

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025
INCLUDING REPORT ON
EXTRACLASSROOM ACTIVITY FUNDS

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
JUNE 30, 2025
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

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Richard P. Capicchioni, CPA

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

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary fund, of the Rondout Valley Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, management has adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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100th ANNIVERSARY

1925 - 2025

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 4 through 16 and 72 through 76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental

Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rondout Valley Central School District's basic financial statements. The supplemental schedules on pages 77 through 79 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 77 through 79 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025 on our consideration of the Rondout Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rondout Valley Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rondout Valley Central School District's internal control over financial reporting and compliance.

Nugent & Haessler PC

Montgomery, New York
November 13, 2025

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Rondout Valley Central School District's financial performance for the year ended June 30, 2025. The section is a summary of the Rondout Valley Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the year ended June 30, 2025 are as follows:

At the time these financial statements were prepared and audited, the District was aware of certain existing circumstances that could significantly affect its financial health in the future. The current ongoing review of the Foundation Aid formula by the New York State Education Department has yet to be completed and its outcome is unknown. There is a reasonable possibility that the District will be impacted by a reduction in future state aid revenues. Conversely, expenses continue to rise particularly those that relate to the costs of employee benefits and contractual obligations to both employees and vendors. Additionally, the continued implementation and compliance of Ed Law 2D, which provides the required services to ensure that sensitive data is secure and protected from cyber threats demands increased financial resources.

The Environmental Protection Agency, Bipartisan Infrastructure Law (BIL) provides \$5 billion for the Clean School Bus (CSB) Program to replace existing buses with clean and zero-emission school buses. The EPA's 2022 Clean School Bus Rebates are not directly available to private bus fleet companies. As the District contracts the bus services to First Student, the District applied for the rebate on behalf of First Student. The District was the recipient of \$9,375,000 for the 2022 EPA Clean School Bus Rebate and as part of the grant agreement, the District was required to transfer the funds to First Student. These funds are to be used by First Student for the purchase of 25 new electric buses and \$500,000 for eligible charging infrastructure to serve Rondout Valley Central School District Transportation needs. First Student is in possession of the funds and has ordered the buses, which were supposed to be delivered in July 2024 however they are on backorder and are scheduled to be received in May 2025. First Student will also be installing charging infrastructure on their property, as part of the grant agreement. As of June 30, 2025, the district is still awaiting the implementation of the electric bus fleet. First Student has experienced resistance from the local municipality when it comes to amending the site that the bus fleet currently utilizes to park. The district has begun to explore opportunities to place charging stations to the district property in order to meet the criteria of EPA rebates. The expected launch date of the new electric bus fleet has been moved to May or June of 2026.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Overview of the Financial

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by sections of required supplementary information and supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year among other schedules.

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

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

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

Fund Financial Statements

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

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

The District has two types of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information disclosed in Note 2 explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Financial Analysis of the District as a Whole

Net position increased by \$10,657,298 from (\$81,024,821), as restated to (\$70,367,523). The District's net position at June 30, 2025 is (\$70,367,523). The following table provides a summary of the District's net position:

Summary of Net Position

	School District Activities			
	As Restated		Increase/ (Decrease)	% Change
	June 30, 2025	June 30, 2024		
Current Assets	\$ 37,973,825	\$ 34,273,147	\$ 3,700,678	10.80%
Non Current Assets	103,845,535	103,869,076	(23,541)	-0.02%
Total Assets	141,819,360	138,142,223	3,677,137	2.66%
Deferred Outflows of Resources	11,448,101	23,185,269	(11,737,168)	-50.62%
Current Liabilities	8,460,228	11,013,022	(2,552,794)	-23.18%
Long-Term Liabilities	159,382,529	185,520,113	(26,137,584)	-14.09%
Total Liabilities	167,842,757	196,533,135	(28,690,378)	-14.60%
Deferred Inflows of Resources	55,792,227	45,819,178	9,973,049	21.77%
Net Position:				
Net Investment in Capital Assets	56,674,202	53,273,189	3,401,013	6.38%
Restricted	22,950,430	20,374,661	2,575,769	12.64%
Unrestricted, (As Restated)	(149,992,155)	(154,672,671)	4,680,516	3.03%
Total Net Position	\$ (70,367,523)	\$ (81,024,821)	\$ 10,657,298	13.15%

The prior year information provided above has been adjusted to include the restatement of net position to provide a more meaningful comparison of net position.

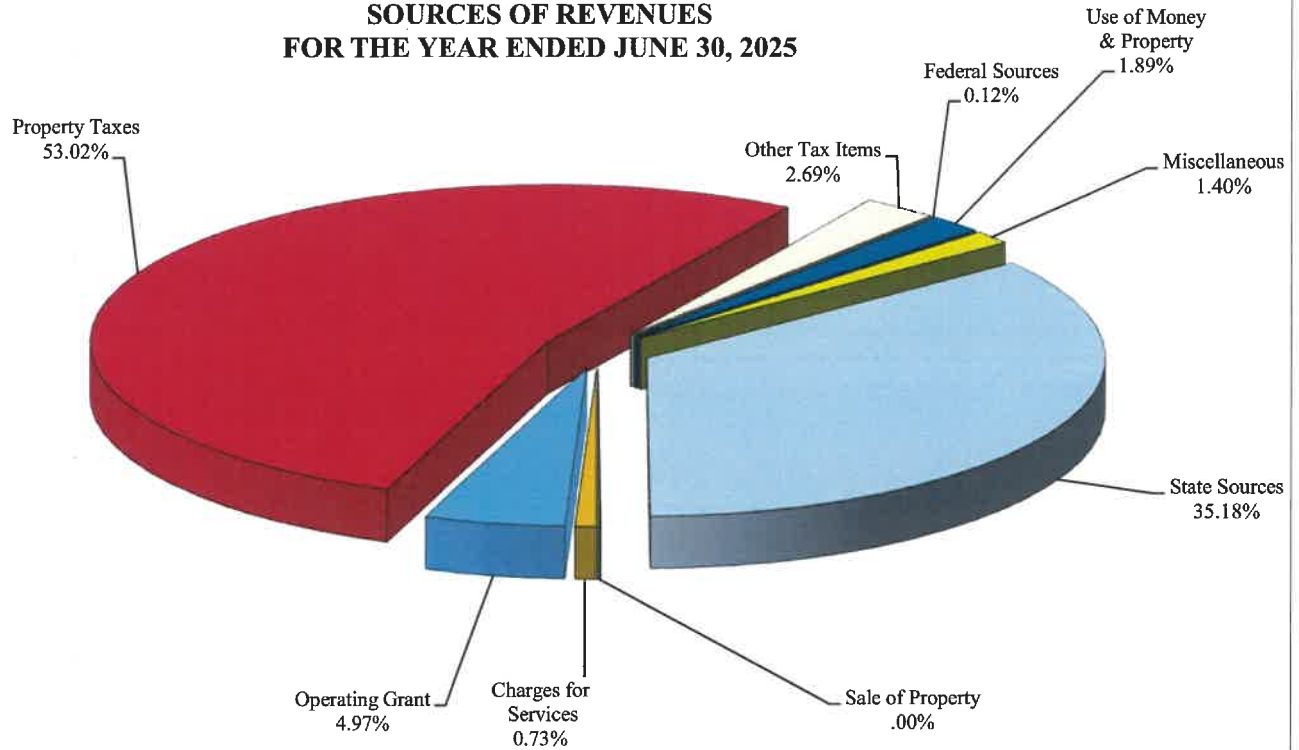
The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2025 and 2024:

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

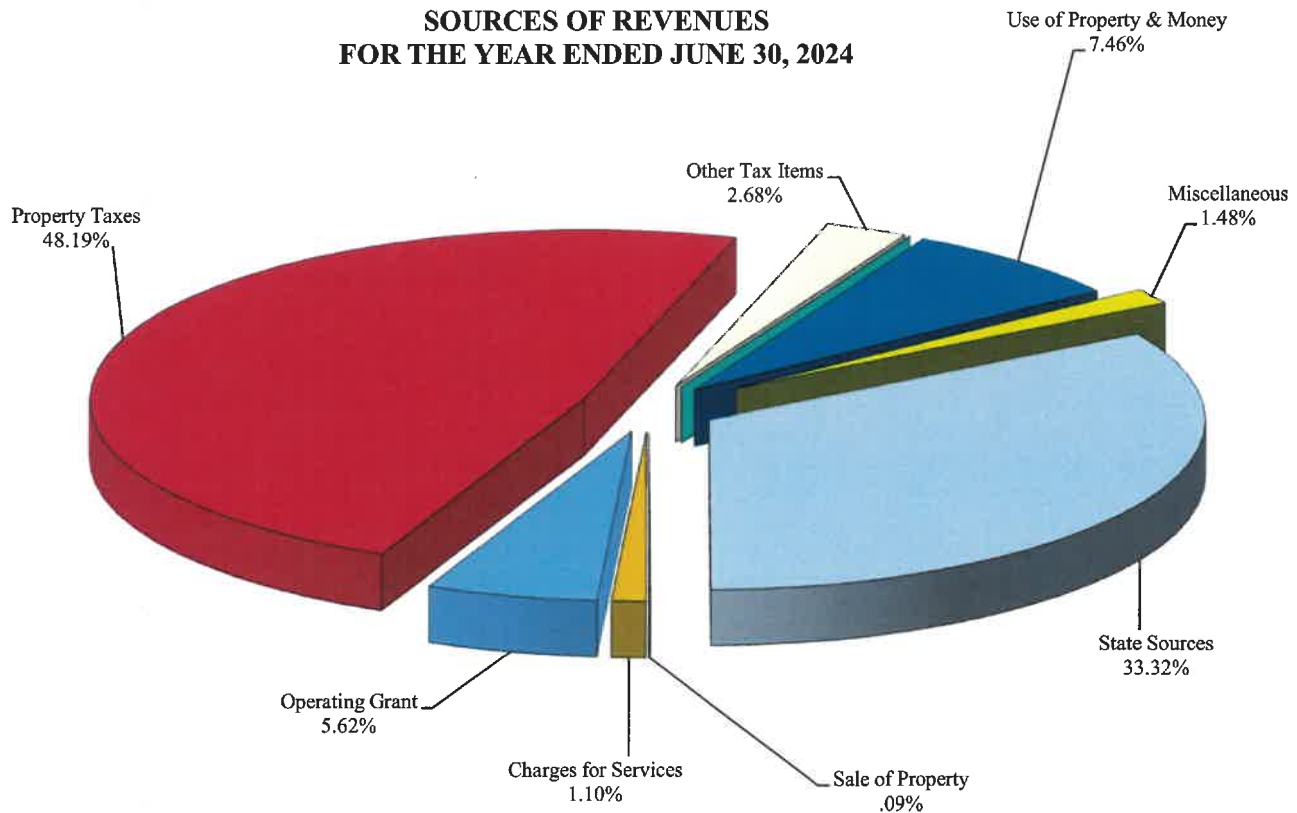
	FOR THE YEAR ENDED JUNE 30, 2025	%	FOR THE YEAR ENDED JUNE 30, 2024	%	\$ Change	% Change
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 589,365	0.73%	\$ 947,926	1.10%	\$ (358,561)	-37.83%
Operating Grants	4,020,880	4.97%	4,831,474	5.62%	(810,594)	-16.78%
GENERAL REVENUES:						
Property Taxes	42,919,994	53.02%	41,454,697	48.18%	1,465,297	3.53%
Other Tax Items	2,176,524	2.69%	2,306,119	2.68%	(129,595)	-5.62%
Use of Money & Property	1,529,084	1.89%	6,420,393	7.46%	(4,891,309)	-76.18%
Sale of Property	0	0.00%	73,610	0.09%	(73,610)	-100.00%
Miscellaneous	1,134,084	1.40%	1,276,577	1.48%	(142,493)	-11.16%
State Sources	28,472,359	35.18%	28,659,584	33.32%	(187,225)	-0.65%
Federal Sources	95,910	0.12%	53,321	0.06%	42,589	79.87%
					-	
TOTAL REVENUES	80,938,200	100.00%	86,023,701	99.99%	(5,085,501)	
<u>EXPENSES</u>						
General Support	7,441,803	10.59%	8,397,104	10.95%	(955,301)	-11.38%
Instruction	35,765,263	50.89%	35,968,305	46.90%	(203,042)	-0.56%
Pupil Transportation	6,080,779	8.65%	4,743,432	6.19%	1,337,347	28.19%
Employee Benefits	13,804,808	19.64%	21,897,004	28.56%	(8,092,196)	-36.96%
Debt Service Interest	3,199,373	4.55%	2,731,251	3.56%	468,122	17.14%
Depreciation & Amortization	2,089,170	2.97%	1,813,508	2.37%	275,662	15.20%
Capital Outlay	884,047	1.26%	2,821	0.00%	881,226	0%
School Lunch Program	1,015,659	1.45%	1,124,760	1.47%	(109,101)	-9.70%
TOTAL EXPENSES	70,280,902	100.00%	76,678,185	100.00%	(6,397,283)	-8.34%
CHANGES IN NET POSITION	\$ 10,657,298		\$ 9,345,516		\$ 1,311,782	

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

**SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2025**

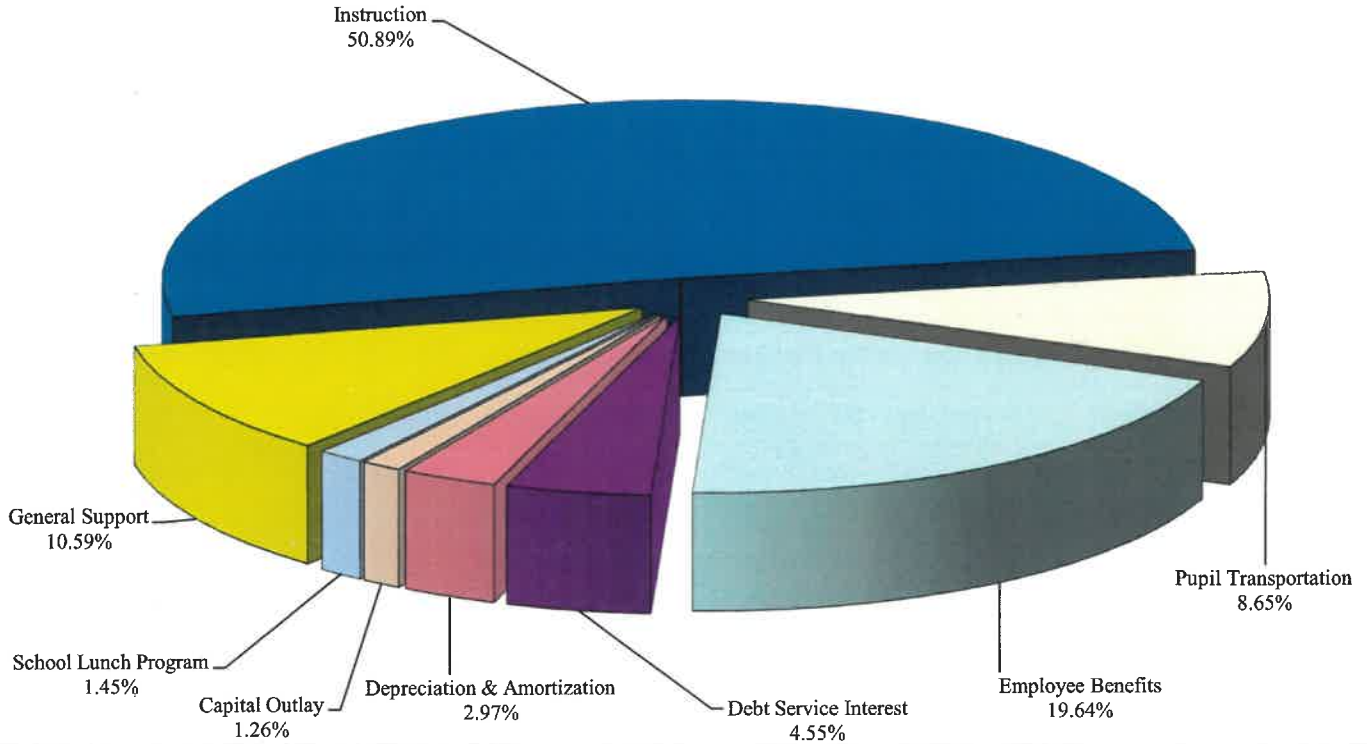


**SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2024**

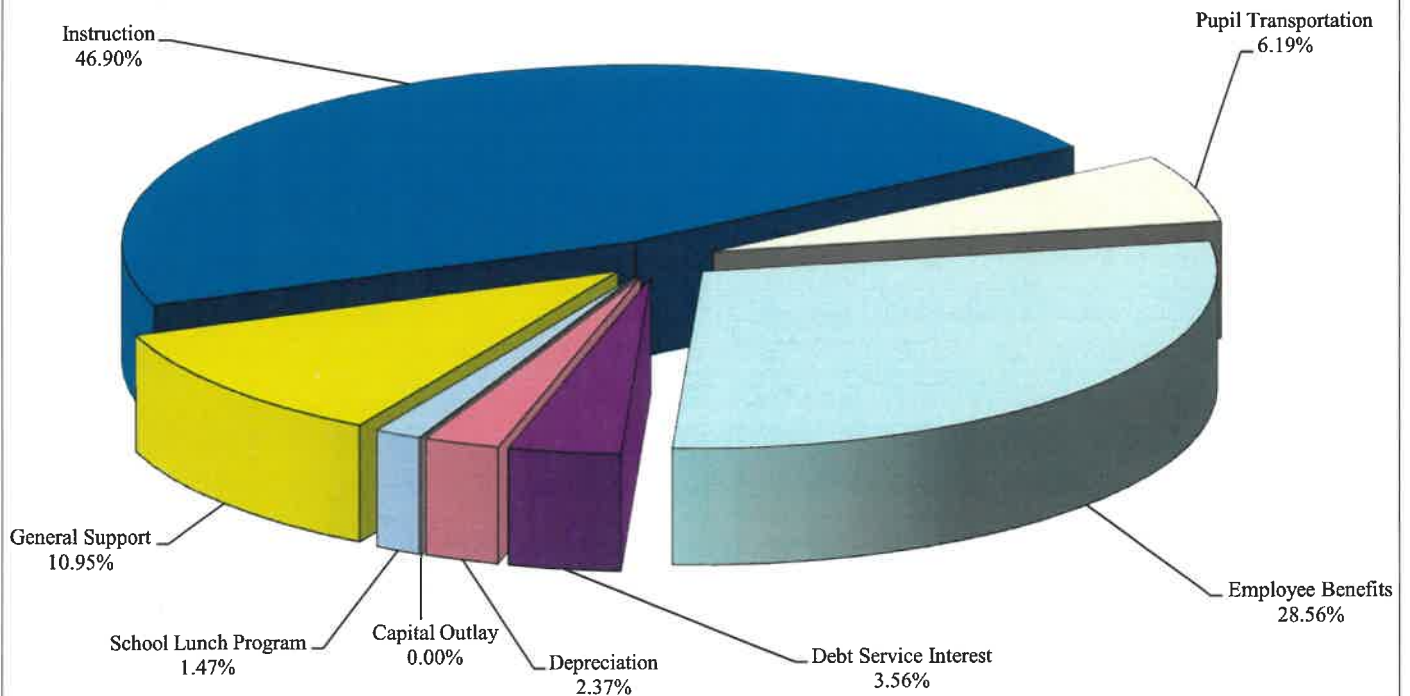


RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

EXPENSES FOR THE YEAR ENDED JUNE 30, 2025



EXPENSES FOR THE YEAR ENDED JUNE 30, 2024

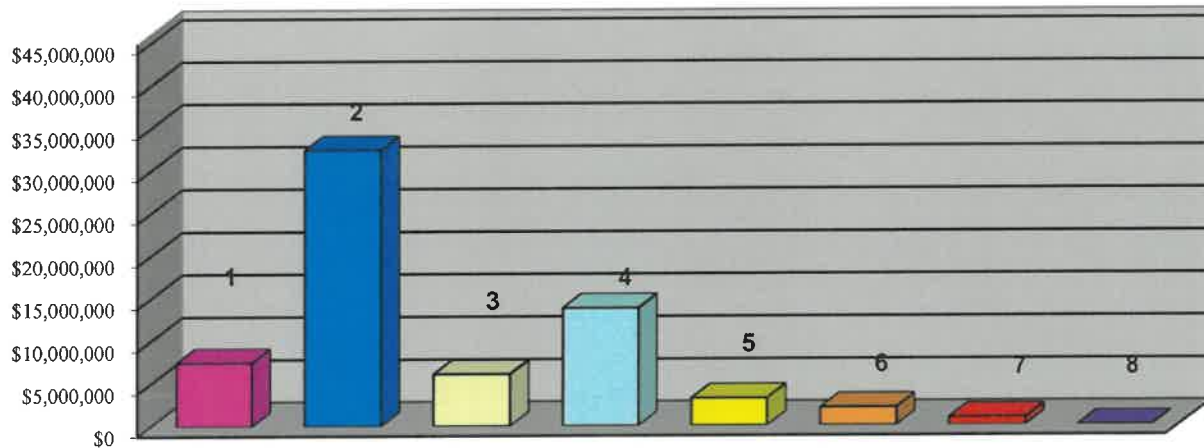


RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

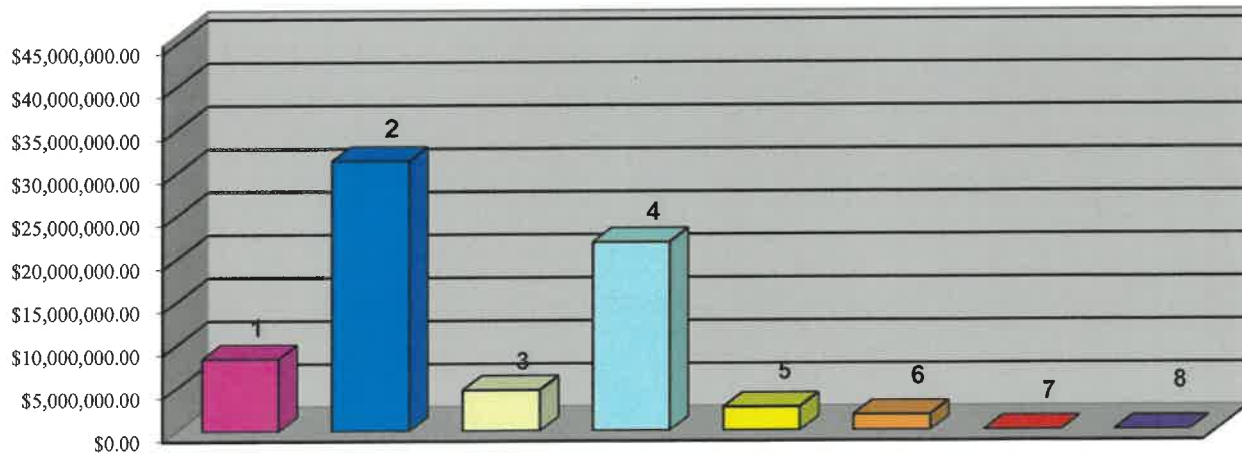
The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2024-2025	NET COST OF SERVICES 2024-2025	TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024
General Support	1	\$ 7,441,803	\$ 7,441,803	\$ 8,397,104	\$ 8,397,104
Instruction	2	35,765,263	32,390,397	35,968,305	31,378,126
Pupil Transportation	3	6,080,779	6,080,779	4,743,432	4,743,432
Employee Benefits	4	13,804,808	13,804,808	21,897,004	21,897,004
Debt Service - Interest	5	3,199,373	3,199,373	2,731,251	2,731,251
Depreciation	6	2,089,170	2,089,170	1,813,508	1,813,508
Capital Outlay	7	884,047	884,047	2,821	2,821
School Lunch Program	8	1,015,659	(219,720)	1,124,760	(64,461)
		<u>\$ 70,280,902</u>	<u>\$ 65,670,657</u>	<u>\$ 76,678,185</u>	<u>\$ 70,898,785</u>

NET COSTS 2024-2025



NET COSTS 2023-2024



RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Financial Analysis of the District's Funds

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

	June 30, 2025				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	\$ 266,149	14,335,969	\$ 3,170,107	\$ 3,218,804	\$ 20,991,029
Special Aid	0	0	0	0	0
School Lunch	0	220,040	0	0	220,040
Capital Projects	0	1,764,602	0	0	1,764,602
Debt Service	0	2,613,593	0	0	2,613,593
Miscellaneous Special Revenue	0	50,892	0	0	50,892
	<u>\$ 266,149</u>	<u>\$ 18,985,096</u>	<u>\$ 3,170,107</u>	<u>\$ 3,218,804</u>	<u>\$ 25,640,156</u>

	June 30, 2024				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	210,771	\$ 18,027,080	\$ 1,121,343	\$ 3,145,947	\$ 22,505,141
Special Aid	0	0	0	0	-
School Lunch	0	0	0	0	-
Capital Projects	0	353,938	0	(1,153,105)	(799,167)
Debt Service	0	2,447,271	0	0	2,447,271
Miscellaneous Special Revenue	0	66,238	0	0	66,238
	<u>\$ 210,771</u>	<u>\$ 20,894,527</u>	<u>\$ 1,121,343</u>	<u>\$ 1,992,842</u>	<u>\$ 24,219,483</u>

General Fund Budgetary Highlights

In the General Fund, for the year ended June 30, 2025, actual revenues were greater than revised budgeted revenues by \$319,146 or 0.42% primarily due to \$804,057 additional funds received from interest over budget offset by less revenue received than budgeted in other categories. Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$4,549,794 (5.50%). Costs within various budget codes were less than budgeted amounts in particular; the areas of Employee Benefits were less than budgeted by \$554,301, Transportation was less than budgeted by \$1,486,764, Teaching Regular School was less than budgeted by \$561,254, Central Services was less than budgeted by \$658,065 and Programs for Children with Handicapping Conditions was less than budgeted by \$627,208.

For year 2025-2026, the District has appropriated \$3,031,816 of fund balance to reduce the tax levy.

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

- New York State Aid revenues are being impacted due to statewide budget constraints.
- Employee Costs and Benefits, such as, teachers and employees retirement continue to rise.
- Changes in legislation regarding school finance.
- Impending changes in educational standards.
- Energy costs that are significantly being increased.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

- Change in the District's calculated cost based aides due to the rising assessed values of homes within the District that has caused a reduction in the aid ratio for BOCES services specifically.

Management believes that the budget adopted for 2025-2026 is reasonably adaptable to any adverse changes that may arise based on the above factors.

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a "property tax cap" on the amount that a school district's property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of \$0. The revenues of this fund are expenditure driven meaning that the District receives funds based on the amount of expenditures for each grant. The District is responsible for paying 20% of the expenditures of the Summer Handicap program and as such transferred \$212,984 from the General Fund budgeted amounts to the Special Aid Fund to cover these costs for the current year.

The School Lunch Program Fund ended the year with a fund balance of \$220,040. The revenues exceeded expenditures by \$220,040.

The Capital Projects Fund ended the year with a fund balance of \$1,764,602. The district transferred \$4,000,000 from the Capital Reserve for expenditures related to the \$21M capital project approved during 24/25. Capital expenditures for the fiscal year totaled \$2,653,854.

The Debt Service Fund ended the year with a fund balance of \$2,613,593. This fund balance will be appropriated in future years to offset principal and interest payments.

The Miscellaneous Special Revenue Fund ended the year with a fund balance of \$50,982. Expenditures exceeded revenues by \$15,346.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization, as of June 30, 2025 was \$103,845,535. The total decrease in this net investment was 0.02% for the District as a whole (see schedule on page 15). The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2024, as restated was \$103,869,076. The District expended \$1,579,807 to acquire and construct capital assets during the year ended June 30, 2025. Capital assets disposed of during the year cost \$11,741 with accumulated depreciation of \$10,633. Depreciation expense for the year was 1,881,062. The district acquired right of use assets during the year in the amount of \$486,930. Amortization expense for the current year was \$208,108.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Capital Assets (Continued)

CAPITAL ASSETS

Net of Accumulated Depreciation and Amortization

	<u>School District Activities</u>		<u>% Change</u>
	<u>June 30, 2025</u>	<u>As Restated June 30, 2024</u>	
<u>Non-Depreciable Assets:</u>			
Land	5,272,122	\$ 5,272,122	0.00%
Construction in Progress	7,844,198	41,594,794	-81.14%
 <u>Depreciable Assets:</u>			
Building and Improvements	89,233,627	55,612,369	60.46%
Furniture and Equipment	582,484	761,397	-23.50%
Vehicles	181,507	175,619	3.35%
 <u>Amortizable Assets:</u>			
Equipment	731,597	452,775	61.58%
TOTALS	<u><u>\$ 103,845,535</u></u>	<u><u>\$ 103,869,076</u></u>	-0.02%

Long-Term Debt

At the end of the year, the District had total bonded and installment purchase debt outstanding of \$43,820,000. This amount is backed by the full faith and credit of the Rondout Valley Central School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Refunded Serial Bond - 2018	\$ 1,745,000	\$ 0	\$ 1,745,000	\$ 0
Installment Purchase Agreement	16,134	0	16,134	0
Serial Bond	8,425,000	0	480,000	7,945,000
Serial Bond	15,360,000	0	580,000	14,780,000
Serial Bond	13,560,000	0	450,000	13,110,000
Serial Bond	8,840,000	0	855,000	7,985,000
Total Bonded Debt Outstanding	<u><u>\$ 47,946,134</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,126,134</u></u>	<u><u>\$ 43,820,000</u></u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Bond Ratings

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

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tabatha Biggane, School Business Official, at the District's business offices at 122 Kyserike Road PO Box 9 Accord, NY 12404.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

<u>ASSETS</u>	
Unrestricted Cash	\$ 12,210,369
Restricted Cash	18,985,096
Taxes Receivable	1,530
State & Federal Aid Receivable	2,081,078
Due from Other Governments	464,269
Prepaid Expenses	266,149
Net Pension Asset, Proportionate Share (TRS)	3,965,334
Right to Use Assets, Net	731,597
Non Depreciable Capital Assets	13,116,320
Depreciable Capital Assets, Net	89,997,618
TOTAL ASSETS	<u>141,819,360</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pensions	11,178,053
Other Postemployment Benefits	270,048
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>11,448,101</u>
<u>LIABILITIES</u>	
Accounts Payable	1,668,005
Accrued Liabilities	425,376
Bond Anticipation Notes Payable	3,181,009
Due to Other Governments	2,619
Due to Teachers' Retirement System	2,883,674
Due to Employees' Retirement System	249,492
Other Liabilities	32,599
Unearned Revenues	17,454
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (including deferred amount on refunding)	2,515,000
Compensated Absences	1,191,286
Lease Liability	35,169
Due and Payable In More Than One Year:	
Bonds Payable (including deferred amount on refunding)	41,305,000
Compensated Absences	3,923,970
Lease Liability	135,155
Net Pension Liability - Proportionate Share (ERS)	2,961,339
Other Postemployment Benefits	107,315,610
TOTAL LIABILITIES	<u>167,842,757</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pensions	5,159,967
Other Postemployment Benefits	50,632,260
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>55,792,227</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	56,674,202
Restricted	22,950,430
Unassigned (Deficit)	(149,992,155)
TOTAL NET POSITION	<u>\$ (70,367,523)</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	
<u>FUNCTIONS & PROGRAMS</u>				
General Support	\$ (9,695,440)	\$ 0	\$ 0	\$ (9,695,440)
Instruction	(47,664,845)	491,990	2,882,876	(44,289,979)
Pupil Transportation	(7,821,538)	0	0	(7,821,538)
Debt Service - Interest	(3,199,373)	0	0	(3,199,373)
Capital Outlay	(884,047)	0	0	(884,047)
School Lunch Program	(1,015,659)	97,375	1,138,004	219,720
 TOTAL FUNCTIONS & PROGRAMS	 \$ (70,280,902)	 \$ 589,365	 \$ 4,020,880	 (65,670,657)
 Real Property Taxes				42,919,994
Other Tax Items				2,176,524
Use of Money & Property				1,529,084
Miscellaneous				1,134,084
State Sources				28,472,359
Federal Sources				95,910
 TOTAL GENERAL REVENUES				 76,327,955
 CHANGE IN NET POSITION				 10,657,298
 NET POSITION, BEGINNING OF YEAR, AS RESTATED				 (81,024,821)
 NET POSITION, END OF YEAR				 \$ (70,367,523)

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Unrestricted Cash	\$ 11,282,218	\$ 928,151	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,210,369
Restricted Cash	15,018,746	0	20,023	1,614,087	2,281,348	50,892	18,985,096
Taxes Receivable	1,530	0	0	0	0	0	1,530
State & Federal Aid Receivable	1,537,788	449,039	94,251	0	0	0	2,081,078
Due from Other Governments	464,269	0	0	0	0	0	464,269
Due from Other Funds	3,063,401	1,031,665	458,035	4,000,000	340,254	0	8,893,355
Prepaid Expenditures	266,149	0	0	0	0	0	266,149
TOTAL ASSETS	\$ 31,634,101	\$ 2,408,855	\$ 572,309	\$ 5,614,087	\$ 2,621,602	\$ 50,892	\$ 42,901,846
<u>LIABILITIES & FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts Payable	\$ 1,514,580	\$ 39,223	\$ 92,950	\$ 21,252	0	0	\$ 1,668,005
Accrued Liabilities	333,483	0	0	0	0	0	333,483
BAN Payable	0	0	0	3,181,009	0	0	3,181,009
Due to Other Governments	0	2,250	369	0	0	0	2,619
Due to Other Funds	5,629,244	2,362,382	246,496	647,224	8,009	0	8,893,355
Due to Teachers' Retirement System	2,883,674	0	0	0	0	0	2,883,674
Due to Employees' Retirement System	249,492	0	0	0	0	0	249,492
Other Liabilities	32,599	0	0	0	0	0	32,599
Unearned Revenues	0	5,000	12,454	0	0	0	17,454
TOTAL LIABILITIES	10,643,072	2,408,855	352,269	3,849,485	8,009	0	17,261,690
<u>FUND BALANCES</u>							
Nonspendable	266,149	0	0	0	0	0	266,149
Restricted	14,335,969	0	220,040	1,764,602	2,613,593	50,892	18,985,096
Assigned	3,170,107	0	0	0	0	0	3,170,107
Unassigned	3,218,804	0	0	0	0	0	3,218,804
TOTAL FUND BALANCES	20,991,029	0	220,040	1,764,602	2,613,593	50,892	25,640,156
TOTAL LIABILITIES, & FUND BALANCES	\$ 31,634,101	\$ 2,408,855	\$ 572,309	\$ 5,614,087	\$ 2,621,602	\$ 50,892	\$ 42,901,846

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

ACCORD, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
<u>ASSETS</u>				
Unrestricted Cash	\$ 12,210,369	\$ 0	0	\$ 12,210,369
Restricted Cash	18,985,096	0	0	18,985,096
Taxes Receivable	1,530			1,530
State & Federal Aid Receivable	2,081,078	0	0	2,081,078
Due from Other Governments	464,269	0	0	464,269
Due from Other Funds	8,893,355	0	(8,893,355)	0
Prepaid Expenses	266,149	0	0	266,149
Net Pension Asset - Proportionate Share (TRS)	0	3,965,334	0	3,965,334
Right to Use Assets, Net	0	731,597	0	731,597
Non Depreciable Capital Assets	0	13,116,320	0	13,116,320
Depreciable Capital Assets, Net	0	89,997,618	0	89,997,618
TOTAL ASSETS	42,901,846	107,810,869	(8,893,355)	141,819,360
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pensions	0	11,178,053	0	11,178,053
Other Postemployment Benefits	0	270,048	0	270,048
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	11,448,101	0	11,448,101
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 42,901,846	\$ 119,258,970	\$ (8,893,355)	\$ 153,267,461
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,668,005	\$ 0	0	\$ 1,668,005
Accrued Liabilities	333,483	91,893	0	425,376
BAN Payable	3,181,009	0	0	3,181,009
Due to Other Governments	2,619	0	0	2,619
Due to Other Funds	8,893,355	0	(8,893,355)	0
Due to Teachers' Retirement System	2,883,674	0	0	2,883,674
Due to Employees' Retirement System	249,492	0	0	249,492
Other Liabilities	32,599	0	0	32,599
Bonds Payable (including deferred amount on refunding)	0	43,820,000	0	43,820,000
Compensated Absences	0	5,115,256	0	5,115,256
Unearned Revenues	17,454	0	0	17,454
Lease Liability	0	170,324	0	170,324
Net Pension Liability - Proportionate Share	0	2,961,339	0	2,961,339
Other Postemployment Benefits	0	107,315,610	0	107,315,610
TOTAL LIABILITIES	17,261,690	159,474,422	(8,893,355)	167,842,757
<u>DEFERRED INFLOWS OR RESOURCES</u>				
Pensions	0	5,159,967	0	5,159,967
Other Postemployment Benefits	0	50,632,260	0	50,632,260
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	17,261,690	215,266,649	(8,893,355)	223,634,984
FUND BALANCES / NET POSITION	25,640,156	(96,007,679)	0	(70,367,523)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	\$ 42,901,846	\$ 119,258,970	\$ (8,893,355)	\$ 153,267,461

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

ACCORD, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>							
Real Property Taxes	\$ 42,919,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,919,994
Other Tax Items	2,176,524	0	0	0	0	0	2,176,524
Charges for Services	491,990	0	0	0	0	0	491,990
Use of Money & Property	1,354,057	0	320	0	174,331	376	1,529,084
Miscellaneous	1,067,901	0	0	0	0	52,866	1,120,767
State Sources	28,472,359	817,098	354,936	0	0	0	29,644,393
Federal Sources	95,910	2,065,778	783,068	0	0	0	2,944,756
Sales	0	0	97,375	0	0	0	97,375
TOTAL REVENUES	76,578,735	2,882,876	1,235,699	0	174,331	53,242	80,924,883
<u>EXPENDITURES</u>							
General Support	5,927,646	1,514,157	0	0	0	0	7,441,803
Instruction	34,433,099	1,263,576	0	0	0	68,588	35,765,263
Pupil Transportation	5,877,458	203,321	0	0	0	0	6,080,779
Employee Benefits	19,140,328	115	0	0	0	0	19,140,443
Debt Service:							
Principal	4,145,810	0	0	0	0	0	4,145,810
Interest	3,153,669	0	0	0	0	0	3,153,669
Cost of Sales	0	0	1,015,659	0	0	0	1,015,659
Capital Outlay	296,930	0	0	2,653,854	0	0	2,950,784
TOTAL EXPENDITURES	72,974,940	2,981,169	1,015,659	2,653,854	0	68,588	79,694,210
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	3,603,795	(98,293)	220,040	(2,653,854)	174,331	(15,346)	1,230,673
<u>OTHER SOURCES & USES</u>							
Bond Anticipation Notes Paid from Current Year Appropriations	(712,931)	0	0	712,931	0	0	0
Leases	0	0	0	190,000	0	0	190,000
Operating Transfers In	8,009	212,984	0	4,314,692	0	0	4,535,685
Operating Transfers (Out)	(4,412,985)	(114,691)	0	0	(8,009)	0	(4,535,685)
TOTAL OTHER SOURCES & USES	(5,117,907)	98,293	0	5,217,623	(8,009)	0	190,000
NET CHANGE IN FUND BALANCE	(1,514,112)	0	220,040	2,563,769	166,322	(15,346)	1,420,673
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	22,505,141	0	0	(799,167)	2,447,271	66,238	24,219,483
FUND BALANCES, END OF YEAR	\$ 20,991,029	\$ 0	\$ 220,040	\$ 1,764,602	\$ 2,613,593	\$ 50,892	\$ 25,640,156

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

ACCORD, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	\$ 42,919,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,919,994
Other Tax Items	2,176,524	0	0	0	0	2,176,524
Charges for Services	491,990	0	0	0	0	491,990
Use of Money & Property	1,529,084	0	0	0	0	1,529,084
Miscellaneous	1,120,767	0	(1,108)	14,425	0	1,134,084
State Sources	29,644,393	0	0	0	0	29,644,393
Federal Sources	2,944,756	0	0	0	0	2,944,756
Sales	97,375	0	0	0	0	97,375
TOTAL REVENUES	80,924,883	0	(1,108)	14,425	0	80,938,200
EXPENDITURES						
General Support	7,441,803	0	169,296	0	2,084,341	9,695,440
Instruction	35,765,263	0	1,882,253	0	10,017,329	47,664,845
Pupil Transportation	6,080,779	0	37,621	0	1,703,138	7,821,538
Employee Benefits	19,140,443	(5,335,635)	0	0	(13,804,808)	0
Debt Service:						
Principal	4,145,810	0	0	(4,145,810)	0	0
Interest	3,153,669	(6,256)	0	51,960	0	3,199,373
Cost of Sales	1,015,659	0	0	0	0	1,015,659
Capital Outlay	2,950,784	0	(2,066,737)	0	0	884,047
TOTAL EXPENDITURES	79,694,210	(5,341,891)	22,433	(4,093,850)	0	70,280,902
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	1,230,673	5,341,891	(23,541)	4,108,275	0	10,657,298
OTHER SOURCES & USES						
Leases	190,000	0	0	(190,000)	0	0
Operating Transfers In	4,535,685	0	0	0	(4,535,685)	0
Operating Transfers (Out)	(4,535,685)	0	0	0	4,535,685	0
TOTAL OTHER SOURCES & USES	190,000	0	0	(190,000)	0	0
NET CHANGE FOR THE YEAR	\$ 1,420,673	\$ 5,341,891	\$ (23,541)	\$ 3,918,275	\$ 0	\$ 10,657,298

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Rondout Valley Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year’s presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

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

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

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

1. Extraclassroom Activity Funds

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

B. Joint Venture

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

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

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

During the year ended June 30, 2025, the Rondout Valley Central School District was billed \$1,968,016 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,637,522. Financial statements for BOCES are available from the Ulster County BOCES administrative office at 175 Route 32 North New Paltz, NY 12561.

C. Basis of Presentation

1. District-Wide Statements

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

The Statement of Net Position presents the financial position of the District at June 30, 2025. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

C. Basis of Presentation (Continued)

2. Funds Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of the specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

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

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

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

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

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

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

The District reports the following fiduciary funds:

Custodial: These funds are strictly custodial in nature and do not involve the measurement of results of operations.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 24th. Taxes were collected by the District during the period September 1, 2024 through November 3, 2024.

Uncollected real property taxes are subsequently enforced by the Ulster County, which is the county the District is located in. The County pay an amount representing uncollected real property taxes transmitted to the County for enforcement, to the District no later than the following April 1.

F. Restricted Resources

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

G. Interfund Transactions

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

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

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other post-employment benefits, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

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

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of The United States and its agencies and obligations of the State and its municipalities and Districts.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

J. Accounts Receivable

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

K. Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. There were no prepaid items at June 30, 2025.

L. Other Assets/Restricted Assets

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

M. Capital Assets

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

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

N. Right to Use Assets

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

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first deferred outflow is related to pensions reported in the Statement of Net Position. For additional information on these deferred outflows related to pensions, See Note 11. The second deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 13. The third item is related to deferred charges on refinancing.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The District reports deferred inflows of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 11. The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits see Note 13.

P. Unearned Revenue

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Q. Vested Employee Benefits

1. Compensated Absences

A compensated absence is leave for which employees may receive one or more cash payments when the leave is used for time off, other cash payments, or noncash settlements. The payment or settlement could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. Examples of compensated absences include vacation (or annual) leave, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave.

Compensated absence eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Some earned benefits may be forfeited if not taken in varying time periods. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

Consistent with GASB Statement 101, Compensated Absences, the liability has been calculated for leave that has not been used and leave that has been used but not yet paid or settled. The liability includes applicable salary-related payments.

Leave that has not been used includes leave that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. When evaluating whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, management assesses relevant factors, including employment policies related to compensated absences, whether leave that has been earned is, or will become, eligible for use or payment in the future, historical information about the use, payment, or forfeiture of compensated absences, and information known to the District that would indicate that historical information may not be representative of future trends or patterns. This leave is generally measured using an employee's pay rate as of the date of the financial statements. If some or all of the leave is more likely than not to be paid at a rate different from the employee's pay rate at the time the payment is made, the District measures that portion of the liability using that different rate as of the date of the financial statements. For leave that is not attributable to a specific employee as of the date of the financial statements, the District measures the liability using an estimated pay rate that is representative of the eligible employee population.

For types of compensated absences that are dependent upon the occurrence of a sporadic event (such as parental, military and jury duty leave) that affect a relatively small proportion of employees in any particular reporting period, the District does not recognize a liability until the leave commences.

The District reports a liability for leave that has been used for time off but has not yet been paid in cash or settled through noncash means. This liability, including any applicable salary-related payments, is measured at the amount of the cash payment or noncash settlement to be made for the use of the leave.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Q. Vested Employee Benefits (Continued)

1. Compensated Absences (Continued)

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources, as discussed in paragraph 14 of Interpretation 6, as amended.

2. Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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

R. Short-Term Debt

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

R. Short-Term Debt (Continued)

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

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

1. District-wide Statements

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

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

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

T. Equity Classifications (Continued)

2. Funds Statements

In the fund statements there are five classifications of fund balances:

Non-spendable – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Non-spendable fund balance includes the prepaid expenses in the General Fund of \$266,149.

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

Reserve for Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale.

The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Employee Benefit Accrued Liability Reserve

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Retirement Contribution Reserve -- TRS Sub Fund

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law §521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed to the TRS Sub-fund annually cannot exceed 2% of the total salaries of all teachers employed by the District paid during the previous fiscal year. In addition, the total balance of the TRS Sub-fund cannot exceed 10% of the total salaries of all teachers employed by the District paid during the previous fiscal year.

Unemployment Insurance

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

Workers' Compensation

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Capital Reserve

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

Restricted fund balance at June 30, 2025 consisted of the following:

General Fund:

Capital Reserve	\$ 7,778,444	
Workers' Compensation Reserve	228,381	
Unemployment Insurance Reserve	407,332	
Retirement Contribution Reserve	3,673,402	
Retirement Contribution Reserve - TRS Sub Fund	1,527,864	
Employee Benefit Accrued Liability Reserve	<u>720,546</u>	
		\$ 14,335,969
School Lunch Fund		220,172
Capital Fund		1,764,602
Debt Service Fund		2,613,593
Miscellaneous Special Revenue Fund		<u>50,892</u>
Total Restricted Fund Balance		<u>\$ 18,985,228</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2025.

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

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

Order of Use of Fund Balance:

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

Limitation on Unexpended Surplus Funds:

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

U. New Accounting Standards

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District has implemented GASB Statement 101, as required.

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

V. Future Changes in Accounting Standards

GASB has issued Statement 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

GASB has issued Statement 104, *Disclosure of Certain Capital Assets*, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed in the capital assets note disclosures required by Statement 34. Leased assets, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, subscription assets and intangible assets should all be disclosed separately by major class. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2025 were as follows:

Original Cost of Capital Assets	\$ 135,368,721
Accumulated Depreciation	<u>(32,254,783)</u>
	<u>\$ 103,113,938</u>

2. The cost of right to use assets (equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization expensed annually over the period of use. The balances at June 30, 2025 are as follows:

Original Cost of Right to Use Assets	\$ 1,337,314
Accumulated Amortization	<u>(605,717)</u>
	<u>\$ 731,597</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

3. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2025 were as follows:

Net Pension Asset - Proportionate Share (TRS)	\$ 3,965,334
Deferred Outflows of Resources - Pensions	11,178,053
Net Pension Liability - Proportionate Share (ERS)	(2,961,339)
Deferred Inflows of Resources - Pensions	<u>(5,159,967)</u>
	<u>\$ 7,022,081</u>

4. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2025 was as follows:

Accrued Interest	<u>\$ 91,893</u>
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RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

6. Long-term liabilities and related deferred inflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2025 were as follows:

Bonds Payable	\$ 43,820,000
Compensated Absences	5,115,256
Leases	170,324
Deferred Outflows of Resources - OPEB	(270,048)
Other Postemployment Benefits	107,315,610
Deferred Inflows of Resources - OPEB	50,632,260
	<u>\$ 206,783,402</u>

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

4. Pension Plan Transaction Differences

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

5. Other Post Employment Benefit (OPEB) Related Differences

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

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

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds (Schedule 5)	\$ 81,114,883
Upon disposition of assets totaling \$11,741, the cost exceeded the accumulated depreciation of \$10,633.	(1,108)
Unamortized BAN Premium	14,425
Repayment of BANS and issuance of bonds is reported as revenue in the governmental funds, but is recorded as a liability in the Statement of Net Position and does not affect the Statement of Activities.	<u>(190,000)</u>
Total revenues in the Statement of Activities (Schedule 2)	<u>\$ 80,938,200</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities (Continued)
Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	\$ 79,694,210
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$1,579,807 were less than depreciation of \$1,881,062 and the remaining depreciation.	301,255
When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of \$208,108 was less than the present value of right to use assets of \$486,930 purchased in the current year.	(278,822)
In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated Absences earned are less than the amount paid.	(189,471)
In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid.). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	(4,584,228)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities (Continued)

In the Statement of Activities , pension expense related to ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which the pension expense was exceeded by the amount of financial resources expended during the fiscal year.	(561,936)
Premiums and discounts on long-term debt issuances, bond issuance costs and deferred amounts from debt refunding are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities This is the amount that was amortized during the current year.	51,960
Payment of lease principle is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does affect the Statement of Activities.	(16,134)
Interest payable is recognized as an accrued liability in the entity wide statement under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year is more than the interest payable last year.	(6,256)
Repayment of BANS, bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	<u>(4,129,676)</u>
Total expenses in the Statement of Activities (Schedule 2)	<u>\$ 70,280,902</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLES, RESTATEMENT OF NET POSITION

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*, the objective which is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 has resulted in the District's beginning net position being restated. See note 19 for details.

NOTE 4. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

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

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the year ended June 30, 2025.

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4. STEWARDSHIP AND COMPLIANCE. (Continued)

B. Encumbrances

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

NOTE 5. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS.

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

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

Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$ 33,168,990

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$18,985,096 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk. The District participates in multi-municipal cooperative investment pool agreements pursuant to New York State General Municipal Law Article 5-G, Section 110-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the NYClass cooperative as of year-end are \$14,108,395,161, which consisted of \$3,819,691,492 in repurchase agreements, \$8,249,690,125 in U. S. Treasury Bills, \$1,460,809,349 in U.S. Treasury Securities and \$578,204,195 in collateralized bank deposits all with various interest rate and due dates.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. CAPITAL ASSETS.

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

	Beginning Balance As Restated	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 5,272,122	\$ 0	\$ 0	5,272,122
Construction in Progress	41,594,794	712,346	(34,462,942)	7,844,198
Total Nondepreciable Assets	46,866,916	712,346	(34,462,942)	13,116,320
Capital assets that are depreciated:				
Buildings and Improvements	83,549,182	867,461	34,459,253	118,875,896
Furniture & Equipment	2,714,850	0	(8,052)	2,706,798
Vehicles	669,707	0	0	669,707
Total Depreciable Assets	86,933,739	867,461	34,451,201	122,252,401
Less: Accumulated Depreciation	(30,384,354)	(1,881,062)	10,633	(32,254,783)
Capital Assets, Net	<u>\$ 103,416,301</u>	<u>\$ (301,255)</u>	<u>\$ (1,108)</u>	<u>\$ 103,113,938</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 169,296
Instruction	1,674,145
Transportation	37,621
Total Depreciation	<u>\$ 1,881,062</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 7. RIGHT OF USE ASSETS.

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

	Beginning Balance As Restated	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Right to use assets that are amortized:				
Furniture & Equipment	\$ 850,384	\$ 486,930	\$ 0	\$ 1,337,314
Less: Accumulated Amortization	<u>(397,609)</u>	<u>(208,108)</u>	<u>0</u>	<u>(605,717)</u>
Right of Use Assets, Net	<u>\$ 452,775</u>	<u>\$ 278,822</u>	<u>\$ 0</u>	<u>\$ 731,597</u>

Amortization expense was charged to governmental functions as follows:

Instruction	<u>208,108</u>
Total Amortization	<u>\$ 208,108</u>

NOTE 8. SHORT TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance
BAN matures 2025	\$ 3,181,977	\$ 0	\$ 3,181,977	\$ 0
BAN matures 2026	<u>0</u>	<u>3,181,009</u>		<u>3,181,009</u>
Total Short-Term Debt	<u>\$ 3,181,977</u>	<u>\$ 3,181,009</u>	<u>\$ 3,181,977</u>	<u>\$ 3,181,009</u>
Interest Paid		\$ 143,189		
Less Interest Accrued in the Prior Year		(1,961)		
Plus Interest Accrued in the Current Year		<u>1,852</u>		
Interest Expense		<u>143,080</u>		

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. LONG-TERM LIABILITIES.

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

	As Restated			Amounts
	Beginning Balance	Issued	Paid/ Redeemed	Due Within One Year
Governmental Activities:				
Bonds and Notes				
Payable:				
Bonds Payable	\$ 47,930,000	\$ 0	\$ 4,110,000	\$ 43,820,000
Deferred Amount on Refunding	14,425	0	14,425	0
Total Bonds and Notes Payable	47,944,425	0	4,124,425	43,820,000
Other Liabilities:				
Compensated Absences	5,304,727	(189,471)	0	5,115,256
Leases Payable	16,134	190,000	35,810	170,324
Other Postemployment Benefits	128,782,078	0	21,466,468	107,315,610
Net Pension Liability Proportionate Share (ERS)	4,333,958	0	1,372,619	2,961,339
Total Other Liabilities	138,436,897	529	22,874,897	115,562,529
Total Long-Term Liabilities	\$ 186,381,322	\$ 529	\$ 26,999,322	\$ 159,382,529

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. LONG-TERM LIABILITIES. (Continued)

Existing serial bond and installment purchase obligations are as follows:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial Bonds:				
Serial Bond \$8,425,000	06/27/24	06/27/36	5.00%	\$ 7,945,000
Serial Bond \$15,360,000	06/27/24	06/27/38	5.00%	14,780,000
Serial Bond \$13,560,000	06/27/24	06/27/39	5.00%	13,110,000
Serial Bond \$8,840,000	06/27/24	06/27/39	5.00%	7,985,000
				<u>\$ 43,820,000</u>

The following is a summary of maturing bond debt service requirements:

<u>For the Year Ended June 30,</u>	<u>Bonds and Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,515,000	\$ 2,191,000
2027	2,620,000	2,065,250
2028	2,770,000	1,934,250
2029	2,905,000	1,795,750
2030	3,045,000	1,650,500
2030 and thereafter	<u>29,965,000</u>	<u>9,979,250</u>
TOTAL	<u>\$ 43,820,000</u>	<u>\$ 19,616,000</u>

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

Interest paid	\$ 648,220
Less: Interest accrued in the prior year	(98,149)
Plus: Interest accrued in the current year	<u>90,041</u>
Total interest expense	<u>\$ 640,112</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10. LEASES.

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2025
Installment Purchase Agreement #29 - Xero Printer/Copiers	11/1/2024	60 months	\$ 3,610	5.280%	\$ 190,000	\$ 170,324
						<u>\$ 170,324</u>

The District leased printers through Ulster BOCES. These leases are paid over a four-year period. This lease is not renewable and the District will not acquire the equipment at the end of the four years.

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

For the Year Ended June 30,	Leases Payable	
	Principal	Interest
2026	\$ 35,170	\$ 8,150
2027	37,072	6,248
2028	39,077	4,242
2029	41,191	2,128
2030	17,814	236
TOTAL	<u>\$ 170,324</u>	<u>\$ 21,004</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS.

Employees' Retirement System Plan Description

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

Teachers' Retirement System Plan Description

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

ERS Benefits Provided

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

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

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

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

Tiers 3, 4, and 5

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 3, 4, and 5 (Continued)

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

Tier 6

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

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied 1 for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous 2 years.

Special Plans

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

Disability Retirement Benefits

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

TRS Benefits Provided

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

Tier 1

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

Tier 2

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 3

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

Tier 4

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

Tier 5

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

Tier 6

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

Service Retirements

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

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2% per year for 25 - 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 10 years of service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 5 years of state service credit. An age factor applies for Tier 6 members who retire before age 63. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

Vested Benefits

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

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service.

Death Benefits

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

Prior and Military Service

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

Tier Reinstatement

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

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI) not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the maximum annual benefit. The applicable percentage payable beginning September 2024 is 1.8%.

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

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' year ended March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2024-2025	\$ 2,544,456	\$ 1,001,869
2023-2024	2,476,705	829,129
2022-2023	2,624,327	686,768

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

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

At June 30, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial Valuation Date	March 31, 2025	June 30, 2024
Net Pension Asset/(Liability)	\$ (2,961,339)	\$ 3,965,334
District's Portion of the Plan's Total		
Net Pension Asset/(Liability)	0.0172716%	0.132904%

At March 31, 2025, the District's proportion of the NYSERS net pension asset/(liability) was 0.0172716%, there was a decrease of 0.0015393% from its proportion measured as of March 31, 2024.

At June 30, 2024, the District's proportion of the NYSTRS net pension asset/(liability) was 0.132904%, which was an decrease of 0.003879% from its proportion measured as of June 30, 2023.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

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

For the year ended June 30, 2025, the District's recognized pension expense of \$311,070 for ERS and \$250,866 for TRS. At June 30, 2025 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows or Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 735,024	\$ 4,269,937	\$ 5,004,961
Changes of Assumptions	124,193	2,372,073	2,496,266
Net difference between projected and actual earnings on pension plan investments	232,338	-	232,338
Changes in proportion and difference between the District's contributions and proportionate share of contributions	288,539	362,001	650,540
District's contributions subsequent to the measurement date	<u>249,492</u>	<u>2,544,456</u>	<u>2,793,948</u>
Total	<u>\$ 1,629,586</u>	<u>\$ 9,548,467</u>	<u>\$ 11,178,053</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

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

	Deferred Inflows or Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 34,672	\$ -	\$ 34,672
Changes of Assumptions	-	399,005	399,005
Net difference between projected and actual earnings on pension plan investments	0	4,405,824	4,405,824
Changes in proportion and difference between the District's contributions and proportionate share of contributions	147,880	172,586	320,466
District's contributions subsequent to the measurement date	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 182,552</u>	<u>\$ 4,977,415</u>	<u>\$ 5,159,967</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>TRS</u>
2025	\$ 0	\$ 1,996,965
2026	(584,398)	(4,916,135)
2027	(807,418)	767,865
2028	223,109	885,084
2029	(28,835)	(544,273)
Thereafter	0	(216,101)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
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NOTE 11. PENSION PLANS. (Continued)

Actuarial Assumptions

The total ERS pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The total TRS pension liability at June 30, 2024 was determined by using an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2025. These actuarial valuations used the following actuarial assumptions.

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

	<u>ERS</u>	<u>TRS</u>										
Inflation Rate	2.9%	2.40%										
Projected Salary Increases	4.3%	Rates of increase differ based on service. They have been calculated										
		<table><tr><th><u>Service</u></th><th><u>Rate</u></th></tr><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>											
5	5.18%											
15	3.64%											
25	2.50%											
35	1.95%											
Projected Cost of Living Adjustments	1.5%	1.3% Compounded annually										
Investment Rate of Return, Including Inflation	5.9% compounded annually, net of investment expenses, including inflation	6.95% compounded annually, net of pension plan investment expense, including inflation										
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience										
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021										

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* and generally accepted accounting principles. ASOP No. 27

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)
Actuarial Assumptions (Continued)

provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The Long Term Expected Rates of Return are presented by asset allocation classification. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2024 for TRS and March 31, 2025 for ERS are summarized in the following table:

Measurement Date	ERS		Measurement Date	TRS	
	March 31, 2025			June 30, 2024	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return*
Asset Class:			Asset Class:		
Domestic Equity	25%	3.54%	Domestic Equities	33%	6.80%
International Equity	14%	6.57%	International Equities	15%	7.60%
Private Equity	15%	7.25%	Global Equities	4%	7.20%
Real Estate	12%	4.95%	Real Estate Equities	11%	6.30%
Opportunistic/ARC Portfolio	3%	5.25%	Private Equity	9%	10.10%
Credit	4%	5.40%	Domestic Fixed Income	16%	2.20%
Real Assets	4%	5.55%	Global Bonds	2%	1.60%
Fixed Income	22%	2.00%	High-yield Bonds	1%	4.40%
Cash	1%	0.25%	Private Debt	2%	6.00%
			Real Estate Debt	6%	3.20%
			Cash Equivalents	1%	0.30%
Total	100%			100%	

The real rate of return is net of the long-term inflation assumption of 2.9%.

* Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

Discount Rate

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

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

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

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
<u>ERS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (8,570,488)	\$ (2,961,339)	\$ 1,722,304
	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
<u>TRS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (18,316,107)	\$ 3,965,334	\$ 22,704,624

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

	ERS March 31, 2025	TRS June 30, 2024
Measurement Date		
Employers' total pension asset/(liability)	\$ (247,600,239)	\$ (142,837,826,465)
Plan net position	(230,454,512)	(145,821,434,780)
Employer's net pension asset/(liability)	<u>\$ (17,145,727)</u>	<u>\$ 2,983,608,315</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.08%	102.1%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contributions for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$249,492 of employer contributions. Employee contributions are remitted monthly.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

For TRS, employer and employee contributions for the year ended June 30, 2025 are paid to the System in September, October and November 2025 through state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the year ended June 30, 2020. Employer contributions are based on paid TRS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$2,544,456.

NOTE 12. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 3,063,401	\$ 5,629,244	\$ 8,009	\$ 4,412,984
Special Aid Fund	1,031,665	2,362,382	212,984	114,691
School Lunch Fund	458,035	246,496	0	0
Capital Fund	4,000,000	647,224	4,314,692	0
Debt Service Fund	340,254	8,009	0	8,009
Total Governmental Activities	8,893,355	8,893,355	4,535,685	4,535,684
Fiduciary Agency Fund	0	0	0	0
Totals	<u>\$ 8,893,355</u>	<u>\$ 8,893,355</u>	<u>\$ 4,535,685</u>	<u>\$ 4,535,684</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS.

Plan Description – The District’s defined benefit OPEB plan (“the District’s OPEB plan”), provides OPEB for eligible retired employees, their spouses and their dependent children. The District’s OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District’s OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (ERS) and the New York State Teachers Retirement System (TRS), as well as the provisions of the District’s agreements with its employees. The following eligibility rules currently apply to the District’s employees:

<u>Employee Groups</u>	<u>Date of Hire Cut - off</u>	<u>District Service Requirements</u>
Teachers & Nurses, Administrators & Confidential Staff		10 years
	Before 02/01/2010	10 years
Custodial & Maintenance Unit	On/After 02/01/2010	15 Years
	Before 01/01/1994	10 years
School Related Professionals & Paraprofessionals	On/After 01/01/1994	15 Years

The same health plan options are available to active employees and retirees: Orange/Ulster School District Health Plan (OUSDHP) PPO and MVP PPO. For Medicare retirees, MVP USA PPO, a Medicare Advantage plan, is also available. All health plans are considered fully-insured and experience-rated for those of this valuation. The monthly premium rates effective on July 1, 2024 used in the valuation are shown below and were provided by the District.

	<u>Pre - 65</u>		<u>Post - 65</u>	
<u>Health Plans</u>	<u>Single</u>	<u>Two-Party</u>	<u>Single</u>	<u>Two-Party</u>
OUSDHP PPO	\$ 1,176	\$ 2,572	\$ 644	\$ 1,367
MVP	\$ 1,359	\$ 2,718	N/A	N/A
MVP USA PPO	N/A	N/A	\$ 507	\$ 1,013

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	366
Active employees	<u>381</u>
Total Employees Covered by Benefit Terms	<u><u>747</u></u>

Total OPEB Liability

The District's total OPEB liability of \$107,315,610 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.6%
Projected Salary Increases, Including Wage Inflation	Varies by pension retirement system membership and years of service
Discount Rate	4.81%
Healthcare Cost Trend Rates	Medical: 6.75 from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing gradually to an ultimate rate of 4.04% by 2075. Actual rate increase from 2024 to 2025, followed by projected Part B premium increase shown in the 2024 Medicare Trustees report and ultimately decreasing to an ultimate rate of 4.04% by 2027. Dental/Vision: None
Current Retirees' Share of Benefit Related Costs	Retirees pay based on their specific cost sharing arrangement.
Future Retirees' Share of Benefit Related Costs	Retirees pay based on their specific cost sharing arrangement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

The discount rate was based on a review of the yield derived from the S&P Municipal Bond 20-Year High Grade Index as of the measurement date.

The demographic assumptions include the rates of mortality, withdrawal, retirement, and disability. They are based on the NYS ERS assumptions first effective on April 1, 2020 and NYS TRS assumptions first used on June 30, 2021 with the exception of mortality rates. The mortality rates are based on recent mortality tables published by SOA (Pub-2010), which were based on the public pension plans mortality experience from calendar years 2008 to 2013.

Changes in the Total OPEB Liability

Balance at June 30, 2024	<u>\$ 128,782,078</u>
<u>Changes for the Year:</u>	
Service cost	3,761,257
Interest	5,490,721
Changes of benefit terms	(358,208)
Differences between expected and actual experience	(15,771,802)
Changes in assumptions or other inputs	(10,299,384)
Benefit payments	<u>(4,289,052)</u>
Net Changes	<u>(21,466,468)</u>
Balance at June 30, 2025	<u><u>\$ 107,315,610</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.81 percent) or 1 percentage point higher (5.81 percent) than the current discount rate:

	1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB Liability	\$ 123,629,837	\$ 107,315,610	\$ 94,083,750

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 93,920,588	\$ 107,315,610	\$ 124,236,034

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$4,584,228. At June 30, 2025, the District reported the following deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 270,048	\$ 19,833,965
Changes of assumptions or other inputs	0	30,798,295
District's contributions subsequent to the measurement date	0	0
Total	<u>\$ 270,048</u>	<u>\$ 50,632,260</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts recognized in the deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2025	\$ (18,741,368)
2026	(16,451,138)
2027	(9,955,468)
2028	(5,214,238)
2029	0
Thereafter	0

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14. RETIREMENT INCENTIVES.

The District approved a local retirement incentive whereby certain teachers who were eligible to retire during the 2024-2025 year under the New York State Teacher's Retirement System, were offered a retirement incentive. Six teachers retired were eligible for the incentive. These individuals will receive a non-elective employer contribution of \$20,000 each. The District also approved a retirement incentive to clerical staff members who retired during the 2024-2025 year. Two clerical staff members were eligible for this incentive. One received an incentive of \$15,000 and the other an incentive of \$30,000. Additionally, a retirement incentive was offered to paraprofessionals. Three were eligible for the incentive and received \$7,500 each. These incentives are charged to expenditures in the governmental funds in the current year and totaled \$187,500 for the fiscal year.

NOTE 15. RISK MANAGEMENT.

General Information

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

Pool, Risk Sharing

The District participates in the Ulster County Workers' Compensation Fund, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The total undiscounted liability for the Plan as of December 31, 2024, was \$14,121,781. The plan had assets in excess of the liability of \$25,284,160.

NOTE 16. COMMITMENTS AND CONTINGENCIES.

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2025 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	<u>\$ 138,291</u>
Total Encumbrances	<u><u>\$ 138,291</u></u>

NOTE 18. TAX ABATEMENTS.

The District entered into real property tax abatement agreements that reduce the District's gross tax revenues. The property tax abatement agreements are entered into with local businesses under the state municipal law for the purpose of attracting or retaining businesses within the town. For the year ended June 30, 2025, the District abated property taxes totaling \$51,642 under the property tax abatement agreements and received payments in lieu of tax (PILOT) payments totaling \$47,766.

NOTE 19. RESTATEMENT.

During fiscal year 2025, changes to or within the financial reporting entity and error corrections resulted in adjustments of and restatements of beginning net position and fund net position, as follows:

	<u>Governmental Activities</u>
Net Position, Beginning of Year, as Previously Reported:	\$ (77,262,774)
Change in Accounting Principles, Compensated Absences - GASB 101	(3,267,358)
Construction in Progress - Error Correction - June 30, 2023	<u>(494,689)</u>
Net Position, Beginning of Year, as Restated:	<u><u>\$ (81,024,821)</u></u>

NOTE 20. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through November 13, 2025 the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

SCHEDULE OF CHANGES IN THE DISTRICTS TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
<u>Total OPEB Liability</u>								
Service cost	\$ 3,761,257	\$ 3,694,099	\$ 4,489,368	\$ 6,568,569	\$ 7,016,714	\$ 4,528,002	\$ 2,735,178	\$ 2,853,380
Interest	5,490,721	5,247,048	5,311,136	3,991,623	4,284,007	5,156,342	4,628,623	4,252,784
Changes of benefit terms	(358,208)	0	(626,415)	0	(2,027,826)	0	0	0
Differences between expected and actual experience	(15,771,802)	245,052	(10,794,894)	369,044	(10,914,451)	43,014	9,272,707	0
Changes in assumptions or other inputs	(10,299,384)	(1,502,365)	(16,143,731)	(39,343,066)	(2,826,895)	38,633,037	12,472,191	(6,004,537)
Benefit payments	(4,289,052)	(4,464,469)	(4,392,738)	(4,167,687)	(4,097,188)	(3,707,216)	(3,491,304)	(2,595,800)
Net change in total OPEB liability	(21,466,468)	3,219,365	(22,157,274)	(32,581,517)	(8,565,639)	44,653,179	25,617,395	(1,494,173)
Total OPEB liability-beginning	128,782,078	125,562,713	147,719,987	180,301,504	188,867,143	144,213,964	118,596,569	120,090,742
Total OPEB liability-ending	\$ 107,315,610	\$ 128,782,078	\$ 125,562,713	\$ 147,719,987	\$ 180,301,504	\$ 188,867,143	\$ 144,213,964	\$ 118,596,569
Covered-employee payroll	\$ 30,385,433	\$ 31,710,705	\$ 29,055,770	\$ 30,003,722	\$ 29,350,079	\$ 29,821,384	\$ 26,884,664	\$ 29,625,799
Total OPEB liability as a percentage of covered-employee payroll	353.20%	406.10%	432.10%	492.30%	614.30%	633.30%	536.40%	400.30%

Notes to Schedule:

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

6/30/2018	3.87%
6/30/2019	3.51%
6/30/2020	2.21%
6/30/2021	2.16%
6/30/2022	3.54%
6/30/2023	4.13%
6/30/2024	4.21%
6/30/2025	4.81%

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

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
LOCAL SOURCES:				
Real Property Taxes	\$ 44,852,258	\$ 42,919,995	\$ 42,919,994	\$ (1)
Other Tax Items	162,000	2,094,263	2,176,524	82,261
Non Property Taxes	0	0	0	0
Charges for Services	500,000	500,000	491,989	(8,011)
Use of Money & Property	550,000	550,000	1,354,057	804,057
Sale of Property & Compensation for Loss	29,500	29,500	0	(29,500)
Miscellaneous	527,000	527,000	1,067,901	540,901
STATE SOURCES	29,571,839	29,571,839	28,472,359	(1,099,480)
FEDERAL SOURCES	75,000	75,000	95,910	20,910
OTHER SOURCES:				
Operating Transfers In	0	0	8,009	8,009
TOTAL REVENUES	76,267,597	76,267,597	\$ 76,586,743	\$ 319,146
APPROPRIATED FUND BALANCE	2,521,343	6,521,343		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	\$ 78,788,940	\$ 82,788,940		

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
EXPENDITURES					
GENERAL SUPPORT:					
Board of Education	\$ 23,767	\$ 23,324	\$ 10,560	\$ 0	\$ 12,764
Central Administration	1,142,396	1,119,411	982,642	0	136,769
Finance	311,330	409,765	364,912	0	44,853
Staff	287,284	294,535	288,746	0	5,789
Central Services	3,858,867	3,850,865	3,192,800	0	658,065
Special Items	1,266,802	1,116,215	1,087,985	0	28,230
INSTRUCTIONAL:					
Instruction, Administration & Improvement	2,514,949	2,529,070	2,471,222	0	57,848
Programs for Children with Handicapping Conditions	11,303,543	11,218,493	10,591,285	0	627,208
Teaching - Regular School	15,541,530	15,446,840	14,781,486	104,100	561,254
Occupational Education	0	0	0	0	0
Teaching - Special Schools	60,830	60,830	54,747	0	6,083
Instructional Media	2,867,777	2,821,911	2,609,018	34,191	178,702
Pupil Services	4,564,602	4,579,418	4,222,270	0	357,148
PUPIL TRANSPORTATION	7,516,821	7,364,223	5,877,459	0	1,486,764
EMPLOYEE BENEFITS	19,955,699	19,694,629	19,140,328	0	554,301
DEBT SERVICE:					
Debt Service - Principal	4,735,680	4,870,949	4,858,741	0	12,208
Debt Service - Interest	2,712,063	3,063,462	3,153,669	0	(90,207)
OTHER USES:					
Operating Transfers Out	78,663,940	78,463,940	73,687,870	138,291	4,637,779
TOTAL EXPENDITURES & OTHER USES	125,000	4,325,000	4,412,985	0	(87,985)
NET CHANGES IN FUND BALANCE	\$ 78,788,940	\$ 82,788,940	78,100,855	\$ 138,291	\$ 4,549,794
			\$ (1,514,112)		

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	NYSTERS Pension Plan Last 10 Fiscal Years									
	3/31/2025	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
District's proportion of the net pension asset/(liability)	0.0172716%	0.0188109%	0.0186216%	0.0178419%	0.0177520%	0.0174319%	0.0175607%	0.0182128%	0.0181781%	0.0185526%
District's proportionate share of the net pension asset/(liability)	\$ (2,961,339)	\$ (2,769,725)	\$ (3,993,230)	\$ 1,458,503	\$ (17,676)	\$ (4,616,055)	\$ (1,244,232)	\$ (587,808)	\$ (1,708,051)	\$ (2,977,747)
District's covered-employee payroll	\$ 6,017,325	\$ 6,548,315	\$ 6,409,670	\$ 5,996,283	\$ 5,828,700	\$ 5,841,093	\$ 5,717,362	\$ 5,445,550	\$ 5,427,044	\$ 5,448,012
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-49.21%	-42.30%	-62.30%	24.32%	-0.30%	-79.03%	-21.76%	-10.79%	-31.47%	-54.66%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension asset/(liability)	0.132904%	0.136783%	0.138251%	0.133757%	0.141270%	0.144561%	0.142679%	0.145054%	0.147955%	0.149246%
District's proportionate share of the net pension asset/(liability)	\$ 3,965,334	\$ (1,564,233)	\$ (2,652,881)	\$ 23,177,652	\$ (3,903,682)	\$ 3,755,703	\$ 2,580,010	\$ 1,102,557	\$ (1,584,663)	\$ 15,501,915
District's covered-employee payroll	\$ 25,376,071	\$ 25,262,682	\$ 25,838,650	\$ 25,084,063	\$ 23,147,148	\$ 23,855,122	\$ 24,712,290	\$ 23,761,746	\$ 23,459,697	\$ 23,261,908
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	15.63%	-6.19%	-10.27%	92.40%	-16.86%	15.74%	10.44%	4.64%	-6.75%	66.64%
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.2%	98.57%	113.25%	97.66%	101.53%	101.53%	100.66%	99.01%	110.46%

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025

	NYSERS Pension Plan Last 10 Fiscal Years									
	3/31/2025	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
Contractually required contribution	\$ 1,001,869	\$ 829,129	\$ 686,768	\$ 949,861	\$ 886,274	\$ 825,764	\$ 826,701	\$ 877,024	\$ 815,966	\$ 988,956
Contributions in relation to the contractually required contribution	1,001,869	829,129	686,768	949,861	886,274	825,764	826,701	877,024	815,966	988,956
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 6,017,325	\$ 6,548,315	\$ 6,409,670	\$ 5,996,283	\$ 5,828,700	\$ 5,841,093	\$ 5,717,362	\$ 5,445,550	\$ 5,427,044	\$ 5,448,012
Contributions as a percentage of its covered-employee payroll	16.65%	12.66%	10.71%	15.84%	15.21%	14.14%	14.46%	16.11%	15.04%	18.15%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution	\$ 2,476,705	\$ 2,599,530	\$ 2,624,327	\$ 2,303,264	\$ 2,124,456	\$ 2,731,433	\$ 2,624,445	\$ 2,328,651	\$ 2,749,476	\$ 3,084,529
Contributions in relation to the contractually required contribution	2,476,705	2,599,530	2,624,327	2,303,264	2,124,456	2,731,433	2,624,445	2,328,651	2,749,476	3,084,529
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 25,376,071	\$ 25,262,682	\$ 25,838,650	\$ 25,084,063	\$ 23,147,148	\$ 23,855,122	\$ 24,712,290	\$ 23,761,746	\$ 23,459,697	\$ 23,261,908
Contributions as a percentage of its covered-employee payroll	9.76%	10.29%	10.2%	9.18%	9.18%	11.45%	10.62%	9.80%	11.72%	13.26%

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	\$ 78,648,751
ADDITIONS:	
Encumbrances from Prior Year	140,189
ORIGINAL BUDGET	78,788,940
BUDGET REVISIONS	
Voter Approved Appropriation of Capital Reserve	4,000,000
FINAL BUDGET	<u>\$ 82,788,940</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 Voter-approved expenditure budget maximum allowed (4% of 2025-2026 budget of \$80,470,116)	\$ 3,218,804
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 3,170,107
Unassigned Fund Balance	3,218,804
Total Unrestricted Fund Balance	<u>\$ 6,388,911</u>
Less:	
Appropriated Fund Balance	3,031,816
Encumbrances Included in Assigned Fund Balance	138,291
Total Adjustments	<u>\$ 3,170,107</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,218,804</u>
Actual Percentage	4.00%

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
 ACCORD, NEW YORK
 SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING SOURCES
 FOR THE YEAR ENDED JUNE 30, 2025

PROJECT NUMBER	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	EXPENDITURES TO DATE		TOTAL	AVAILABLE BALANCE
				CURRENT YEAR	INTERFUND TRANSFER		
Smart School Network	\$ 1,426,380	\$ 1,426,380	\$ 1,148,505	\$ 13,850	\$ 0	\$ 1,162,355	\$ 264,025
Districtwide Capital Project - 2018 referendum	61,776,634	61,766,634	59,026,801	907,374	0	59,934,175	1,832,459
Track & Field Storage - ARP	250,000	250,000	135,309	114,691	0	250,000	0
Ulster BOCES Capital Project	3,629,241	3,629,241	977,103	884,046	0	1,861,149	1,768,092
\$21 M District-Wide Renovations Project	21,454,459	21,454,459	0	543,892	0	543,892	20,910,567
BOCES IPA#29	190,000	190,000	0	190,000	0	190,000	0
TOTALS	\$ 88,726,714	\$ 88,716,714	\$ 61,287,718	\$ 2,653,853	\$ 0	\$ 63,941,571	\$ 24,775,143

PROJECT NUMBER	METHODS OF FINANCING			LOCAL SOURCES	FEDERAL SOURCES	TOTAL	FUND BALANCE June 30, 2025
	PROCEEDS OF OBLIGATIONS	STATE AID					
Smart School Network	\$ 0	\$ 376,608	\$ 0	\$ 0	\$ 0	\$ 376,608	\$ (785,747)
Districtwide Capital Project - 2018 referendum	50,736,634	0	9,305,000	0	0	60,041,634	107,459
Track & Field Storage	0	0	0	0	250,000	250,000	0
Ulster BOCES Capital Project		0	847,931	0	0	847,931	(1,013,218)
\$21 M District-Wide Renovations Project	0	0	4,000,000	0	0	4,000,000	3,456,108
BOCES IPA#29	190,000	0	0	0	0	190,000	0
TOTALS	\$ 50,926,634	\$ 376,608	\$ 14,152,931	\$ 250,000	\$ 0	\$ 65,706,173	\$ 1,764,602

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSETS, NET		\$ 103,113,938
RIGHT TO USE ASSETS, NET		<u>731,597</u>
Total Capital Assets		103,845,535
DEDUCTIONS:		
Capital Asset Bond Anticipation Note	\$ 3,181,009	
Short-term Portion of Bonds Payable	2,515,000	
Long-term Portion of Bonds Payable	41,305,000	
Short-term Portion of Leases Payable	35,169	
Long-term Portion of Leases Payable	<u>135,155</u>	
Total Deductions		<u>(47,171,333)</u>
NET INVESTMENT IN CAPITAL ASSETS		<u>\$ 56,674,202</u>

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



Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of Rondout Valley Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Rondout Valley Central School District's basic financial statements and have issued our report thereon dated November 13, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. This significant deficiency is identified as 2025-001.

Compliance and Other Matters

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

Purpose of this Report

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

Nugent & Haussler PC

Montgomery, New York
November 13, 2025

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS

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

Internal Control Over Financial Reporting:

Material Weakness(es) identified? ☐ Yes ☒ No

Significant Deficiency(ies) Identified? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2025-001 Internal Control Over Financial Closing

Finding: The District's books and records were not reconciled and closed with all supporting documentation provided at the start of the audit.

Criteria: Each fund must be fully closed with final reconciliations, appropriate schedules and all supporting documentation prepared and reviewed timely after year end. This must be complete in order to start the audit process.

Condition: Two key employees left the District in the fall of 2024. With the change in staff the District was not preparing and maintaining supporting documentation in a manner that facilitates timely, effective reconciliation, review and closing of the District's books at year end.

Cause: The District did not have effective internal controls to ensure that account reconciliations, schedules and supporting documentation are prepared and reviewed in order to close the books timely.

Effect: Without having effective internal controls over this process, this delays the audit process and completion as well as results in non-compliance with established filing deadlines.

Recommendations: We recommend that internal controls be established for the preparation and review of account reconciliations, schedules and supporting documentation along with established timelines. We further recommend that this information be compiled in an organized manner to be provided at the start of the audit.

Managements Response: See response on pages 83-84.



RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

PO BOX 9 • ACCORD, NY 12404 • (845) 687-2400

Paul Spadaro, Ph.D., Superintendent • Ext. 4803

Lisa I. Pacht, Asst. Superintendent • Ext. 4805

Meg Braren, Asst. Superintendent • Ext. 4863

Tabatha Biggane, Asst. Superintendent • Ext. 4812

November 13, 2025

Finding 2025-001 – Internal Control Over Financial Closing

Finding:

The District's books and records were not fully reconciled and closed with all supporting documentation provided at the start of the audit.

Management Response:

The District concurs with the auditor's findings. The District recognizes that the financial closing process must be completed in accordance with NYS Education Law §2116-a, Commissioner's Regulation §170.12(c), and GASB Concept Statement No. 1, which emphasize timeliness, accountability, and reliability of financial reporting.

During the 2024–2025 fiscal year, staffing changes within the Business Office, temporarily affected the District's ability to complete year-end reconciliations and compile supporting schedules prior to the audit fieldwork. Management acknowledges that this caused delays in audit readiness and created a control weakness in the financial close process.

To address this finding, the District has implemented and is continuing to strengthen internal controls over year-end closing procedures as follows:

Year-End Closing Calendar:

A formalized year-end closing calendar is being developed outlining required reconciliations, schedules, and reports by fund, with due dates and assigned responsibilities.

Internal Review and Approval:

All reconciliations and supporting documentation will be prepared by the Treasurer or designee and reviewed by the Assistant Superintendent for Business prior to audit submission.

Documentation Standardization:

Supporting schedules (including cash reconciliations, accounts payable listings, trial balances, and interfund balances) will be compiled electronically in a centralized Business Office drive organized by fund and fiscal year for easy retrieval and audit review.

Cross-Training:

Key Business Office personnel will be cross-trained to ensure continuity of operations and prevent disruption due to staff turnover.

Pre-Audit Review:

Beginning with the fiscal year ending June 30, 2026, the Business Office will perform a pre-audit readiness review by April 30th each year to confirm all accounts are reconciled and documentation is completed prior to the start of external audit fieldwork.

The District is committed to maintaining strong internal controls and ensuring compliance with all applicable NYSED and GASB standards. These corrective measures will enhance financial reporting accuracy, improve audit readiness, and ensure timely submission of the annual financial report (ST-3) and audited financial statements.

Responsible Official:

Assistant Superintendent for Business / District Treasurer

Implementation Date:

Procedures implemented beginning with the fiscal year ending June 30, 2026

Status:

Corrective action in progress



Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

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

Opinion

We have audited the accompanying financial statements of Rondout Valley Central School District's Extraclassroom Activity Fund, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2025 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of Rondout Valley Central School District's Extraclassroom Activity Fund as of June 30, 2025, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

-85-

100th ANNIVERSARY

1925 - 2025

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Nugent & Haessler PC

Montgomery, New York
November 13, 2025

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2025

ASSETS

Cash in Checking	<u>\$ 50,892</u>
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FUND BALANCE

Fund Balance, Beginning of Year	\$ 66,238
Excess of Receipts over Disbursements	<u>(15,346)</u>
Fund Balance, End of Year	<u>\$ 50,892</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - HIGH SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	CASH BALANCE JUNE 30, 2024	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2025
Class of 2022	\$ 217	\$ 0	\$ 217	\$ 0
Class of 2025	11,114	29,365	36,818	3,661
Class of 2026	5,347	9,459	9,411	5,395
Class of 2027	4,285	2,614	1,086	5,813
Class of 2028	0	298	87	211
Council Fires (Yearbook)	16,916	1,194	5,623	12,487
Human Rights Club	970	0	0	970
National Honor Society	469	0	0	469
Student Congress	17,014	4,028	8,773	12,269
Interest Earned	1,411	327	0	1,738
	<u>\$ 57,743</u>	<u>\$ 47,284</u>	<u>\$ 62,015</u>	<u>\$ 43,012</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - MIDDLE SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2025

	CASH BALANCE JUNE 30, 2024	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2025
4-5-6 Student Council	\$ 8,234	\$ 5,722	\$ 6,573	\$ 7,383
7-8 Student Council	0	187	0	187
Interest Earned	261	49	0	310
	<u>\$ 8,495</u>	<u>\$ 5,958</u>	<u>\$ 6,573</u>	<u>\$ 7,880</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

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