HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
JUNE 30, 2024
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Highland Falls-Fort Montgomery Central School District
Highland Falls, New York 10928

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Highland Falls-Fort Montgomery Central School District, as of June 30, 2024, 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 Highland Falls-Fort Montgomery Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Highland Falls-Fort Montgomery 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 Highland Falls-Fort Montgomery 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 Highland Falls-Fort Montgomery 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 supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2025, on our consideration of the Highland Falls-Fort Montgomery 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 Highland Falls-Fort Montgomery 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 Highland Falls-Fort Montgomery Central School District's internal control over financial reporting and compliance.

Nugent & Haeussler PC

Montgomery, New York
June 6, 2025

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Highland Falls-Fort Montgomery Central School District's financial performance for the fiscal year ended June 30, 2024. This section is a summary of the Highland Falls-Fort Montgomery Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

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

- District tax levy increase was 1.44% which was below the computed property tax cap limit for 2023-2024 school taxes.

- The District received additional Aid through the Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act.

Overview of the Financial Statements

This annual report consists of the 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.

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

Overview of the Financial Statements (Continued)

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

Major Features of the District-Wide and Fund Financial Statements		
	District-Wide Statements	Governmental Funds Financial Statements
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included
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

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, deferred outflows of resources, and liabilities and deferred inflows of resources, 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.

District-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

All of the District's funds are governmental funds. The governmental funds include all of the District's basic services. Governmental funds generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided in the notes to the financial statements explains the relationship (or differences) between them.

Financial Analysis of the District as a Whole

For the year ended June 30, 2024, the District's net position is $(14,961,352). This is a $1,378,112 increase from last year's net position. The following table provides a summary of the District's net position:

Summary of Net Position

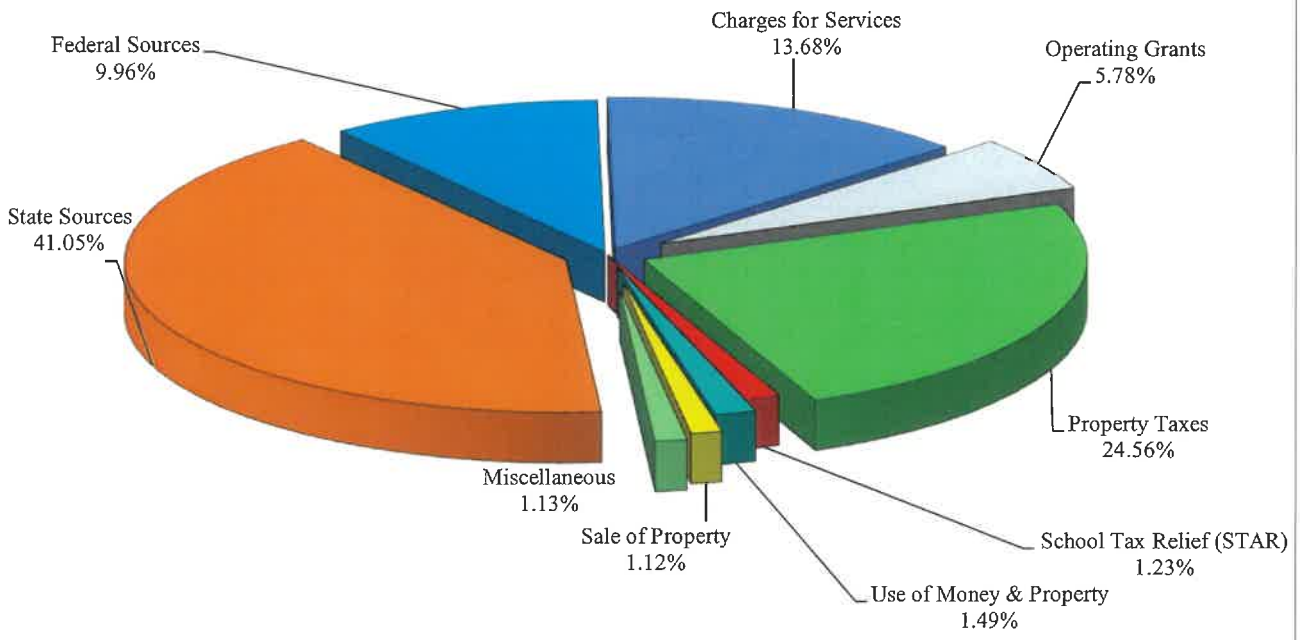
	School District Activities			
	June 30, 2024	June 30, 2023	$ Change	% Change
Current Assets	$ 23,118,881	$ 20,977,375	$ 2,141,506	10.21%
Non-Current Assets	34,106,140	33,504,505	601,635	1.80%
Total Assets	57,225,021	54,481,880	2,743,141	5.03%
Deferred Outflows of Resources	12,593,866	15,580,321	(2,986,455)	-19.17%
Current Liabilities	4,979,430	4,543,249	436,181	9.60%
Non-Current Liabilities	64,175,483	64,247,428	(71,945)	-0.11%
Total Liabilities	69,154,913	68,790,677	364,236	0.53%
Deferred Inflows of Resources	15,625,326	17,610,988	(1,985,662)	-11.28%
Net Position:				
Net Investment in Capital Assets	21,561,140	19,813,077	1,748,063	8.82%
Restricted	12,665,635	15,483,468	(2,817,833)	-18.20%
Unrestricted	(49,188,127)	(51,636,009)	2,447,882	4.74%
Total Net Position	$(14,961,352)	$ (16,339,464)	$ 1,378,112	-8.43%

The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the years ended June 30 2024 and 2023:

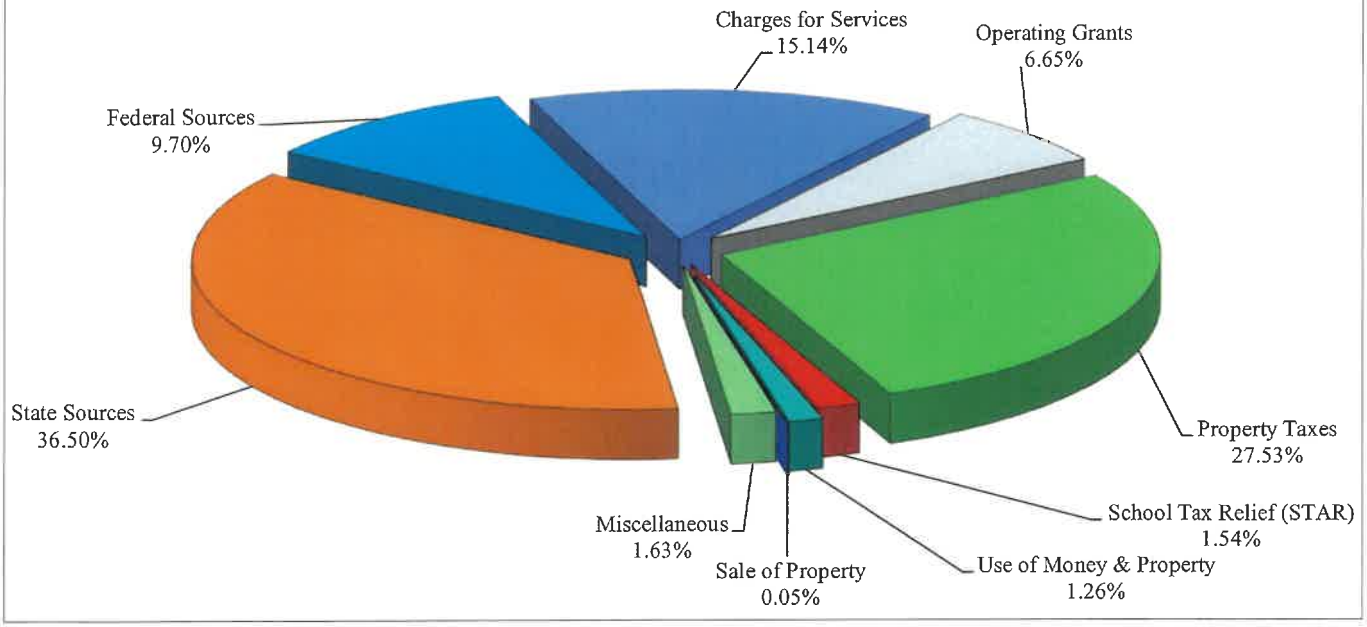
HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

	FOR THE YEAR ENDED JUNE 30, 2024	%	FOR THE YEAR ENDED JUNE 30, 2023	%	$ Change	%
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 6,082,315	13.68%	$ 5,883,467	15.14%	$ 198,848	3.38%
Operating Grants	2,568,442	5.78%	2,583,158	6.65%	(14,716)	-0.57%
GENERAL REVENUES:						
Property Taxes	10,922,431	24.56%	10,711,644	27.53%	210,787	1.97%
School Tax Relief (STAR)	548,662	1.23%	596,930	1.54%	(48,268)	-8.09%
Use of Money & Property	661,146	1.49%	488,903	1.26%	172,243	35.23%
Sale of Property	500,000	1.12%	18,200	0.05%	481,800	100.00%
Miscellaneous	502,080	1.13%	633,098	1.63%	(131,018)	-20.69%
State Sources	18,250,411	41.05%	14,186,546	36.50%	4,063,865	28.65%
Federal Sources	4,426,415	9.96%	3,770,239	9.70%	656,176	17.40%
TOTAL REVENUES	44,461,902	100.00%	38,872,185	100.00%	5,589,717	14.38%
EXPENSES						
General Support	5,666,990	13.15%	3,951,785	9.91%	1,715,205	43.40%
Instruction	22,412,293	52.02%	22,128,783	55.50%	283,510	1.28%
Pupil Transportation	3,399,918	7.89%	2,888,499	7.25%	511,419	17.71%
Employee Benefits	8,857,367	20.56%	8,957,519	22.47%	(100,152)	-1.12%
Debt Service Interest	281,297	0.65%	311,233	0.78%	(29,936)	-9.62%
Depreciation and Amortization	1,855,822	4.31%	1,140,430	2.86%	715,392	62.73%
School Lunch Program	610,103	1.42%	489,780	1.23%	120,323	24.57%
TOTAL EXPENSES	43,083,790	100.00%	39,868,029	100.00%	3,215,761	8.07%
CHANGE IN NET POSITION	$ 1,378,112		$ (995,844)		$ 2,373,956	

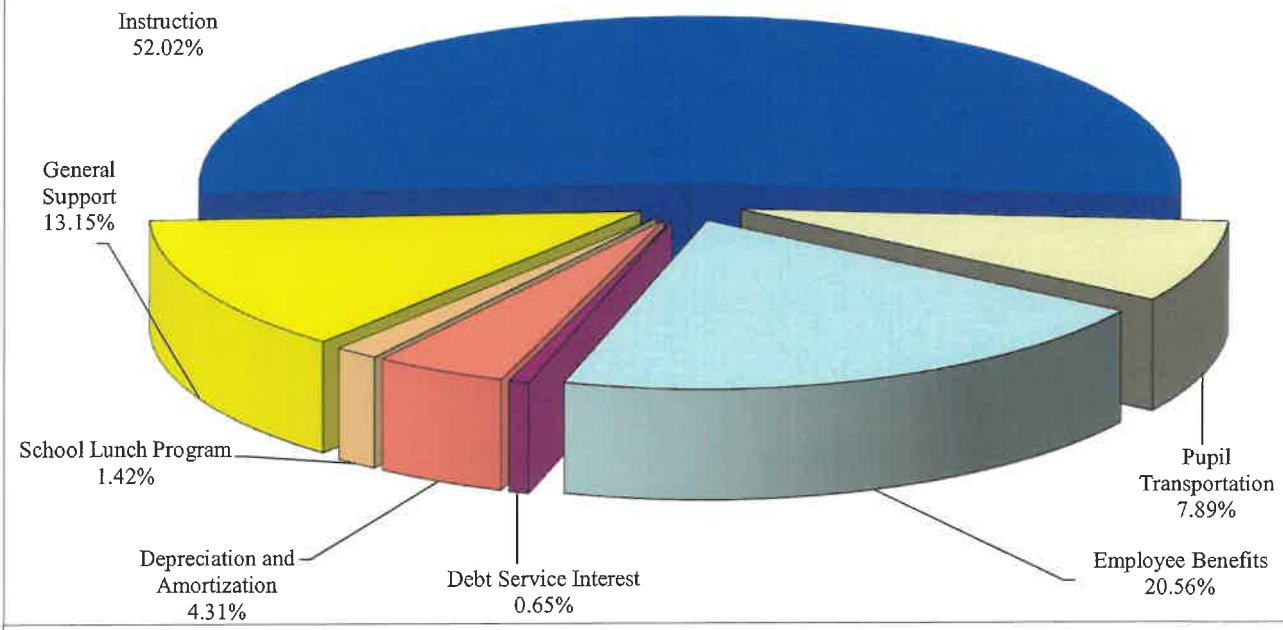
SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



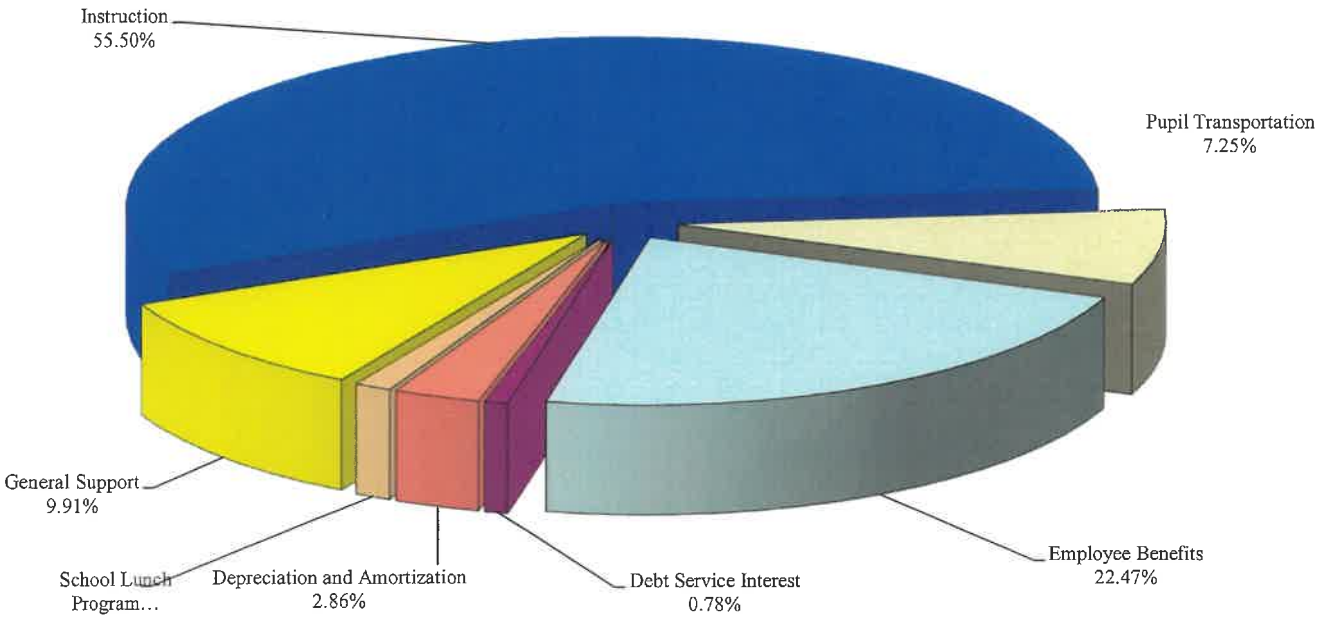
SOURCES OF REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2024



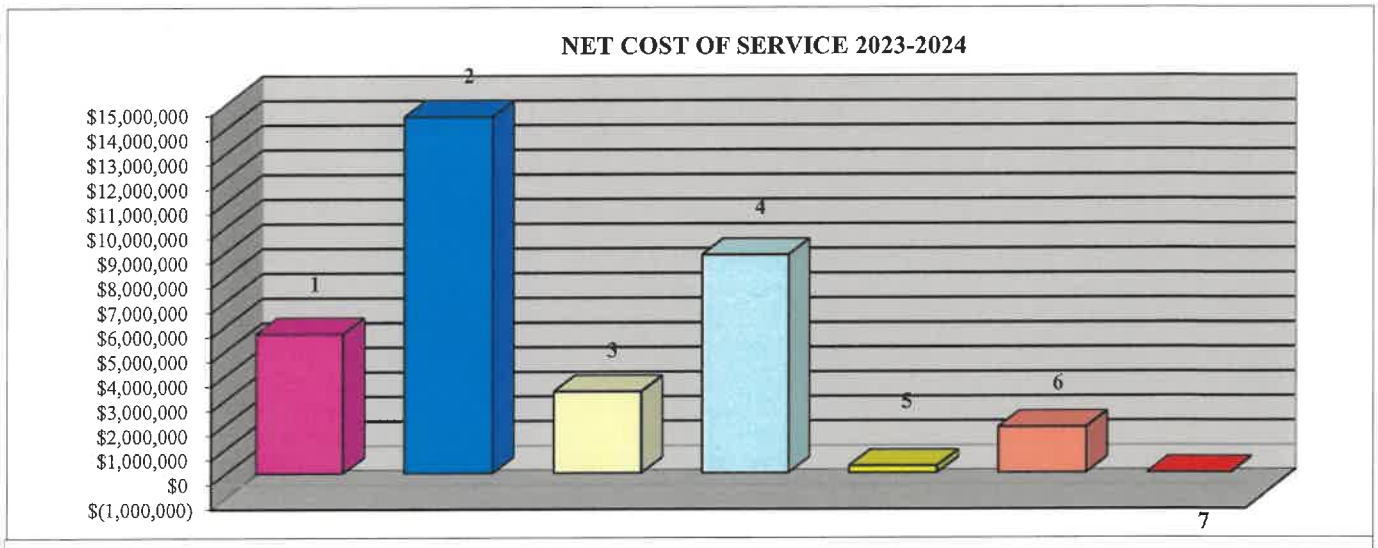
EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

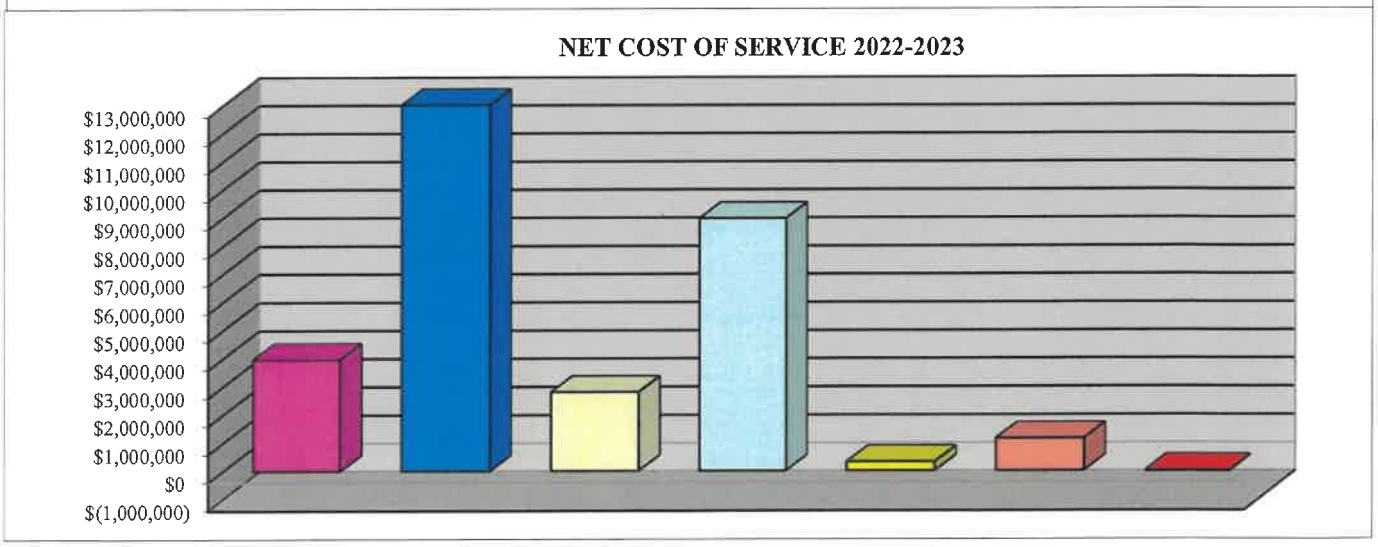


HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

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

		TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024	TOTAL COST OF SERVICES 2022-2023	NET COST OF SERVICES 2022-2023
General Support	1	$ 5,666,990	$ 5,663,033	$ 3,951,785	$ 3,948,723
Instruction	2	22,412,293	14,456,113	22,128,783	14,264,659
Pupil Transportation	3	3,399,918	3,316,773	2,888,499	2,793,126
Employee Benefits	4	8,857,367	8,857,367	8,957,519	8,957,519
Debt Service - Interest	5	281,297	281,297	311,233	311,233
Depreciation & Amortization	6	1,855,822	1,855,822	1,140,430	1,140,430
School Lunch Program	7	610,103	2,628	489,780	(14,286)
		$ 43,083,790	$ 34,433,033	$ 39,868,029	$ 31,401,404





Management Discussion and Analysis
(Continued)

Financial Analysis of the District's Funds

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

	June 30, 2024				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 0	$ 8,316,822	$ 740,158	$ 8,778,238	$ 17,835,218
Special Aid	0	12,839	0	0	12,839
School Lunch	2,890	230,201	0	0	233,091
Special Revenue	0	162,121	0	0	162,121
Capital Projects	0	451,753	0	0	451,753
Debt Service	0	575,620	0	5,853	581,473
	$ 2,890	$ 9,749,356	$ 740,158	$ 8,784,091	$ 19,276,495

	June 30, 2023				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 0	$10,614,736	$ 296,623	$ 6,211,754	$ 17,123,113
Special Aid	0	12,839	0	0	12,839
School Lunch	19,789	215,930	0	0	235,719
Special Revenue	0	145,661	0	0	145,661
Capital Projects	0	0	0	(486,565)	(486,565)
Debt Service	0	571,834	0	0	571,834
	$ 19,789	$11,561,000	$ 296,623	$ 5,725,189	$ 17,602,601

General Fund Budgetary Highlights

The original budget for the General Fund was revised by $2,476,716 during the year. The amendments were for costs related to damages sustained as the result of storms and an earthquake.

In the General Fund for the fiscal year ended June 30, 2024, actual revenues were greater than the final budgeted revenues by $2,792.257 (7.60%). Revenue sources significantly over budget were state and federal aid, insurance recovery and interest earned.

Actual expenditures and encumbrances were greater than the final budgeted expenditures by $293,593 (-.71%). The excess spending was the result of a transfer to the Capital Fund for voter approved projects. The transfer in the amount of $2,300,000 was funded from the Capital Reserve.

General Fund Budgetary Highlights (Continued)

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

- Property Tax Cap – The Property Tax Cap continues to put constraints on the budgeting process as we are limited to the revenues that can be raised; limiting the increases to the expenditure budget.

- Employees Retirement Contributions and Teachers Retirement Contribution have been fluctuating during the past few budget seasons. These fluctuations will be monitored in future years as it can affect other areas in the budget in a negative way.

- Affordable Care Act – The District continues to anticipate expenses and fees that will increase District health care costs as well as increases in the administration of soft costs related to managing the program. Calendar year 2015 was the first year that the District reported detailed health insurance information to the IRS for the employees of the District.

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

Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of $12,839.

The School Lunch Program Fund ended the year with a fund balance of $233,091. Revenue and other sources were less than expenditures by $2,628.

The Capital Projects Fund ended the year with a fund balance of $451,753. The District began capital projects at the Elementary School during the year.

Debt Service Fund ended the year with a fund balance of $581,473. This fund balance will be appropriated in future years to offset principal and interest payments.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2024, was $34,106,142. The total increase in net investment was 1.80% for the District as a whole (see schedule below). The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2023 was $33,504,505. The District expended $2,221,189 to acquire equipment and construct capital assets during the fiscal year end. Depreciation expense for the year was $1,649,026. Amortization was $206,796.

CAPITAL ASSETS
Net of Accumulated Depreciation and Amortization

	School District Activities		
	June 30, 2024	June 30, 2023	% Change
Non-Depreciable Assets:			
Land	$ 152,475	$ 152,475	0.00%
Construction in Progress	2,116,849	88,413	2294.27%
Depreciable Assets:			
Land Improvements	221,919	253,801	-12.56%
Building and Improvements	30,178,867	31,573,354	-4.42%
Furniture and Equipment	927,094	966,767	-4.10%
Vehicles	198,438	188,669	5.18%
Amortizable Assets:			
Furniture and Equipment	310,498	281,026	10.49%
TOTALS	$34,106,140	$33,504,505	1.80%

Long-Term Debt

At the end of the year, the District had total bonded debt outstanding of $12,545,000. This amount is backed by the full faith and credit of the Highland Falls-Fort Montgomery Central School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Total Bonded Debt Outstanding	$13,645,000	$ 0	$ 1,100,000	$ 12,545,000

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of "Aa3" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such 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 Christopher Carballo, Assistant Superintendent for Business, at the District's business offices at 21 Morgan Road, Highland Falls, New York 10928.

SCHEDULE #1

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

ASSETS		
Unrestricted Cash	$	9,744,678
Restricted Cash		9,755,209
State & Federal Aid Receivable		3,074,412
Due from Other Governments		538,202
Other Receivables, Net		3,490
Inventories		2,890
Right to Use Asset, Net		310,498
Non Depreciable Capital Assets		2,269,324
Depreciable Capital Assets, Net		31,526,318
TOTAL ASSETS		57,225,021
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits		6,571,744
Pensions		6,022,122
TOTAL DEFERRED OUTFLOWS OF RESOURCES		12,593,866
LIABILITIES		
Accounts Payable		1,567,700
Accrued Liabilities		360,536
Due to Other Governments		4,247
Due to Teachers' Retirement System		1,444,249
Due to Employees' Retirement System		136,995
Other Liabilities		6,287
Unearned Revenue		28,320
Deferred Revenues		306,096
Long-term Liabilities:		
Due and Payable Within One Year:		
Bonds Payable		1,125,000
Due and Payable In More Than One Year:		
Bonds Payable		11,420,000
Compensated Absences		1,272,224
Net Pension Liability-Proportionate Share		1,889,990
Other Postemployment Benefits		49,593,269
TOTAL LIABILITIES		69,154,913
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits		14,403,620
Pensions		1,221,706
TOTAL DEFERRED INFLOWS OF RESOURCES		15,625,326
NET POSITION		
Net Investment in Capital Assets		21,561,142
Restricted		12,665,635
Unrestricted (Deficit)		(49,188,129)
TOTAL NET POSITION	$	(14,961,352)

See notes to financial statement.

SCHEDULE #2

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		PROGRAM REVENUES		
FUNCTIONS & PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
General Support	$ (7,276,457)	$ 3,957	$ 0	$ (7,272,500)
Instruction	(30,480,184)	5,973,994	1,982,186	(22,524,004)
Pupil Transportation	(4,408,292)	0	83,145	(4,325,147)
Debt Service - Interest	(281,297)	0	0	(281,297)
School Lunch Program	(637,560)	104,364	503,111	(30,085)
TOTAL FUNCTIONS & PROGRAMS	$ (43,083,790)	$ 6,082,315	$ 2,568,442	(34,433,033)
GENERAL REVENUES				
Real Property Taxes				10,922,431
Other Tax Items				548,662
Use of Money & Property				661,146
Sale of Property & Compensation for Loss				500,000
Miscellaneous				502,080
State Sources				18,250,411
Federal Sources				4,426,415
TOTAL GENERAL REVENUES				35,811,145
CHANGE IN NET POSITION				1,378,112
NET POSITION, BEGINNING OF YEAR				(16,339,464)
NET POSITION, END OF YEAR				$ (14,961,352)

See notes to financial statement.

SCHEDULE #3

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Unrestricted Cash	$ 9,588,923	$ 155,755	$ 0	$ 0	$ 0	$ 0	$ 9,744,678
Restricted Cash	7,784,126	0	77,970	162,121	1,233,366	497,626	9,755,209
State & Federal Aid Receivable	1,484,042	1,405,102	185,268	0	0	0	3,074,412
Due from Other Governments	538,202	0	0	0	0	0	538,202
Due from Other Funds	2,047,279	0	17,190	0	0	83,847	2,148,316
Other Receivables, Net	3,490	0	0	0	0	0	3,490
Inventories	0	0	2,890	0	0	0	2,890
TOTAL ASSETS	$ 21,446,062	$ 1,560,857	$ 283,318	$ 162,121	$ 1,233,366	$ 581,473	$ 25,267,197
LIABILITIES & FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 1,258,030	$ 67,702	$ 43,933	$ 0	$ 198,035	$ 0	$ 1,567,700
Accrued Liabilities	342,033	6,459	0	0	0	0	348,492
Due to Other Governments	0	4,235	12	0	0	0	4,247
Due to Other Funds	101,037	1,463,701	0	0	583,578	0	2,148,316
Due to Teachers' Retirement System	1,444,249	0	0	0	0	0	1,444,249
Due to Employees' Retirement System	136,995	0	0	0	0	0	136,995
Other Liabilities	5	0	6,282	0	0	0	6,287
Unearned Revenue	28,320	0	0	0	0	0	28,320
Deferred Revenues	300,175	5,921	0	0	0	0	306,096
TOTAL LIABILITIES	3,610,844	1,548,018	50,227	0	781,613	0	5,990,702
FUND BALANCES							
Nonspendable	0	0	2,890	0	0	0	2,890
Restricted	8,316,822	12,839	230,201	162,121	451,753	581,473	9,755,209
Assigned	740,158	0	0	0	0	0	740,158
Unassigned	8,778,238	0	0	0	0	0	8,778,238
TOTAL FUND BALANCES	17,835,218	12,839	233,091	162,121	451,753	581,473	19,276,495
TOTAL LIABILITIES & FUND BALANCES	$ 21,446,062	$ 1,560,857	$ 283,318	$ 162,121	$ 1,233,366	$ 581,473	$ 25,267,197

See notes to financial statement.

SCHEDULE #4

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS & DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Unrestricted Cash	$ 9,744,678	$ 0	$ 0	$ 9,744,678
Restricted Cash	9,755,209	0	0	9,755,209
State & Federal Aid Receivable	3,074,412	0	0	3,074,412
Due from Other Governments	538,202	0	0	538,202
Due from Other Funds	2,148,316	0	(2,148,316)	0
Other Receivables, Net	3,490	0	0	3,490
Inventories	2,890	0	0	2,890
Right to Use Asset, Net	0	310,498	0	310,498
Non Depreciable Capital Assets	0	2,269,324	0	2,269,324
Depreciable Capital Assets, Net	0	31,526,318	0	31,526,318
TOTAL ASSETS	25,267,197	34,106,140	(2,148,316)	57,225,021
DEFERRED OUTLFOWS OF RESOURCES				
Other Postemployment Benefits	0	6,571,744	0	6,571,744
Pensions	0	6,022,122	0	6,022,122
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 25,267,197	$ 46,700,006	$ (2,148,316)	$ 69,818,887
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	$ 1,567,700	$ 0	$ 0	$ 1,567,700
Accrued Liabilities	348,492	12,044	0	360,536
Due to Other Governments	4,247	0	0	4,247
Due to Other Funds	2,148,316	0	(2,148,316)	0
Due to Teachers' Retirement System	1,444,249	0	0	1,444,249
Due to Employees' Retirement System	136,995	0	0	136,995
Other Liabilities	6,287	0	0	6,287
Unearned Revenue	28,320	0	0	28,320
Deferred Revenue	306,096	0	0	306,096
Bonds Payable	0	12,545,000	0	12,545,000
Compensated Absences	0	1,272,224	0	1,272,224
Net Pension Liability-Proportionate Share	0	1,889,990	0	1,889,990
Other Postemployment Benefits	0	49,593,269	0	49,593,269
TOTAL LIABILITIES	5,990,702	65,312,527	(2,148,316)	69,154,913
DEFERRED INFLOWS OF RESOURCES				
Other Postemployment Benefits	0	14,403,620	0	14,403,620
Pensions	0	1,221,706	0	1,221,706
TOTAL DEFERRED INFLOWS OF RESOURCES	0	15,625,326	0	15,625,326
FUND BALANCES / NET POSITION	19,276,495	(34,237,847)	0	(14,961,352)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	$ 25,267,197	$ 46,700,006	$ (2,148,316)	$ 69,818,887

See notes to financial statement.

SCHEDULE #5

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	$ 10,922,431	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,922,431
Other Tax Items	548,662	0	0	0	0	0	548,662
Charges for Services	5,977,951	0	0	0	0	0	5,977,951
Use of Money & Property	651,715	0	0	10	0	9,421	661,146
Sale of Property & Compensation for Loss	500,000	0	0	0	0	0	500,000
Miscellaneous	389,399	0	0	112,463	0	218	502,080
State Sources	18,361,960	605,463	132,609	0	0	0	19,100,032
Federal Sources	4,426,415	1,348,319	370,502	0	0	0	6,145,236
Sales	0	0	104,364	0	0	0	104,364
TOTAL REVENUES	41,778,533	1,953,782	607,475	112,473	0	9,639	44,461,902
EXPENDITURES							
General Support	5,680,119	30,618	956	0	0	0	5,711,693
Instruction	20,958,365	1,683,623	0	96,013	0	0	22,738,001
Pupil Transportation	3,295,987	103,931	0	0	0	0	3,399,918
Employee Benefits	6,555,700	218,336	0	0	0	0	6,774,036
Debt Service:							
Principal	1,911,561	0	0	0	0	0	1,911,561
Interest	281,970	0	0	0	0	0	281,970
Cost of Sales	0	0	609,147	0	0	0	609,147
Capital Outlay	0	0	0	0	2,081,682	0	2,081,682
TOTAL EXPENDITURES	38,683,702	2,036,508	610,103	96,013	2,081,682	0	43,508,008
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	3,094,831	(82,726)	(2,628)	16,460	(2,081,682)	9,639	953,894
OTHER SOURCES & USES							
Bond Anticipation Notes Paid from Current Appropriations	0	0	0	0	720,000	0	720,000
Operating Transfers In	0	82,726	0	0	2,300,000	0	2,382,726
Operating Transfers Out	(2,382,726)	0	0	0	0	0	(2,382,726)
TOTAL OTHER SOURCES & USES	(2,382,726)	82,726	0	0	3,020,000	0	720,000
NET CHANGE IN FUND BALANCES	712,105	0	(2,628)	16,460	938,318	9,639	1,673,894
FUND BALANCES, BEGINNING OF YEAR	17,123,113	12,839	235,719	145,661	(486,565)	571,834	17,602,601
FUND BALANCES, END OF YEAR	$ 17,835,218	$ 12,839	$ 233,091	$ 162,121	$ 451,753	$ 581,473	$ 19,276,495

See notes to financial statement.

SCHEDULE #6

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

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 10,922,431	$ 0	$ 0	$ 0	$ 0	$ 10,922,431
Other Tax Items	548,662	0	0	0	0	548,662
Charges for Services	5,977,951	0	0	0	0	5,977,951
Use of Money & Property	661,146	0	0	0	0	661,146
Sale of Property & Compensation for Loss	500,000	0	0	0	0	500,000
Miscellaneous	502,080	0	0	0	0	502,080
State Sources	19,100,032	0	0	0	0	19,100,032
Federal Sources	6,145,236	0	0	0	0	6,145,236
Sales	104,364	0	0	0	0	104,364
TOTAL REVENUES	44,461,902	0	0	0	0	44,461,902
EXPENDITURES						
General Support	5,711,693	0	(22,482)	0	1,587,246	7,276,457
Instruction	22,738,001	6,320	1,412,242	0	6,323,621	30,480,184
Pupil Transportation	3,399,918	0	62,830	0	945,544	4,408,292
Employee Benefits	6,774,036	2,083,331	0	0	(8,857,367)	0
Debt Service:						
Principal	1,911,561	0	(48,527)	(1,143,034)	(720,000)	0
Interest	281,970	(673)	0	0	0	281,297
Cost of Sales	609,147	0	27,457	0	956	637,560
Capital Outlay	2,081,682	0	(2,081,682)	0	0	0
TOTAL EXPENDITURES	43,508,008	2,088,978	(650,162)	(1,143,034)	(720,000)	43,083,790
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	953,894	(2,088,978)	650,162	1,143,034	720,000	1,378,112
OTHER SOURCES & USES						
Bond Anticipation Notes Paid from Current Appropriations	720,000	0	0	0	(720,000)	0
Operating Transfers In	2,382,726	0	0	0	(2,382,726)	0
Operating Transfers Out	(2,382,726)	0	0	0	2,382,726	0
TOTAL OTHER SOURCES & USES	720,000	0	0	0	(720,000)	0
NET CHANGE FOR THE YEAR	$ 1,673,894	$ (2,088,978)	$ 650,162	$ 1,143,034	$ 0	$ 1,378,112

See notes to financial statement.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

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

A. Reporting Entity

The Highland Falls-Fort Montgomery 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 seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the 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 and administrative involvement over these funds. The Extraclassroom Activity Funds have designated student management that is overseen by faculty advisors. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for extraclassroom activities in its Miscellaneous Special Revenue Fund.

B. Joint Venture

The District is a component district in the Orange/Ulster Board of Cooperative Educational Services (BOCES). A BOCES is a 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.

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

B. Joint Venture (Continued)

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

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

During the year ended June 30, 2024, the District was billed $7,072,273 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,143,575. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road, Goshen, New York 10924.

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

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 governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for to expenditures for specified purposes. Those legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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 other proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes and the specific revenue sources continue to make up a substantial portion of the inflows reported in the fund. Revenue reported in this fund includes gifts and donations that are restricted for scholarships and revenue generated by students through extraclassroom activities that are restricted for extraclassroom activities. Other resources, such as investment earnings and transfers, may also be reported in the fund.

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.

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 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.

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

D. Measurement Focus and Basis of Accounting (Continued)

Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 24, 2023. Taxes were collected by the Town of Highlands during the period September 1, 2023 through October 31, 2023.

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

F. Restricted Resources

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

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. Eliminations have been made for all interfund receivables and payables between the funds.

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

G. Interfund Transactions (Continued)

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 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

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

I. Cash and Investments

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

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

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

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. Leases Receivable

Leases receivable are recorded at the net present value of the lease, with a corresponding deferred inflow of resources.

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

L. Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. A reserve for these non-liquid assets has been recognized in the School Lunch Fund to signify that a portion of fund balance is not available for other subsequent expenditures.

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

M. 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

N. Capital Assets

Capital assets are reported at cost for acquisitions. 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Improvements	$ 5,000	Straight Line	50 years
Land Improvements	5,000	Straight Line	15 - 25 years
Furniture and Equipment	5,000	Straight Line	5 - 20 years
Vehicles	5,000	Straight Line	5 - 20 years

O. Right to Use Assets

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

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

P. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. For additional information on pensions, see Note 9. The second relates to OPEB reporting in the district wide Statement of Net Position. For additional information on other postemployment benefits, see Note 11.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first is related to pensions reported in the district-wide Statement of Net Position. For additional information on deferred inflows related to pensions, see Note 9. The second is related to OPEB reported in the district wide Statement of Net Position. For additional information on deferred inflows related to other postemployment benefits, see Note 11.

Q. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

R. Vested Employee Benefits

1. Compensated Absences

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

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

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

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

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

R. 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. These amounts are expensed on a pay-as-you go basis.

2. Other Benefits

Eligible 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 postemployment 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.

S. 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.

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 second fiscal year after the year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the year following the year in which they were issued.

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

T. 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 payable, 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.

U. Equity Classifications

1. District-wide Statements

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

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

Restricted net position - reports net position when constraints placed on the position 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 net position - reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

2. Funds Statements

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

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in the School Lunch Fund of $2,890.

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

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

U. 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 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.

Unemployment Insurance Reserve

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

Tax Certiorari Reserve

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

Employee Benefit Accrued Liability Reserve

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

Retirement Contribution Reserve

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

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

U. Equity Classifications (Continued)

2. Funds Statements (Continued)

Teachers Retirement Contribution Reserve

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.

Restricted fund balance at June 30, 2024 consisted of:

General Fund:		
Capital Reserve	$ 6,510,146	
Unemployment Insurance Reserve	100,000	
Tax Certiorari Reserve	280,801	
Employee Benefit Accrued Liability Reserve	419,834	
Teacher Retirement System Reserve	606,041	
Retirement Contribution Reserve	400,000	
General Fund Total		$ 8,316,822
Special Aid Fund		12,839
School Lunch Fund		230,201
Miscellaneous Special Revenue:		
Scholarships		18,741
Extraroom Activities		143,380
Capital Fund		451,753
Debt Service Fund		581,473
Total Restricted Fund Balance		$ 9,755,209

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

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

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

U. Equity Classifications (Continued)

2. Funds Statements (Continued)

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

Order of Use of Fund Balance:

The District'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 fiscal 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. In the general fund, committed fund balance is determine next and then assigned. 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 fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

V. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2024, the District implemented the following new standards issued by GASB:

- GASB Statement No. 99, *Omnibus 2022,* paragraphs 4-10 effective for the year ending June 30, 2024.

- GASB Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62* effective for the year ending June 30, 2024.

GASB has issued Statement 99, *Omnibus 2022*, paragraphs 4 through 10. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

V. New Accounting Standards (Continued)

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

W. Future Changes in Accounting Standards

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

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

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

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

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

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

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

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

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, 2024 were as follows:

Original Cost of Capital Assets	$ 61,948,245
Accumulated Depreciation	(28,152,603)
	$ 33,795,642

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, 2024 are as follows:

Original Cost of Right of Use Assets	$ 723,551
Accumulated Amortization	(413,053)
	$ 310,498

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, 2024 were as follows:

Deferred Outflows of Resources - Pensions	$ 6,022,122
Net Pension Liability - Proportionate Share	(1,889,990)
Deferred Inflows of Resources - Pensions	(1,221,706)
	$ 2,910,426

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

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

4. 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, 2024 was as follows:

Accrued Interest	$ 12,044

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

Bonds Payable	$ 12,545,000
Compensated Absences	1,272,224
Deferred Outflow of Resources - OPEB	(6,571,744)
Other Postemployment Benefits	49,593,269
Deferred Inflows of Resources - OPEB	14,403,620
	$ 71,242,369

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 and Changes in Net Position 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 and Changes in Net Position 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, depreciation and amortization 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.

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

5. Other Postemployment 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)	$ 44,461,902
Total revenues in the Statement of Activities (Schedule 2)	$ 44,461,902

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	$ 43,508,008
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 $1,416,677 were greater than depreciation of $924,516. in the current year.	(572,163)
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 $206,796 was less than the present value of the right to use assets of $236,268 purchased in the current year.	(29,472)

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 (Continued)

In the Statement of Activities, certain operating expenses (judgments and claims, compensated absences, and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially the amounts actually paid). The amount by which compensated absences earned exceeded the amount paid during the year.	6,320
In the entity wide statements, interest payable is recognized as an accrued liability under full accrual accounting whereas it is not under governmental fund accounting. This is the amount that interest payable last year exceeds the interest payable this year.	(673)
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 change in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. However, in the governmental funds, 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.	1,071,289
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) the amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was more than the amount of financial resources expended during the year.	1,012,042

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 (Continued)

Payment of lease principal is an expenditure in the governmental funds, but reduce liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(48,527)
Repayments of bond and installment debt principal are expenditures in the governmental funds, when they are due and paid but reduce liabilities in the Statement of Net Position, and do not affect the Statement of Activities.	(1,143,034)
Total expenses in the Statement of Activities (Schedule 2)	$ 43,083,790

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

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

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

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

NOTE 3. STEWARDSHIP AND COMPLIANCE. (Continued)

A. Budgets (Continued)

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

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as 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.

C. Other Stewardship and Compliance Matters

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include appropriating sufficient fund balance in the 2024-2025 budget to ensure that the District is compliant with the §1318 limit in the future and potentially adding to underfunded reserves.

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

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

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

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 13,628,195

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 $9,755,209 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.

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

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

Total investments of the NYCLASS cooperative as of year-end are $11,722,084,338, which consisted of $1,924,275,821 in repurchase agreements, $6,751,135,206 in U.S. Treasury Bills, $1,281,296,555 in U. S. Treasury Notes and $1,765.376,726 in collateralized bank deposits all with various interest rate and due dates. The following amounts are included as unrestricted and restricted cash:

Fund	Bank Balance	Carrying Amount
General Fund	$ 7,372,170	$ 7,372,170
Capital Projects Fund	20	20
Debt Service Fund	24,460	24,460

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of Cooperative Liquid Assets Securities System – New York (CLASS).

NOTE 5. CAPITAL ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 152,475	$ 0	$ 0	$ 152,475
Construction in Progress	88,413	2,028,436	0	2,116,849
Total Nondepreciable Assets	240,888	2,028,436	0	2,269,324
Capital assets that are depreciated:				
Land Improvements	1,011,245	0	0	1,011,245
Buildings and Improvements	56,257,011	0	0	56,257,011
Furniture & Equipment	1,834,045	149,006	0	1,983,051
Vehicles	383,867	43,747	0	427,614
Total Depreciable Assets	59,486,168	192,753	0	59,678,921
Less: Accumulated Depreciation	(26,503,577)	(1,649,026)	0	(28,152,603)
Capital Assets, Net	$33,223,479	$ 572,163	$ 0	$ 33,795,642

NOTE 5. CAPITAL ASSETS. Continued)

Depreciation expense was charged to governmental function as follows:

General Support	$ 21,265
Instruction	1,537,474
Transportation	62,830
Cost of Sales	27,457
Total Depreciation	$ 1,649,026

NOTE 6. RIGHT TO USE ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Right to use assets that are amortized:				
Equipment	$ 991,824	$ 236,268	$ (504,541)	$ 723,551
Less: Accumulated Amortization	(710,798)	(206,796)	504,541	(413,053)
Right To Use Assets, Net	$ 281,026	$ 29,472	$ 0	$ 310,498

Amortization expense was charged to governmental functions as follows:

Amortization - Instruction	$ 206,796

NOTE 7. SHORT-TERM DEBT.

Transactions in short-term debt for the year are as follows:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance
BAN maturing 6/27/2024 at 6.00%	$ 0	$ 720,000	$ 720,000	$ 0

Interest on short-term debt for the year was :

Interest Paid	$ 5,040
Interest Expense	$ 5,040

NOTE 8. LONG-TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable	$ 13,645,000	$ 0	$ 1,100,000	$ 12,545,000	$ 1,125,000
Installment Purchase Debt	43,034	0	43,034	0	0
Total Bonds and Notes Payable	13,688,034	0	1,143,034	12,545,000	1,125,000
Other Liabilities:					
Compensated Absences	1,265,904	6,320	0	1,272,224	0
Net Pension Liability-Proportionate Share	2,988,215	452,874	1,551,099	1,889,990	0
Other Postemployment Benefits	47,412,506	3,380,245	1,199,482	49,593,269	0
Lease Liability	48,527	-	48,527	0	0
Total Other Liabilities	51,715,152	3,839,439	2,799,108	52,755,483	0
Total Long-Term Liabilities	$ 65,403,186	$ 3,839,439	$ 3,942,142	$ 65,300,483	$ 1,125,000

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

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bond	06/16/21	06/15/36	2.0%	$ 12,415,000
Serial Bond	11/14/13	11/01/24	1.5% - 3%	130,000
				$ 12,545,000

	Bonds Payable	
For the Year Ended June 30,	Principal	Interest
2025	$ 1,125,000	$ 250,250
2026	1,060,000	228,400
2027	1,045,000	207,200
2028	1,065,000	186,300
2029	1,085,000	165,000
2030 - 2036	7,165,000	543,800
TOTAL	$ 12,545,000	$ 1,580,950

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

Interest paid	$ 276,930
Less: Interest accrued in the prior year	(13,277)
Plus: Interest accrued in the current year	12,044
Total interest expense	$ 275,697

NOTE 9. 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 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

NOTE 9. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

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.

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 for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

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

NOTE 9. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

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

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

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

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

NOTE 9. 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.

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 5 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.

NOTE 9. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

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 except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

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.

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 eighteen thousand dollars of the maximum annual benefit. The applicable percentage payable beginning September 20200 is 3.0%.

NOTE 9. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

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%.

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 6 vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. For TRS, contribution rates are established annually by the New York

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

State Teachers' Retirement Board pursuant to Article 11 of the Education Law. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. These contributions were as follows:

Year	NYSTRS	NYSERS
2023 - 2024	$ 1,193,012	$ 362,194
2022 - 2023	1,157,280	265,849
2021 - 2022	1,102,235	322,808

The District chose to prepay the required contributions to ERS by December 15th each year and received a discount.

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

Contributions

At June 30, 2024, 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 June 30, 2023 for TRS and March 31, 2024 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The 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 TRS and ERS Systems in reports provided to the District.

NOTE 9. PENSION PLANS. (Continued)

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

Contributions (Continued)

At March 31, 2024, the District's proportion of the ERS net pension liability/(asset) was 0.0077844%, which was a decrease of .0002606% from its proportion measured as March 31, 2023.

At June 30, 2023, the District's proportion of the TRS net pension liability/(asset) was 0.065042%, which was a decrease of .007850% from its proportion measured as June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $648,749 for ERS and TRS. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	ERS	TRS	Total	ERS	TRS	Total
Differences between expected and actual experience	$ 369,185	$ 1,803,532	$2,172,717	$ 31,253	$ 4,457	$ 35,710
Changes of Assumptions	433,347	1,601,393	2,034,740	0	349,015	349,015
Net difference between projected and actual earnings on pension plan investments	0	380,219	380,219	559,905	0	559,905
Changes in proportion and difference between the District's contributions and proportionate share of contributions	36,442	65,786	102,228	21,569	255,507	277,076
District's contributions subsequent to the measurement date	136,995	1,195,223	1,332,218	0	0	0
Total	$ 975,969	$ 5,046,153	$6,022,122	$ 612,727	$ 608,979	$ 1,221,706

NOTE 9. PENSION PLANS. (Continued)

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

Contributions (Continued)

District contributions subsequent to the measurement date 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:	ERS	TRS
2024	$ 0	$ 260,436
2025	(199,910)	(422,346)
2026	219,712	2,946,086
2027	332,870	186,286
2028	(126,426)	155,822
Thereafter	0	115,666

NOTE 9. PENSION PLANS. (Continued)

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

Actuarial Assumptions

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

	ERS	TRS	
Inflation Rate	2.9%	2.40%	
Projected Salary Increases	4.4%	Rates of increase differ based on age and gender. Calculations have been based upon recent NYSTRS member experience	
		Service	Rate
		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	5.90% compounded annually, net of pension plan investment expense 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 rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation.

NOTE 9. PENSION PLANS. (Continued)

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

Actuarial Assumptions (Continued)

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

	ERS			TRS	
Measurement Date	March 31, 2024		Measurement Date	June 30, 2023	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return*
Asset Class:			Asset Class:		
Domestic Equity	32%	4.00%	Domestic Equities	33%	6.80%
International Equity	15%	6.65%	International Equities	15%	7.60%
Private Equity	10%	7.25%	Global Equity	4%	7.20%
Real Estate	9%	4.60%	Real Estate Equity	11%	6.30%
Opportunistic/ ARF Portfolio	3%	5.25%	Private Equity	9%	10.10%
Credit	4%	5.40%	Domestic Fixed Income	16%	2.20%
Real Assets	3%	5.79%	Global Bonds	2%	1.60%
Fixed Income	23%	1.50%	Private Debt	2%	6.00%
Cash	1%	0.25%	Real Estate Debt	6%	3.20%
			High Yield Bonds	1%	4.40%
Total	100%		Cash Equivalents	1%	0.30%
				100%	

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

* Real rates of return are net of a long-term inflation

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.

NOTE 9. 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 & TRS net pension liabilities calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rates referred to above:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (3,603,721)	$ (1,146,184)	$ 906,368

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$(11,328,547)	$ (743,806)	$ 8,158,419

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	$ (240,696,851)	$ (138,365,122)
Plan net position	225,972,801	137,221,537
Employer's net pension asset/(liability)	$ (14,724,050)	$ (1,143,585)
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	99.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually in December based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contributions for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $136,995 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024. Employer contributions are based on paid TRS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $1,444,249.

NOTE 10. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 2,047,279	$ 101,037	$ 0	$ 2,382,726
Special Aid Fund	0	1,463,701	82,726	0
School Lunch Fund	17,190	0	0	0
Capital Fund	0	583,578	2,300,000	0
Debt Service Fund	83,847	0	0	0
Totals	$ 2,148,316	$ 2,148,316	$ 2,382,726	$ 2,382,726

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

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

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

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 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 for eligible retired employees, their spouses and their dependent children. Minimum eligibility requirements for postemployment benefits are as follows:

- Employees are eligible for postretirement benefits if he/she has met the following requirements specific to their bargaining unit:
  - Contractual — Age 55 with 5 Years of Service
  - School Related Personnel — Age 55 with 15 Years of Service
  - Teachers — Age 55 with 15 Years of Service
  - Transportation — Age 55 with 5 Years of Service
- The School District reimburses the cost of Medicare Part B premiums to both retirees and covered spouses. Surviving spouses are not eligible for Medicare Part B reimbursement. The duration of the benefits is lifetime for both the retiree and their spouse.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

General Information about the OPEB Plan (Continued)

The retiree is required to make a contribution towards the cost of coverage based upon their cost sharing agreement with the School District. Arrangements are written to identify the percentage that the District pays for the Retiree, then the percentage the District pays for the Spouse. Contribution amounts are the participant's share of the cost multiplied by the blended premium.

	Blended Premium	
Age	Retiree	Spouse
50	$ 13,296	$ 15,336
55	13,296	15,336
60	13,296	15,336
65	7,524	8,196
70	7,524	8,196
75	7,524	8,196
80	7,524	8,196
85	7,524	8,196
90	7,524	8,196

Upon the death of the retiree, surviving spouses will contribute 100% of the cost of the Blended Premium.

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

Inactive employees or beneficiaries currently receiving benefit payments	134
Active employees	153
Total Employees Covered by Benefit Terms	287

Total OPEB Liability

The District's total OPEB liability of $49,593,269 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020 with updated procedures to roll forward the actuarial accrued liability to June 30, 2024.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Total OPEB Liability (Continued)

Discount Rate	3.65%
Healthcare Cost Trend Rates	Pre-65: 8.27% for 2022, decreasing to an ultimate rate of 4.5% for 2031 and later years
	Post-65: 8.85% for 2022, decreasing to an ultimate rate of 4.5% for 2031 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 0% - 50% of the cost of single coverage and 50% - 65% for the spouse/family based on years of service with the District.
Future Retirees' Share of Benefit Related Costs	Retirees pay 0% - 50% of the cost of single coverage and 50% - 65% for the spouse/family based on years of service with the District.

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

Mortality rates were based on the SOA Pub-2010 Headcount Weighted Mortality Table, Teacher Classification for Teachers Bargaining Units and General Classification for All Other Bargaining Units.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020 for ERS participants and July 1, 2015 through June 30, 2020 for TRS participants.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2023	$47,412,506
Changes for the Year:	
Service cost	2,490,722
Interest	1,745,529
Differences between expected and actual experience	45,776
Changes in assumptions or other inputs	(901,782)
Benefit payments	(1,199,482)
Net Changes	2,180,763
Balance at June 30, 2024	$49,593,269

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 or 1 percentage point higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 58,717,782	$ 49,593,269	$ 42,356,019

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	$ 40,932,553	$ 49,593,269	$ 61,058,088

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB expense of $1,825,121. At June 30, 2024, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 51,669	$ 3,249,874
Changes of assumptions or other inputs	5,282,285	11,153,746
District's contributions subsequent to the measurement date	1,237,790	0
Total	$ 6,571,744	$ 14,403,620

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2025	$ (1,753,342)
2026	(1,087,961)
2027	(808,669)
2028	(1,075,267)
2029	(1,559,533)
Thereafter	(2,784,894)

NOTE 12. 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.

Consortium

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

NOTE 13. COMMITMENTS AND CONTINGENCIES.

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

NOTE 14. 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, Encumbrances of appropriations of budgets for the year ended June 30, 2024 have been included in the assigned fund balances of the following funds as of June 30, 2024:

General Fund	$ 740,158

NOTE 15. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through June 6, 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.

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service cost	$ 2,490,722	$ 3,507,851	$ 2,982,473	$ 2,161,351	1,874,338	1,689,780	2,050,973
Interest	1,745,529	1,345,192	1,239,953	1,705,042	1,671,126	1,558,482	1,351,506
Changes of benefit terms	0	0	-	(249,404)	0	0	0
Differences between expected and actual experience	45,776	(2,871,147)	16,954	(773,854)	(104,682)	(2,718,364)	0
Changes in assumptions or other inputs	(901,782)	(12,751,637)	2,575,565	4,984,831	2,694,522	(99,982)	(5,872,418)
Benefit payments	(1,199,482)	(1,168,422)	(1,170,151)	(1,065,667)	(988,521)	(944,434)	(1,169,827)
Net change in total OPEB liability	2,180,763	(11,938,163)	5,644,794	6,762,299	5,146,783	(514,518)	(3,639,766)
Total OPEB liability-beginning	47,412,506	59,350,669	53,705,875	46,943,576	41,796,793	42,311,311	45,951,077
Total OPEB liability-ending	$ 49,593,269	$ 47,412,506	$ 59,350,669	$ 53,705,875	46,943,576	41,796,793	42,311,311
Covered-employee payroll	$ 13,492,258	$ 12,331,868	$ 13,774,419	$ 11,798,385	$ 12,433,818	$ 10,754,307	$ 10,373,328
Total OPEB liability as a percentage of covered-employee payroll	367.57%	384.47%	430.88%	455.20%	377.55%	388.65%	407.89%

Notes to Schedule:
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. However, until a full 10 year trend is compiled, information is presented for those years which information is available.
Data will be accumulated over time and presented according to GASB 75.

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
REVENUES				
LOCAL SOURCES:				
Real Property Taxes	$ 11,469,172	$ 11,469,172	$ 10,922,431	$ (546,741)
Other Tax Items	0	0	548,662	548,662
Charges for Services	5,478,560	5,478,560	5,977,951	499,391
Use of Money & Property	150,000	150,000	651,715	501,715
Sale of Property & Compensation for Loss	0	0	500,000	500,000
Miscellaneous	302,327	302,327	389,399	87,072
STATE SOURCES	18,114,523	18,114,523	18,361,960	247,437
FEDERAL SOURCES	3,471,694	3,471,694	4,426,415	954,721
TOTAL REVENUES	38,986,276	38,986,276	$ 41,778,533	$ 2,792,257
APPROPRIATED FUND BALANCE	346,623	2,526,717		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	$ 39,332,899	$ 41,512,993		

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
GENERAL SUPPORT:					
Board of Education	$ 95,692	$ 68,138	$ 64,876	$ 0	$ 3,262
Central Administration	355,589	367,761	367,672	86	3
Finance	536,164	686,469	686,205	0	264
Staff	156,297	230,921	222,559	7,333	1,029
Central Services	3,127,471	4,868,680	3,812,206	721,096	335,378
Special Items	477,546	528,178	526,601	0	1,577
INSTRUCTIONAL:					
Instruction, Administration & Improvement	1,130,115	1,026,604	1,015,988	0	10,616
Teaching - Regular School	8,605,425	8,737,580	8,545,319	10,411	181,850
Programs for Children with Handicapping Conditions	7,501,044	7,628,653	7,605,877	1,145	21,631
Occupational Education	616,477	341,028	340,389	0	639
Teaching - Special Schools	3,500	2,304	284	0	2,020
Instructional Media	1,569,311	1,748,071	1,416,988	0	331,083
Pupil Services	2,005,948	2,054,926	2,033,520	87	21,319
PUPIL TRANSPORTATION	3,471,039	3,554,028	3,295,987	0	258,041
EMPLOYEE BENEFITS	7,493,422	7,481,089	6,555,700	0	925,389
DEBT SERVICE:					
Debt Service - Principal	1,845,000	1,823,000	1,911,561	0	(88,561)
Debt Service - Interest	280,859	280,859	281,970	0	(1,111)
TOTAL EXPENDITURES	39,270,899	41,428,289	38,683,702	740,158	2,004,429
OTHER USES:					
Operating Transfers Out	62,000	84,704	2,382,726	0	(2,298,022)
TOTAL EXPENDITURES & OTHER USES	$ 39,332,899	$ 41,512,993	41,066,428	$ 740,158	$ (293,593)
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			$ 712,105		

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
District's proportion of the net pension asset/(liability)	0.007784%	0.008045%	0.0075761%	0.0076187%	0.0073394%	0.0072717%	0.0075748%	0.0077075%	0.0075474%	0.0076673%
District's proportionate share of the net pension asset/(liability)	$ (1,146,184)	$ (1,725,061)	$ 619,316	$ (7,586)	$ (1,943,506)	$ (515,221)	$ (244,473)	$ (724,213)	$ (1,211,379)	$ (259,021)
District's covered-employee payroll	$ 2,689,970	$ 2,492,068	$ 2,338,082	$ 2,455,984	$ 2,278,137	$ 2,304,800	$ 2,163,435	$ 2,305,416	$ 1,961,614	$ 1,971,916
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-42.61%	-69.22%	26.49%	-0.31%	-85.31%	-22.35%	-11.30%	-31.41%	-61.75%	-13.14%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	06/30/2023	06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015	06/30/2014
District's proportion of the net pension asset/(liability)	0.065042%	0.065827%	0.060768%	0.061126%	0.0599810%	0.060868%	0.060202%	0.058919%	0.056317%	0.058346%
District's proportionate share of the net pension asset/(liability)	$ (743,806)	$ (1,263,154)	$ 10,530,430	$ (1,689,088)	$ 1,558,302	$ 1,100,652	$ 457,595	$ (631,047)	$ 5,849,561	$ 6,499,350
District's covered-employee payroll	$ 12,456,403	$ 11,661,480	$ 10,314,198	$ 10,375,089	$ 10,462,332	$ 10,193,936	$ 9,932,139	$ 9,537,527	$ 8,459,606	$ 8,618,572
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-5.97%	-10.83%	102.10%	-16.28%	14.89%	10.80%	4.61%	-6.62%	69.15%	75.41%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	$ 315,211	$ 265,997	$ 348,224	$ 328,504	$ 310,594	$ 313,812	$ 330,477	$ 312,093	$ 333,615	$ 376,327
Contributions in relation to the contractually required contribution	315,211	265,997	348,224	328,504	310,594	313,812	330,477	312,093	333,615	376,327
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 2,689,970	$ 2,492,068	$ 2,338,082	$ 2,455,984	$ 2,278,137	$ 2,304,800	$ 2,163,435	$ 2,305,416	$ 1,961,614	$ 1,971,916
Contributions as a percentage of its covered-employee payroll	11.72%	10.67%	14.89%	13.38%	13.63%	13.62%	15.28%	13.54%	17.01%	19.08%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	06/30/2023	06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015	06/30/2014
Contractually required contribution	$ 1,195,223	$ 1,142,825	$ 982,943	$ 919,233	$ 1,063,248	$ 971,640	$ 1,153,421	$ 1,205,572	$ 1,482,969	$ 1,400,518
Contributions in relation to the contractually required contribution	1,195,223	1,142,825	982,943	919,233	1,063,248	971,640	1,153,421	1,205,572	1,482,969	1,400,518
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 12,456,403	$ 11,661,480	$ 10,314,198	$ 10,375,089	$ 10,462,332	$ 10,193,936	$ 9,932,139	$ 9,537,527	$ 8,459,606	$ 8,618,572
Contributions as a percentage of its covered-employee payroll	9.60%	9.80%	9.53%	8.86%	10.16%	9.53%	11.61%	12.64%	17.53%	16.25%

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

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

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	$ 39,036,276
ADDITIONS:	
Encumbrances from Prior Year	296,623
ORIGINAL BUDGET	39,332,899
BUDGET REVISIONS:	
Budget Amendments for:	
Correction of Prior Year Encumbrance	(2,569)
Budget Amendments for Appropriations of Fund Balance	
General Support - Storm Damages	1,500,000
General Support - Earthquake Damages	682,663
FINAL BUDGET	$ 41,512,993

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 Voter-Approved Expenditure Budget Maximum Allowed (4% of 2024-2025 budget of $39,995,141)		$ 1,599,806
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 740,158	
Unassigned Fund Balance	8,778,238	
Total Unrestricted Fund Balance	9,518,396	
Less:		
Appropriated Fund Balance	-	
Encumbrances Included in Committed and Assigned Fund Balance	740,158	
Total Adjustments	740,158	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 8,778,238
Actual Percentage		21.95%

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2024

			EXPENDITURES & TRANSFERS TO DATE			
	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED BALANCE
James O'Neill High School	$ 21,475,612	$ 22,221,965	$ 22,250,497	$ 0	$ 22,250,497	$ (28,532)
Concession Building	376,919	668,483	593,709	0	593,709	74,774
Pole Barn	239,259	311,596	273,305	0	273,305	38,291
Pressbox	99,759	197,956	182,961	0	182,961	14,995
Smart School Bond Act	0	550,926	497,680	53,246	550,926	0
District Wide Renovation	44,435,600	44,435,600	88,413	2,028,436	2,116,849	42,318,751
	$ 66,627,149	$ 68,386,526	$ 23,886,565	$ 2,081,682	$ 25,968,247	$ 42,418,279

	METHODS OF FINANCING				FUND BALANCE
	PROCEEDS FROM DEBT	STATE AID	LOCAL SOURCES	TOTAL	JUNE 30, 2024
James O'Neill High School	15,279,892	0	7,025,000	22,304,892	54,395
Concession Building	621,426	0	0	621,426	27,717
Pole Barn	289,661	0	0	289,661	16,356
Pressbox	184,021	0	0	184,021	1,060
Smart School Bond Act	0	0	0	0	(550,926)
District Wide Renovation	0	0	3,020,000	3,020,000	903,151
	$ 16,375,000	$ 0	$ 10,045,000	$ 26,420,000	$ 451,753

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS, NET		$ 33,795,642
RIGHT TO USE ASSETS, NET		310,498
Total Capital Assets		34,106,140
DEDUCTIONS:		
Short-term Portion of Bonds Payable	$ 1,125,000	
Long-term Portion of Bonds Payable	11,420,000	
Total Related Debt	12,545,000	
Less: Unspent Bond Proceeds	0	
TOTAL DEDUCTIONS		12,545,000
NET INVESTMENT IN CAPITAL ASSETS		$ 21,561,140

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

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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
Highland Falls-Fort Montgomery Central School District
Highland Falls, New York 10928

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Highland Falls-Fort Montgomery Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Highland Falls-Fort Montgomery Central School District's basic financial statements and have issued our report thereon dated June 6, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal controls that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001through 2024-003 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Highland Falls-Fort Montgomery 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 & Haeussler PC

Montgomery, New York
June 6, 2025

2024-001 **Internal Control over Financial Closing**

Finding: The books and record were not fully reconciled and complete at the start of the audit. Year-end schedules and reconciliations necessary to perform the audit were incomplete.

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

Condition: The books and records were not reconciled and complete at the start of the audit. Year-end schedules and reconciliations necessary to perform the audit were incomplete. Review of key accounts were not properly performed. Interfund activity was not reconciled, and fund trial balances were not properly reviewed and corrected. Internal controls with respect to reconciliation, verification and supervision and review were not followed.

Cause: The District had staffing changes in the business office during the preceding year. In addition, flooding occurred in July 2023 and district property and records were severely damaged.

Effect: The District books and records were incomplete. Staff was unable to prepare the fund reconciliations and schedules necessary to close the books of the District in a timely manner. This causes significant delays in the audit process.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2023-001.

Recommendation: We recommend that procedures addressing internal controls with respect to the financial closing be followed at all times.

Management's Response: Management concurs with the finding. See corrective action plan.

2024-002 **Opening Fund Balance did not agree to Prior Year's Financial Statements**

Finding: The opening balances in the General Fund did not agree to the prior year's final ending balances.

Criteria: The opening balances in each fund should agree to the prior year's audited financial statements.

Condition: The District did not verify that the final opening balances in each fund agreed to the final prior year closing balances.

Cause: Purchase orders from the prior year were carried over to the current year at a different balance than the actual adjusted balance from the prior year.

Effect: The District's encumbrances and fund balance were not properly stated throughout the year.

Recommendation We recommend that the opening balances be verified to the ending balances of the prior year after the audit is completed.

Management's Response: Management concurs with the finding. See corrective action plan.

2024-003	**Recording and reconciling Grant Activity**
Finding:	The grant revenue and related revenue was not properly recorded and reconciled to the Special Aid Fund throughout the year. Payroll was recorded in the General Fund for most of the year and related fringe benefits were not transferred until after the fact.
Criteria:	Grant activity should be recorded in the Special Aid Fund and should be reconciled to ensure that all revenue, expenses and related receivables and payables are properly recorded for the year.
Condition:	The District recorded many transactions related to grants in the General Fund. The grants were not fully reconciled, related receivables and revenue were not recorded because the expense was not tracked in the proper fund.
Cause:	Many grant expenses were not recorded in the proper fund.
Effect:	The General Fund and the Special Aid Funds activity was not properly recorded throughout the year. Spending related to federal and state awards was recorded as General Fund expense for most of the year.
Recommendation	We recommend that revenue and expenditures be recorded in the proper fund.
Management's Response:	Management concurs with the finding. See corrective action plan.

HIGHLAND FALLS-FORT MONTGOMERY
CENTRAL SCHOOL DISTRICT
Post Office Box 287, Highland Falls, New York 10928

June 6, 2025

New York State Education Department
Office of Audit Services
89 Washington Ave., 524 EB
Albany, NY 12234

To Whom It May Concern;

This Corrective Action Plan is in response to the audit prepared by Nugent & Haeussler, PC for the Highland Falls-Fort Montgomery Central School District for the 2023-2024 school year. The auditors made the below listed findings and related recommendations and the district will take necessary steps in response to the recommendations. These are respectfully submitted below.

Sincerely,

Christopher J. Carballo
Assistant Superintendent for Business

Finding & Recommendation 2024-001: The books and record were not fully reconciled and complete at the start of the audit. Year-end schedules and reconciliations necessary to perform the audit were incomplete. It was recommended the district procedures addressing internal controls with respect to the financial closing be followed at all times.

Corrective Action: The district concurs and understands the importance of closing the books at the end of each school year and has a process in place for doing so. Assistant Superintendent Christopher Carballo will review closing procedures with Business Office staff in order to closely follow them going forward. Additionally, the district will enlist the services of an outside accountant to support the Business Office staff in closing the books for the 2024-2025 school year. This will be completed by June 30, 2025.

Finding & Recommendation 2024-002: The opening balances in the General Fund did not agree to the prior year's final ending balances. It was recommended that the opening balances be verified to the ending balance of the prior year after the audit is completed.

Corrective Action: The district concurs and understands the importance of properly recording opening balances in the General Fund. Assistant Superintendent Christopher Carballo will review the process with Treasurer Emily Kirwan for verifying the opening balances in the General Fund

upon receipt of the prior year audit. This will be done by June 15, 2025. Additionally, once the work is completed by Treasurer Kirwan, the two will compare the new year's opening balances to the prior year closing balances to ensure they agree.

Finding & Recommendation 2024-003: The grant revenue and related revenue were not properly recorded and reconciled to the Special Aid Fund throughout the year; payroll was recorded in the General Fund for most of the year and related fringe benefits were not transferred until after the fact. It is recommended that revenue and expenditures be recorded in the proper fund.

Corrective Action: The district concurs and understands the importance of recording revenue and expenditures in the proper fund. By June 15, 2025, Assistant Superintendent Christopher Carballo will review the processes for recording revenue and expenditures with Treasurer Emily Kirwan. Additionally, throughout the year, Asst. Superintendent Carballo and Treasurer Kirwan will discuss revenue and expenditures recording to ensure they are done in the proper fund.

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF PRIOR YEAR FINDINGS AND CURRENT STATUS
JUNE 30, 2024

2023-001	**Internal Control over Financial Closing**
Finding:	The books and record were not fully reconciled and complete at the start of the audit. Year-end schedules and reconciliations necessary to perform the audit were incomplete.
Condition:	The District operations were disrupted by the loss of key staff. Beginning in March 2023, reconciliations and review of key accounts were not properly performed. Interfund activity was not reconciled, and fund trial balances were not properly reviewed and corrected. Internal controls with respect to reconciliation, verification and supervision and review were not followed.
Recommendation:	We recommend that procedures addressing internal controls with respect to the financial closing be followed at all times.
Current Status:	This finding has not been corrected. There is a repeat finding noted in the 2024 audit.
2023-002	**Year End Receivables**
Finding:	The District year end receivables were not properly recorded.
Condition:	The District did not adjust receivables to the net realizable value after they were notified of calculation errors in the billing.
Recommendation:	We recommend that procedures addressing recording and reviewing receivables be implemented.
Current Status:	This finding has been corrected.
2023-003	**Debt Authorization**
Finding:	The District entered into an installment purchase agreement to purchase a truck, that was not budgeted.
Condition:	The District did not have authorization to enter into an installment agreement to purchase the truck.
Recommendation:	We recommend that regulations regarding debt authorization be followed and that proper procedures to record debt activity be implemented.
Current Status:	This finding has been corrected.

2023-004	**Equipment Purchase and Disposition**
Finding:	The District purchased a truck and traded in two vehicles. The acquisition and dispositions were not budgeted.
Condition:	The District did not have authorization to purchase the truck and did not have a board resolution to trade in the two vehicles. The equipment budget code was overspent.
Recommendation:	We recommend that regulations to acquire and dispose of equipment be followed and that the District does not overspend the approved equipment budget.
Current Status:	This finding has been corrected.
2023-005	**Misclassification of Account Codes – Purchase Orders**
Finding:	The District created purchase orders in the Lunch Fund for acquisition of freezers and various equipment under a supply budget code.
Condition:	The District classified equipment as supplies.
Recommendation:	We recommend that the proper budget codes be entered on the purchase orders. We also recommend the in the internal claims review process, payment not be approved if the classification is not correct.
Current Status:	This finding has been corrected.

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

To the President and Members
of the Board of Education of the
Highland Falls-Fort Montgomery Central School District
Highland Falls, New York 10928

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinion

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

Qualified Opinion on Education Stabilization Fund (AL 84.425)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Highland Falls-Fort Montgomery Central School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund (AL 84.425) for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other major Federal Programs

In our opinion, Highland Falls-Fort Montgomery Central School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

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

Matter(s) Giving Rise to Qualified Opinion on Education Stabilization Fund (AL 84.425)

As described in the accompanying schedule of findings and questioned costs, Highland Falls-Fort Montgomery Central School District did not comply with requirements regarding *Education Stabilization Fund (AL 84.425)* program and associated finding numbers 2024-004 and 2024-005 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for Highland Falls-Fort Montgomery Central School District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Highland Falls-Fort Montgomery Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Highland Falls-Fort Montgomery Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not

for the purpose of expressing an opinion on the effectiveness of Highland Falls-Fort Montgomery Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance is a* deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Highland Falls-Fort Montgomery Central School District response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Highland Falls-Fort Montgomery Central School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities of Highland Falls-Fort Montgomery Central School District, as of and for the year ended June 30, 2024,and the related notes to the financial statements, which collectively comprise Highland Falls-Fort Montgomery Central School District's basic financial statements. We issued our report thereon dated June 6, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards

To the Board of Directors of
Highland Falls-Fort Montgomery Central School District

is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Nugent & Haeussler PC

Montgomery, New York
June 6, 2025

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE		FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE					
Passed-through NYS Education Department:					
Child Nutrition Cluster:					
Cash Assistance					
National School Breakfast Program		10.553	N/A		$ 56,904
National School Lunch Program		10.555	N/A		275,593
Cash Assistance Subtotal					332,497
Non-Cash Assistance (food distribution)					
National School Lunch Program		10.555	N/A		38,005
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER					370,502
U.S. DEPARTMENT OF EDUCATION					
Passed-through NYS Education Department:					
Special Education Cluster:					
IDEA - Part B, Section 611		84.027A	0032-24-0682	$ 8,356	292,271
IDEA - Part B, Section 619		84.173A	0033-24-0682	370	4,450
American Rescue Plan IDEA-Part B, Section 619	COVID 19	84.173X	5532-23-0682	0	4,500
Total Special Education Cluster				$ 8,726	301,221
Title I Parts A&D, Basic Program		84.010A	0021-24-2250		177,257
Title II Part A, Teacher & Principal Training & Recruiting		84.367A	0147-23-2250		12,035
Title II Part A, Teacher & Principal Training & Recruiting		84.367A	0147-24-2250		18,547
Title IV A SSAE		84.424A	0204-24-2250		13,077
Total Passed-through NYS Education Department					522,137
Education Stabilization Funds					
Elementary and Secondary School Emergency Relief (ESSER) Fund III	COVID 19	84.425U	5880-21-2250		292,044
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	COVID 19	84.425U	5882-21-2250		21,382
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	COVID 19	84.425U	5883-21-2250		30,617
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	COVID 19	84.425U	5884-21-2250		311,043
American Rescue Plan Elementary and Secondary School Emergency Relief (UPK) Fund	COVID 19	84.425U	5870-24-9134		170,661
American Rescue Plan Elementary and Secondary School Emergency Relief (HCY) Fund	COVID 19	84.425W	5219-21-2250		435
Total Education Stabilization Funds					826,182
Direct Program:					
Impact Aid		84.041	N/A		4,356,705
TOTAL U.S. DEPARTMENT OF EDUCATION					5,705,024
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct Program:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		97.036	4723DRNYP1SNY		23,654
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY					23,654
TOTAL EXPENDITURES OF FEDERAL AWARDS					$ 6,099,180

The accompanying notes are an integral part of the schedule.

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

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

NOTE 3. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $38,005 of commodities under the Commodity Supplemental Food Program (Federal Assistance Listing Number 10.555).

NOTE 4. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

Internal Control over Financial Reporting:				
Material weakness(es) identified?	X	Yes	____	No
Significant deficiencies identified?	____	Yes	X	None Reported
Noncompliance material to financial statements noted?	____	Yes	X	No

FEDERAL AWARDS

Internal Control over Major Programs:				
Material weakness(es) identified?	____	Yes	X	No
Significant deficiencies identified?	X	Yes	____	None Reported

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

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

IDENTIFICATION OF MAJOR PROGRAMS:

FEDERAL ASSISTANCE LISTING NUMBER	NAME OF FEDERAL PROGRAM OR CLUSTER
84.041	Impact Aid
84.425	Education Stabilization Funds

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

Auditee qualified as low-risk auditee?	____	Yes	X	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial statement findings required to be reported in accordance with Section 2 CFR-200.516(a) identified as material weaknesses in internal controls. A summary of GAGAS findings are:

2024-001- Internal Controls over Financial Close
2024-002- Opening Fund Balance did not agree to Prior Year Financial Statements
2024-003- Recording and Reconciling Grant Activity

A. Significant Deficiencies in Internal Control

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

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Material Weakness in Internal Control

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

A. Significant Deficiency in Internal Control
Control findings related to major federal awards required to be reported in accordance with Section 2 CFR-200.516(a):

U.S. Department of Education
Passed through NYS Department of Education
Program Name: Education Stabilization Fund
AL#: 84.425U
See Findings 2024-004 2024-005

B. Compliance Findings

Compliance findings related to major federal awards required to be reported in accordance with Section 2 CFR-200.516(a):

Finding reference Numbers: 2024-004, and 2024-005
Federal Program: Education Stabilization Fund
AL#: 84.425U
Federal Agency: U.S. Department of Education
Passed through NYS Department of Education

2024-004 **Compliance and Significant Deficiency in Internal Control over compliance with Activities Allowed or Unallowed, Allowable Cost/Cost Principles**

U.S. Department of Education
Passed through NYS Department of Education
Program Name: Education Stabilization Fund
AL#: 84.425U

Condition: In accordance with C.R. 170.2 of the Commissioner's Regulations, the District requires Purchase Orders to be established to encumber the approved budget items for each expenditure code. The complete bill packet including the Purchase Order, receiving slip, and invoice is submitted for authorization of payment. For the ARP Summer Enrichment Grant, Purchase Orders were created after the dates of service.

Criteria: As a recipient of federal awards, the District is required to establish and maintain effective internal controls over federal awards in accordance with 2CFR Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Section 200.303 – Internal Controls. Provisions included in section 200.403 – Factors Affecting Allowability of Costs states that costs must meet the following general criteria in order to be allowable under Federal awards:(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.(c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity. (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.(e) Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. (g) Be adequately documented. (h) Cost must be incurred during the approved budget period.

Context: 1 item representing the total population was selected for testing. A Purchase Order was initiated on 1/25/24 for an invoice dated 8/9/23 Questioned Costs are $19,960.

Cause: The District did not have sufficient internal controls in place to ensure that Purchase Orders are created in accordance C.R. 170.2 of the Commissioner's Regulations. When the invoices were received, a Purchase Order was required to be able to pay the vendor.

Effect: The District is not in compliance with the requirements of the Education Stabilization Fund program with respect to Activities Allowed or Unallowed and Allowable Costs.

Identification of a Repeat Finding This is a repeat finding from the immediate previous audit, 2023-007

Recommendation: We recommend that the District's written procedures addressing internal controls with respect to program requirements be followed to ensure the District is in compliance at all times.

View of Responsible Officials: Highland Falls-Fort Montgomery Central School District's management concurs with this finding. The District is in the process of implementing procedures to ensure that compliance is maintained in the future. Please refer to the corrective action plan .

2024-005 Compliance and Significant Deficiency in Internal Control over compliance with Activities Allowed or Unallowed, Allowable Cost/Cost Principles

U.S. Department of Education
Passed through NYS Department of Education
Program Name: Education Stabilization Fund
AL#: 84.425U

Condition: Time and effort documentation requirements in accordance with 2CFR 200.430(i) Compensation – Personal Services, Standards for Documentation were not being followed for the first 9 months of the fiscal year.

Criteria: According to 2 CFR, Part 430(i)(l) of the Office of Management and Budget's Uniform Grant Guidance, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed, which must, among other things:

a) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
b) Be incorporated into the official records of the non-Federal entity;
c) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity;
d) Encompass both federally assisted and all other activities compensated by the non-Federal entity;
e) Support the distribution of the employee's salary or wages amount specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Context: We reviewed the files maintained by the district for the fiscal year and found that the certification process had not been done until May 2024.

Cause: The District did not have sufficient internal controls in place to ensure that the payroll certification process was being performed.

Effect: Without adequate internal controls over the employee's time being charged to the grant and the certification requirement, the School District cannot ensure that federal funds are paid in accordance with allowable costs and the time worked in the grant. Additionally, they cannot easily monitor the amount of funds that can be charged to the grant for salaries and benefits. .The District is not in compliance with the requirements of the Education Stabilization Fund program with respect to Activities Allowed or Unallowed and Allowable Costs.

Questioned Costs: Support for the employees' whose time was charged to the Federal award programs in question was reviewed and it was determined that for all employees the time being charged to the grant was appropriate, therefore, there were no questioned costs.

Recommendation: We recommend that the District's written procedures addressing internal controls with respect to program requirements be followed to ensure the District is in compliance at all times. We recommend that the District ensures that the employees working in the grants are certifying their actual percent of time and effort that is being spent working in the federal award programs by all employees whose time is charged to the grant and that they are completed timely after the fact. Monthly certifications should be completed if less than 100% of time is being worked in the federal award program or semiannually if 100% of time is being spent.

View of Responsible Officials: Highland Falls-Fort Montgomery Central School District's management concurs with this finding. The District is in the process of implementing procedures to ensure that compliance is maintained in the future. Please refer to the corrective action plan .

HIGHLAND FALLS-FORT MONTGOMERY
CENTRAL SCHOOL DISTRICT
Post Office Box 287, Highland Falls, New York 10928

June 6, 2025

New York State Education Department
Office of Audit Services
89 Washington Ave., 524 EB
Albany, NY 12234

To Whom It May Concern;

This Corrective Action Plan is in response to the audit prepared by Nugent & Haeussler, PC for the Highland Falls-Fort Montgomery Central School District for the 2023-2024 school year. The auditors made the below listed findings and related recommendations and the district will take the necessary steps in response to the recommendations. These are respectfully submitted below.

Sincerely,

Christopher J. Carballo
Assistant Superintendent for Business

Finding & Recommendation 2024-004: As per C.R. 170.2 of the Commissioner's Regulations, Purchase Orders must be established to encumber approved budget items for each expenditure in advance of the expenditure. For the ARP Summer Enrichment grant, Purchase Orders were created after the dates of service and the district did not have sufficient internal controls in place to ensure Purchase Orders are created in accordance with the above noted regulation. It is recommended that the District's written procedures addressing internal controls with respect to program requirements be followed to ensure the District is in compliance at all times.

Corrective Action: The district concurs and understands the importance of maintaining internal controls in accordance with Commissioner Regulations. By June 30, 2025, Assistant Superintendent Christopher Carballo will review with Business Office Staff the existing procedures for the creation of purchase orders in advance of the expenditure. Additionally, Asst. Superintendent Carballo will review these procedures with clerical staff across the district involved in the creation of purchase orders and will remind district administrators at the start of the new fiscal year that purchase orders need to be established in advance for all expenditures.

Finding & Recommendation 2024-005: As per 2 CFR, part 430(i)(l) of the Office of Management and Budget's Uniform Grant Guidance, charges to Federal Awards for salaries and wages must be based on records that accurately reflect the work performed. The district did not complete Federal

payroll certification until May 2024 and did not have sufficient internal controls in place to ensure the certification process was being performed. It is recommended the district's written procedures addressing internal controls with respect to the program requirements be followed to ensure the district tis in compliance at all times.

Corrective Action: The district concurs and understands the importance of maintaining internal controls in accordance with OMB Uniform Grant Guidance. By June 30, 2025, Assistant Superintendent Christopher Carballo will review the existing procedure for Federal payroll certification with Business Office staff to ensure compliance in the future.

2023-006 **Compliance and Significant Deficiency in Internal Control over compliance with Activities Allowed or Unallowed, Allowable Cost/Cost Principles**

U.S. Department of Education
Passed through NYS Department of Education
Program Name: Education Stabilization Fund
AL#: 84.425D

Condition: Payroll and fringe benefits were charged to the ESSER 2 grant in excess of the amount allocable for services performed in the program.

Recommendation: We recommend that the District's written procedures addressing internal controls with respect to program requirements be followed to ensure the District is in compliance at all times.

Current Status: NYSED has finalized this grant.

2023-007 **Compliance and Significant Deficiency in Internal Control over compliance with Activities Allowed or Unallowed, Allowable Cost/Cost Principles**

U.S. Department of Education
Passed through NYS Department of Education
Program Name: Education Stabilization Fund
AL#: 84.425U

Condition: In accordance with C.R. 170.2 of the Commissioner's Regulations, the District requires Purchase Orders to be established to encumber the approved budget items for each expenditure code. The complete bill packet including the Purchase Order, receiving slip, and invoice is submitted for authorization of payment. For the ARP Learning Loss Grant, Purchase Orders were created after the dates of service.

Recommendation: We recommend that the District's written procedures addressing internal controls with respect to program requirements be followed to ensure the District is in compliance at all times.

Current Status: This is a repeat finding. There is a similar finding noted in the 2024 audit, 2024-004.

2023-008 **Compliance and Significant Deficiency in Internal Control over compliance with Activities Allowed or Unallowed, Allowable Cost/Cost Principles**

U.S. Department of Education
Passed through NYS Department of Education
Program Name: Education Stabilization Fund
AL#: 84.425U

Condition: Payroll Costs for one employee were charged to the UPK grant in excess of the employee's wages for the year.

Recommendation: We recommend that the District's written procedures addressing internal controls with respect to program requirements be followed to ensure the District is in compliance at all times.

Current Status: NYSED has finalized this grant.

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
Highland Falls-Fort Montgomery Central School District
Highland Falls, New York 10928

Opinion

We have audited the accompanying financial statements of the extraclassroom activities funds of Highland Falls-Fort Montgomery Central School District, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2024 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Highland Falls-Fort Montgomery 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 opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Highland Falls-Fort Montgomery 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 Highland Falls-Fort Montgomery 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.

Nugent & Haeussler PC

Montgomery, New York
June 6, 2025

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2024

ASSETS

Cash	$ 143,380

FUND BALANCE

Fund Balance, Beginning of Year:		
High School Extraclassroom Activities	$ 111,243	
Middle School Extraclassroom Activities	15,687	
Total Fund Balance, Beginning of Year		$ 126,930
Excess of Receipts over Disbursements		
High School Extraclassroom Activities	$ 19,335	
Middle School Extraclassroom Activities	(2,885)	
Total Excess of Receipts over Disbursements		16,450
Fund Balance, End of Year:		
High School Extraclassroom Activities	$ 130,578	
Middle School Extraclassroom Activities	12,802	
Total Fund Balance, End of Year		$ 143,380

See notes to financial statement.

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - HIGH SCHOOL
STATEMENT OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	CASH BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2024
Class of 2023	$ 10,037	$ 0	$ 10,037	$ 0
Class of 2024	1,266	14,600	8,802	7,064
Class of 2025	(246)	15,854	14,359	1,249
Class of 2026	133	1,707	758	1,082
Class of 2027	0	76	0	76
Anime Club	1,008	73	19	1,062
Band / Auditorium	2,529	1,007	0	3,536
Baseball - Varsity	5,084	25	400	4,709
Basketball-Boys	95	0	0	95
Basketball - Girls	267	0	0	267
Bowling	0	998	0	998
BSA	207	633	607	233
Chess	183	0	0	183
Chorus	765	5,359	5,421	703
Crew Team	1,983	0	0	1,983
Drama	22,809	12,682	9,587	25,904
Environmental Science	3,254	0	0	3,254
Fashion	160	0	0	160
Gay Straight Alliance	512	0	0	512
Interact	2,185	0	568	1,617
J.R.O.T.C.	14,781	16,231	15,430	15,582
Lacrosse - Boys	560	0	0	560
Lacrosse- Girls	167	302	0	469
Literacy Magazine	1,168	640	398	1,410
Mental health	116	0	0	116
National Honor Society	1,305	620	1,507	418
Powerlifting	103	4,722	3,177	1,648
Raider Readers	0	621	103	518
Reading Buddies Club	198	0	158	40
Red Cross	823	370	0	1,193
S.A.D.D.	38	0	0	38
Science	115	0	0	115
Science Buddies	162	0	0	162
Ski Club	0	2,988	988	2,000
Soccer (Boys)	190	0	0	190
Soccer (Varsity Girls)	2,134	0	0	2,134
Softball	5,580	5,315	1,378	9,517
Student Council	9,414	6,419	2,582	13,251
Student-to-Student	1,689	0	190	1,499
Track and Field	452	5,356	1,681	4,127
Volleyball	124	2,664	1,825	963
Yearbook	19,893	790	742	19,941
	$ 111,243	$ 100,052	$ 80,717	$ 130,578

See notes to financial statement.

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - MIDDLE SCHOOL
STATEMENT OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	CASH BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2024
Grade 7	$ 1,165	$ 3,807	$ 1,842	$ 3,130
Grade 8	2,689	5,183	8,527	(655)
Drama Club	2,888	2,411	4,481	818
Junior Honor Society	462	0	0	462
Memory Book	5,490	330	0	5,820
Music Club	2,497	0	0	2,497
Student Council	496	680	446	730
	$ 15,687	$ 12,411	$ 15,296	$ 12,802

See notes to financial statement.

HIGHLAND FALLS-FORT MONTGOMERY CENTRAL SCHOOL DISTRICT
HIGHLAND FALLS, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Highland Falls-Fort Montgomery 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 Highland Falls-Fort Montgomery 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.