	45,971	-	-	0.60%
	Fair Value:					
AA+	Federal Agency Securities	1,489,940	495,763	743,840	250,337	19.55%
AA+	US Treasury Bills	345,022	345,022	-	-	4.53%
N/A	Negotiable Certificates of Deposit	4,664,858	2,297,271	2,118,273	249,314	61.22%
	Total Investments	\$ 7,620,361	\$ 4,258,597	\$ 2,862,113	\$ 499,651	100.00%

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

The above table identifies the School District's recurring fair value measurements as of the fiscal year end. The School District's fair value investments are Level 2 since valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data.

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State statute requires that an investment mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio to maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2024, is 47 days.

Credit Risk The School District's investments at fiscal year end are rated as shown above by S & P Global Rating. The School District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The School District places no limit on the amount that may be invested in any one issuer.

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Coshocton and Muskingum counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second- Half Collections		2024 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 446,625,830	68.36%	\$ 445,832,800	68.65%
Public Utility	206,745,560	31.64%	203,621,710	31.35%
Total Assessed Values	<u>\$ 653,371,390</u>	<u>100.00%</u>	<u>\$ 649,454,510</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	<u>\$ 38.05</u>		<u>\$ 38.05</u>	

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance 6/30/2023	Additions	Deletions	Adjustments	Balance 6/30/2024
Governmental Activities					
<i>Capital Assets not being Depreciated</i>					
Land	\$ 4,030,096	\$ -	\$ -	\$ 132,308	\$ 4,162,404
Construction in Progress	2,488,837	3,517,872	-	-	6,006,709
<i>Total Capital Assets not being Depreciated</i>	<u>6,518,933</u>	<u>3,517,872</u>	<u>-</u>	<u>132,308</u>	<u>10,169,113</u>
<i>Capital Assets being Depreciated</i>					
Land Improvements	3,661,830	13,445	-	(132,308)	3,542,967
Buildings and Improvements	71,736,128	86,147	-	-	71,822,275
Furniture, Fixtures and Equipment	4,913,431	63,826	-	-	4,977,257
Vehicles	3,819,815	564,015	(470,478)	3,697	3,917,049
Infrastructure	280,522	91,607	-	-	372,129
<i>Total Capital Assets Being Depreciated</i>	<u>84,411,726</u>	<u>819,040</u>	<u>(470,478)</u>	<u>(128,611)</u>	<u>84,631,677</u>
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(2,025,663)	(124,124)	-	-	(2,149,787)
Buildings and Improvements	(40,924,290)	(2,044,692)	-	-	(42,968,982)
Furniture, Fixtures and Equipment	(4,364,894)	(122,902)	-	-	(4,487,796)
Vehicles	(2,491,169)	(291,050)	470,478	-	(2,311,741)
Infrastructure	(168,630)	(53,132)	-	-	(221,762)
<i>Total Accumulated Depreciation</i>	<u>(49,974,646)</u>	<u>(2,635,900)</u>	<u>470,478</u>	<u>-</u>	<u>(52,140,068)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>34,437,080</u>	<u>(1,816,860)</u>	<u>-</u>	<u>(128,611)</u>	<u>32,491,609</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 40,956,013</u>	<u>\$ 1,701,012</u>	<u>\$ -</u>	<u>\$ 3,697</u>	<u>\$ 42,660,722</u>

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,268,283
Special	169,269
Vocational	77,697
Support Services:	
Pupils	38,748
Instructional Staff	126,442
Board of Education	3,229
Administration	170,234
Fiscal	2,039
Operation and Maintenance of Plant	143,908
Pupil Transportation	280,494
Central	45,250
Operation of Non-Instructional Services:	
Food Service Operations	66,010
Community Services	50,985
Extracurricular Activities	193,312
<i>Total Depreciation</i>	<u>\$ 2,635,900</u>

NOTE 7 - RECEIVABLES

Receivables at fiscal year end, consisted of property taxes, interfund, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal Funds. All receivables are expected to be collected within one year.

NOTE 8 - RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School District contracts for property and fleet insurance.

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

Employee Medical Benefits

Medical, surgical and dental insurance is offered to all full-time employees through a self-insurance internal service fund. The School District participates with the Ohio School Benefits Cooperative with Medical Mutual serving as the third-party administrator for the plan. Stop-loss coverage is purchased for individual claims above \$100,000 and in aggregate \$6,048,247. With the stop loss coverage, the School District's total maximum liability for the 2024 plan year is \$6,874,570. The School District pays 80 percent of family premiums and 100 percent of single premiums for the medical/surgical and prescription drug coverage which are \$2,251 for family coverage or \$889 for individual coverage per month. The premium is paid to the internal service fund by the fund that pays the salary for the covered employee.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The School District also pays 80 percent of family premiums and 100 percent of single premiums for the dental premiums which are \$105 for family coverage or \$40 for individual coverage.

The claims liability reported in the internal service fund is based on an estimate provided by the third-party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in fund's claims liability for the fiscal years 2023 and 2024 are as follows:

		Balance	Current	Claims	Balance
		<u>Beginning of Year</u>	<u>Year Claims</u>	<u>Payments</u>	<u>End of Year</u>
2023	\$	199,500	\$ 5,083,493	\$ 4,926,488	\$ 356,505
2024	\$	356,505	\$ 4,389,297	\$ 4,344,491	\$ 401,311

C. Workers' Compensation

The School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, an insurance purchasing pool (Note 13). The intent of the Group Retrospective Rating Program is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Group Retrospective Rating Program. The workers' compensation experience of the participating school districts is used to achieve retrospective premium adjustments based on the combined performance of the group, while the district pays its own individual premium.

Participation in the Group Retrospective Rating Program is limited to school districts that can meet the Group Retrospective Rating Program's selection criteria. The firm of Sedgwick Managed Care Ohio provides administrative, cost control and actuarial services to the Group Retrospective Rating Program.

NOTE 9 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the School District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor benefits, to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, may be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$758,532 for fiscal year 2024. Of this amount, \$67,369 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility charges will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,926,407 for fiscal year 2024. Of this amount, \$335,468 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.1296941%	0.09927557%	
Prior Measurement Date	0.1329947%	0.09891766%	
Change in Proportionate Share	<u>-0.0033006%</u>	<u>0.00035791%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 7,166,265	\$ 21,378,932	\$ 28,545,197
Pension Expense	\$ 562,243	\$ 1,800,693	\$ 2,362,936

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 308,022	\$ 779,432	\$ 1,087,454
Changes of Assumptions	50,763	1,760,672	1,811,435
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	619,338	619,338
School District Contributions Subsequent to the Measurement Date	758,532	1,926,407	2,684,939
Total Deferred Outflows of Resources	<u>\$ 1,117,317</u>	<u>\$ 5,085,849</u>	<u>\$ 6,203,166</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 47,443	\$ 47,443
Net Difference between Projected and Actual Earnings on Pension Plan Investments	100,728	64,075	164,803
Changes of Assumptions	-	1,325,278	1,325,278
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	273,243	563,443	836,686
Total Deferred Inflows of Resources	<u>\$ 373,971</u>	<u>\$ 2,000,239</u>	<u>\$ 2,374,210</u>

\$2,684,939 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (134,236)	\$ (148,846)	\$ (283,082)
2026	(317,332)	(694,898)	(1,012,230)
2027	431,042	2,120,555	2,551,597
2028	5,340	(117,608)	(112,268)
Total	<u>\$ (15,186)</u>	<u>\$ 1,159,203</u>	<u>\$ 1,144,017</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, and 2022 are presented below:

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14.00 percent. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return, 7.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 10,577,044	\$ 7,166,265	\$ 4,293,337

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation, are presented below:

Inflation	2.50 percent
Salary Increases	From 2.5 percent to 8.5 percent, based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

*Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 32,876,066	\$ 21,378,932	\$ 11,655,503

Assumption and Benefit Changes Since the Prior Measurement Date Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

NOTE 10 - DEFINED BENEFIT OPEB PLANS

See Note 9 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$92,205, which is reported as an intergovernmental payable. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.1335230%	0.09927557%	
Prior Measurement Date	0.1362545%	0.09891766%	
Change in Proportionate Share	<u>-0.0027315%</u>	<u>0.00035791%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 2,199,719	\$ (1,930,773)	
OPEB Expense	\$ (152,442)	\$ (103,490)	\$ (255,932)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 4,582	\$ 3,010	\$ 7,592
Changes of Assumptions	743,789	284,433	1,028,222
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	179,315	15,826	195,141
School District Contributions Subsequent to the Measurement Date	92,205	-	92,205
Total Deferred Outflows of Resources	<u>\$ 1,036,943</u>	<u>\$ 306,716</u>	<u>\$ 1,343,659</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 1,134,476	\$ 294,493	\$ 1,428,969
Changes of Assumptions	624,743	1,273,898	1,898,641
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	351,644	28,266	379,910
Total Deferred Inflows of Resources	<u>\$ 2,110,863</u>	<u>\$ 1,596,657</u>	<u>\$ 3,707,520</u>

\$92,205 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (330,171)	\$ (568,264)	\$ (898,435)
2026	(284,245)	(272,445)	(556,690)
2027	(187,676)	(98,187)	(285,863)
2028	(144,119)	(133,734)	(277,853)
2029	(124,702)	(122,972)	(247,674)
Thereafter	(95,212)	(94,339)	(189,551)
Total	<u>\$ (1,166,125)</u>	<u>\$ (1,289,941)</u>	<u>\$ (2,456,066)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented below:

Inflation	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 2,811,869	\$ 2,199,719	\$ 1,717,012
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 1,616,057	\$ 2,199,719	\$ 2,973,148

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Projected Salary Increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation is based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return**</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

*Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB (Asset)	\$ (1,634,146)	\$ (1,930,773)	\$ (2,189,103)

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB (Asset)	\$ (2,201,090)	\$ (1,930,773)	\$ (1,605,180)

Benefit Term Changes Since the Prior Measurement Date Healthcare trends were updated to reflect emerging claims and recoveries experiences as well as benefit changes effective January 1, 2024.

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation, personal and sick leave benefits are derived from negotiated agreements, Board policies and State laws. Classified employees that work 260 days earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers, classified employees and administrators who work less than 260 days do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 15 days per year, with a total maximum accumulation of 260 days. Upon retirement, certified employees are eligible for payment of 25 percent of unused sick leave. Classified employees, upon retirement, are eligible for payment of 25 percent of unused sick leave.

Other Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to its employees. Term life insurance coverage is \$50,000 with an additional \$50,000 of accidental death and dismemberment coverage for certified and non-certified staff. For administrators, coverage is calculated at \$1,000 for every \$1,000 earned with a maximum of \$50,000. Coverage was provided by American United Life. The current rate is \$5.25 per month per employee.

An additional employee benefit which is offered through the School District is vision insurance through Vision Service Plan, Inc. The monthly rate is \$10 for single and \$24 for family for all employees.

Retirement Incentive

An employee that gives the School District notice of retirement prior to March 1 for certified staff, or 90 days prior to an employee's effective retirement date for classified staff, within the fiscal year of their retirement, is entitled to six (6) days of additional severance pay.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 12 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2024 were as follows:

	Beginning Balance	Additions	Deductions	Outstanding Balance	Due In One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
2016 Current Refunding Bonds					
Serial Bonds	\$ 7,945,000	\$ -	\$ 335,000	\$ 7,610,000	\$ 1,055,000
Bond Premium	540,148	-	84,178	455,970	-
Total 2016 Current Refunding Bonds	<u>8,485,148</u>	<u>-</u>	<u>419,178</u>	<u>8,065,970</u>	<u>1,055,000</u>
2017 Current Refunding Bonds					
Serial Bonds	605,000	-	605,000	-	-
Bond Premium	12,102	-	12,102	-	-
Total 2017 Current Refunding Bonds	<u>617,102</u>	<u>-</u>	<u>617,102</u>	<u>-</u>	<u>-</u>
<i>Total General Obligation Bonds</i>	<u>9,102,250</u>	<u>-</u>	<u>1,036,280</u>	<u>8,065,970</u>	<u>1,055,000</u>
Net Pension Liability	29,182,910	-	637,713	28,545,197	-
Net OPEB Liability	1,913,027	286,692		2,199,719	-
Compensated Absences	7,852,637	342,097 *	-	8,194,734	977,525
<i>Total Governmental Long-Term Liabilities</i>	<u>\$ 48,050,824</u>	<u>\$ 628,789</u>	<u>\$ 1,673,993</u>	<u>\$ 47,005,620</u>	<u>\$ 2,032,525</u>

* The change in the compensated absences liability is presented as a net change.

2016 Current Refunding General Obligation Bonds – On March 3, 2016, the School District issued \$7,965,000 of general obligation bonds that were issued to refund the 2006 advance refunding general obligation bonds. The bonds were issued for a 13 year period with final maturity at December 1, 2029 with a varying interest rate of 2.00-4.00 percent. At the date of refunding, \$9,009,031 (including premium and after underwriting fees, and other issuance costs) was received to pay off old debt. The refunded bonds were called on June 1, 2016.

The serial refunding bonds were issued with a premium of \$1,157,460 which is reported as an increase to bonds payable. The amount is being amortized to interest expense over the life of the bonds using the straight-line method.

The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$1,044,031. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$1,862,773. The issuance resulted in an economic gain of \$1,576,609.

Principal and interest requirements to retire general obligation bonds for the 2016 Current Refunding Bonds outstanding at June 30, 2024 are as follows:

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fiscal Year	Serial Bonds		
	Principal	Interest	Total
2025	\$ 1,055,000	\$ 272,750	\$ 1,327,750
2026	1,115,000	239,900	1,354,900
2027	1,210,000	193,400	1,403,400
2028	1,310,000	143,000	1,453,000
2029	1,410,000	88,600	1,498,600
2030	1,510,000	30,200	1,540,200
<i>Totals</i>	<u>\$ 7,610,000</u>	<u>\$ 967,850</u>	<u>\$ 8,577,850</u>

2017 Current Refunding General Obligation Bonds – On March 14, 2017, the School District issued \$2,515,000 of general obligation bonds that were issued to refund the 2007 advance refunding general obligation bonds. The bonds were issued for a 7 year period with final maturity at December 1, 2023 with a varying interest rate of 2.00-4.00 percent. At the date of refunding, \$2,628,812 (including premium and after underwriting fees, and other issuance costs) was received to pay off old debt. The refunded bonds were called on June 1, 2017.

The serial refunding bonds were issued with a premium of \$196,016, which is reported as an increase to bonds payable. The amount is being amortized to interest expense over the life of the bonds using the straight-line method.

The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$113,812. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$187,325. The issuance resulted in an economic gain of \$171,747. The bonds were paid in full during fiscal year 2024.

Outstanding general obligation bonds are direct obligations of the School District for which the full faith, credit, and resources are pledged and payable from taxes levied on all taxable property of the School District. The bonds are being repaid from the bond retirement fund.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made primarily from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 9 and 10.

NOTE 13 – CONTINGENCIES AND COMMITMENTS

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at fiscal year end, if applicable, cannot be determined at this time.

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Litigation

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect of the basic financial statements.

Encumbrance Commitments

At June 30, 2024, the School District had the following encumbrance commitments:

Fund	Amount
General	\$ 988,663
Capital Projects	1,050,874
Nonmajor Governmental	685,035
	<u>\$ 2,724,572</u>

Contractual Commitments

At June 30, 2024, the School District had the following contractual commitments:

Project	Vendor	Amount of Contract	Expenditures as of 6/30/2024	Amount Remaining on Contract
District Office	Lepi Enterprises, Inc.	\$2,136,409	\$ 1,922,126	\$ 214,283
Nashport Elementary Classroom	Elford, Inc	4,043,781	3,389,929	653,852

NOTE 14 – INTERFUND ACTIVITY

Interfund Transfers

During the fiscal year, the general fund transferred \$2,000,000 to the capital projects fund for building improvements throughout the School District.

Interfund Receivable/Payable

As of June 30, 2024, receivables and payables that resulted from cash advances from the general fund to other funds were as follows:

	Interfund Receivable	Interfund Payable
General	\$ 74,813	\$ -
Other Governmental:		
IDEA Part B	-	34,280
Title I	-	37,722
Improving Teacher Quality	-	2,811
	<u>\$ 74,813</u>	<u>\$ 74,813</u>

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Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The primary purpose of the interfund receivable/payable balances is to cover costs in specific funds where revenues were not received by June 30. These balances will be repaid once the anticipated revenues are received, which is expected to be within the next fiscal year.

NOTE 15 – FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	Capital Projects	Other Governmental Funds	Total
Nonspendable for:				
Unclaimed Monies	\$ 11,434	\$ -	\$ -	\$ 11,434
Restricted for:				
Capital Outlay	-	-	1,545,905	1,545,905
Debt Service	-	-	2,180,643	2,180,643
Food Service	-	-	760,177	760,177
Maintenance of Facilities	-	-	303,832	303,832
Extracurricular Activities	-	-	146,503	146,503
State Funded Programs	-	-	69,772	69,772
Federally Funded Programs	-	-	1,402	1,402
Other Purposes	-	-	30,585	30,585
Total Restricted	-	-	5,038,819	5,038,819
Committed for:				
Underground Storage Tank	11,000	-	-	11,000
Assigned for:				
Instruction	460,110	-	-	460,110
Support Services	526,889	-	-	526,889
Capital Outlay	-	6,090,992	-	6,090,992
Other Purposes	260,969	-	-	260,969
Total Assigned	1,247,968	6,090,992	-	7,338,960
Unassigned	21,730,616	-	(526,126)	21,204,490
Total Fund Balance	\$ 23,001,018	\$ 6,090,992	\$ 4,512,693	\$ 33,604,703

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fund balances at June 30, 2024 included the following individual fund deficits:

<i>Non-Major Governmental Funds</i>	<u>Deficit</u>
ESSER	147,715
IDEA, Part B	208,717
Title I Disadvantaged Children	155,479
Improving Teacher Quality	<u>14,215</u>
Total	<u>\$ 526,126</u>

The deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 16 - SET-ASIDES

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside Restricted Balance as of June 30, 2023	\$ -
Current Year Set-aside Requirement	632,516
Current Year Qualifying Disbursements	<u>(1,113,745)</u>
Totals	<u>\$ (481,229)</u>
Balance Carried Forward to Fiscal Year 2025	<u>\$ -</u>
Set-aside Restricted Balance as of June 30, 2024	<u>\$ -</u>

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside. This extra amount may not be carried forward. The School District has prior year bond proceeds in connection with a school facilities project that may be carried forward to offset future set-aside requirements.

No assurance is provided on these financial statements.

Required Supplementary Information

No assurance is provided on these financial statements.

Tri-Valley Local School District
Muskingum County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net Pension Liability	0.12969410%	0.13299470%	0.14067980%	0.13470830%
School District's Proportionate Share of the Net Pension Liability	\$ 7,166,265	\$ 7,193,388	\$ 5,190,677	\$ 8,909,891
School District's Covered Payroll	\$ 5,136,093	\$ 4,934,707	\$ 4,780,571	\$ 4,779,770
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.53%	145.77%	108.58%	186.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net Pension Liability	0.09927557%	0.09891766%	0.10368134%	0.09693025%
School District's Proportionate Share of the Net Pension Liability	\$ 21,378,932	\$ 21,989,522	\$ 13,256,591	\$ 23,453,672
School District's Covered Payroll	\$ 13,647,064	\$ 12,559,036	\$ 13,167,386	\$ 11,716,771
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	156.66%	175.09%	100.68%	200.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	78.90%	87.80%	75.50%

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.12936430%	0.12828740%	0.13221330%	0.13037600%	0.13139560%	0.13470500%
\$ 7,740,093	\$ 7,347,257	\$ 7,899,453	\$ 9,542,320	\$ 7,497,560	\$ 6,817,343
\$ 4,464,370	\$ 4,322,496	\$ 4,279,243	\$ 5,198,329	\$ 4,695,668	\$ 4,685,750
173.37%	169.98%	184.60%	183.57%	159.67%	145.49%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
0.09648113%	0.09812044%	0.09642917%	0.09658624%	0.09963634%	0.10106109%
\$ 21,336,222	\$ 21,574,482	\$ 22,906,956	\$ 32,330,326	\$ 27,536,570	\$ 24,581,555
\$ 11,402,514	\$ 11,242,207	\$ 10,690,171	\$ 10,294,800	\$ 10,130,871	\$ 10,706,254
187.12%	191.91%	214.28%	314.05%	271.81%	229.60%
77.40%	77.31%	75.30%	66.80%	72.10%	74.70%

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

Tri-Valley Local School District
Muskingum County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	2024	2023	2022	2021
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 758,532	\$ 719,053	\$ 690,859	\$ 669,280
Contributions in Relation to the Contractually Required Contribution	<u>(758,532)</u>	<u>(719,053)</u>	<u>(690,859)</u>	<u>(669,280)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 5,418,086	\$ 5,136,093	\$ 4,934,707	\$ 4,780,571
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 1,926,407	\$ 1,910,589	\$ 1,758,265	\$ 1,843,434
Contributions in Relation to the Contractually Required Contribution	<u>(1,926,407)</u>	<u>(1,910,589)</u>	<u>(1,758,265)</u>	<u>(1,843,434)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 13,760,050	\$ 13,647,064	\$ 12,559,036	\$ 13,167,386
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 645,269	\$ 602,690	\$ 583,537	\$ 599,094	\$ 727,766	\$ 618,889
<u>(645,269)</u>	<u>(602,690)</u>	<u>(583,537)</u>	<u>(599,094)</u>	<u>(727,766)</u>	<u>(618,889)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,609,064	\$ 4,464,370	\$ 4,322,496	\$ 4,279,243	\$ 5,198,329	\$ 4,695,668
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
\$ 1,640,348	\$ 1,596,352	\$ 1,573,909	\$ 1,496,624	\$ 1,441,272	\$ 1,418,322
<u>(1,640,348)</u>	<u>(1,596,352)</u>	<u>(1,573,909)</u>	<u>(1,496,624)</u>	<u>(1,441,272)</u>	<u>(1,418,322)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,716,771	\$ 11,402,514	\$ 11,242,207	\$ 10,690,171	\$ 10,294,800	\$ 10,130,871
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

Tri-Valley Local School District
Muskingum County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Eight Fiscal Years (1)

	2024	2023	2022	2021
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net OPEB Liability	0.13352300%	0.13625450%	0.14512500%	0.13977600%
School District's Proportionate Share of the Net OPEB Liability	\$ 2,199,719	\$ 1,913,027	\$ 2,746,600	\$ 3,037,790
School District's Covered Payroll	\$ 5,136,093	\$ 4,934,707	\$ 4,780,571	\$ 4,779,770
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.83%	38.77%	57.45%	63.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net OPEB Liability/(Asset)	0.09927557%	0.09891766%	0.10368100%	0.09693000%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (1,930,773)	\$ (2,561,308)	\$ (2,186,029)	\$ (1,703,543)
School District's Covered Payroll	\$ 13,647,064	\$ 12,559,036	\$ 13,167,386	\$ 11,716,771
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.15%	-20.39%	-16.60%	-14.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.52%	230.73%	174.73%	182.10%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.13282800%	0.13039540%	0.13439170%	0.13227995%
\$ 3,340,355	\$ 3,617,521	\$ 3,606,720	\$ 3,770,468
\$ 4,464,370	\$ 4,322,496	\$ 4,279,243	\$ 5,198,329
74.82%	83.69%	84.28%	72.53%
15.57%	13.57%	12.46%	11.49%
0.09648100%	0.09812044%	0.09642917%	0.09658624%
\$ (1,597,957)	\$ (1,576,695)	\$ 3,762,310	\$ 5,165,457
\$ 11,402,514	\$ 11,242,207	\$ 10,690,171	\$ 10,294,800
-14.01%	-14.02%	35.19%	50.18%
174.70%	176.00%	47.10%	37.30%

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

Tri-Valley Local School District
Muskingum County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	2024	2023	2022	2021
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 92,205	\$ 97,972	\$ 90,343	\$ 93,530
Contributions in Relation to the Contractually Required Contribution	<u>(92,205)</u>	<u>(97,972)</u>	<u>(90,343)</u>	<u>(93,530)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 5,418,086	\$ 5,136,093	\$ 4,934,707	\$ 4,780,571
OPEB Contributions as a Percentage of Covered Payroll (1)	1.70%	1.91%	1.83%	1.96%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 13,760,050	\$ 13,647,064	\$ 12,559,036	\$ 13,167,386
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 89,745	\$ 104,593	\$ 93,158	\$ 74,291	\$ 67,613	\$ 107,158
<u>(89,745)</u>	<u>(104,593)</u>	<u>(93,158)</u>	<u>(74,291)</u>	<u>(67,613)</u>	<u>(107,158)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,690,604	\$ 4,464,370	\$ 4,322,496	\$ 4,279,243	\$ 5,198,329	\$ 4,695,668
1.88%	2.34%	2.16%	1.74%	1.30%	2.28%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,716,771	\$ 11,402,514	\$ 11,242,207	\$ 10,690,171	\$ 10,294,800	\$ 10,130,871
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

No assurance is provided on these financial statements.
See accompanying notes to the required supplementary information.

Tri-Vally Local School District
Muskingum County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented as follows:

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Years 2016 and Prior</u>
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2022, COLA were increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, COLA were reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

No assurance is provided on these financial statements.

Tri-Vally Local School District
Muskingum County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Assumptions – STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	<u>Fiscal Years 2022 and 2023</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	From 2.50% to 12.50% based on age	From 12.50% at age 20 to 2.50% at age 65	From 12.25% at age 20 to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Terms - STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

For fiscal year 2018, the COLA was reduced to zero.

Fiscal year 2017 and prior, COLA was 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

No assurance is provided on these financial statements.

Tri-Vally Local School District
Muskingum County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	<u>Fiscal Years 2023 and 2022</u>	<u>Fiscal Years 2021-2017</u>
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

	<u>Fiscal Year</u>							
<u>Assumption</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipal Bond Index Rate	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%

Changes in Assumptions – STRS

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Tri-Vally Local School District
Muskingum County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Benefit Terms – STRS

Effective January 1, 2024, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.