TICONDEROGA CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Ticonderoga Central School District
Ticonderoga, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ticonderoga Central School District (the District), as of and for the year ended June 30, 2025, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 12 and 50 through 54 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 District's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 55 through 57 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

West & Company CPAs PC

Gloversville, New York
November 17, 2025

TICONDEROGA CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following is a discussion and analysis of the Ticonderoga Central School District's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the Ticonderoga 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 School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Total net position at year end was a deficit of $64,841,599.
- The overall fund balance at year end was $4,097,613.
- Total revenue increased to $26,079,753, which is an increase of $269,619.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The first two statements are *District-wide* financial statements that provide both short-term and long-term information about the School District's overall financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the School District, reporting the School District's operations in more detail than the District-wide statements.

The *governmental funds statements* tell how basic services such as general and special education were financed in the short-term, as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a custodian for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Table A-1 Major Features of the District-wide and Fund Financial Statements

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

District-Wide Statements

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

The two District-wide statements report the School District's *net position* and how it has changed. Net position – the difference between the School District's assets, deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the School District's financial health or *position*.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balance because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balance.

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position.

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
    - Net investment in capital assets.
    - Restricted net position are those with constraints placed on use by external sources or imposed by law.
    - Unrestricted net position are net position that do not meet any of the above restrictions.

Fund Financial Statements

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

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

The District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily 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 School District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balance.
- Fiduciary Fund: The School District is the custodian for assets that belong to others, such as the student activities funds and the private purpose trust funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

	Fiscal Year 2025	Fiscal Year 2024	% Change (Incr.: - Decr.)
Assets			
Current and other assets	$ 6,821,773	$ 5,137,820	32.8%
Capital assets	25,753,054	25,913,779	-0.6%
Total Assets	32,574,827	31,051,599	4.9%
Deferred Outflows of Resources	8,242,844	13,793,435	-40.2%
Liabilities			
Current liabilities	3,136,812	1,339,020	134.3%
Long-term liabilities	88,072,754	94,159,370	-6.5%
Total Liabilities	91,209,566	95,498,390	-4.5%
Deferred Inflows of Resources	14,449,704	13,937,155	3.7%
Net Position			
Net investment in capital assets	16,016,546	15,394,012	4.0%
Restricted	1,890,621	1,544,184	22.4%
Unrestricted	(82,748,766)	(81,528,707)	-1.5%
Total Net Position	$ (64,841,599)	$ (64,590,511)	-0.4%

Net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was a deficit of $64,841,599, an increase of $251,088 from the prior year.

The largest portion of net position $16,016,546, reflects investment in capital assets (land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens, consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, $1,890,621, represents resources that are subjected to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of $(82,748,766), is a deficit primarily resulting from the District's unfunded net position liability and OPEB (Other Post-Employment Benefit) liability.

Changes in Net Position

The School District's 2025 revenue was $26,079,753 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 48.7% and 32.6%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled $27,235,849 for 2025. These expenses are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative and business activities accounted for 19.8% of total costs.

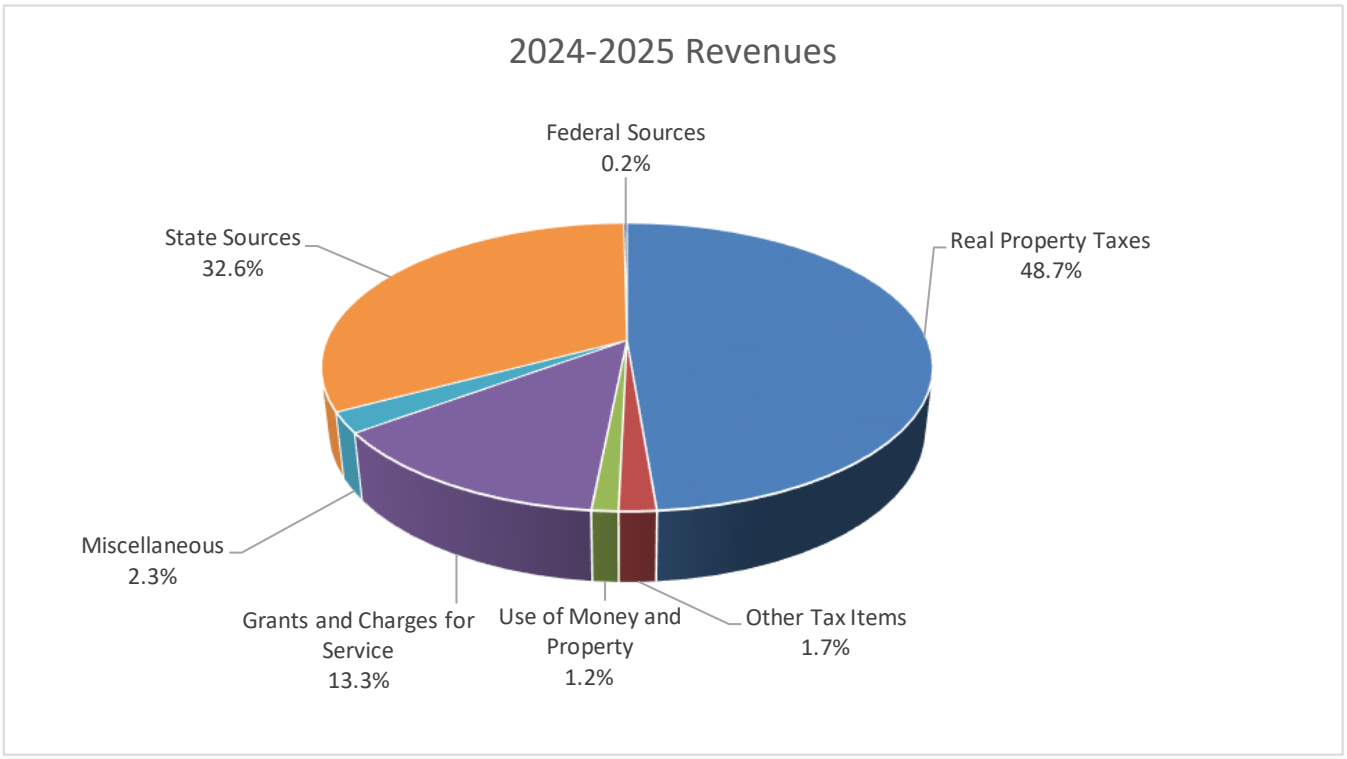
Net position decreased during the year by $251,088, including an other change in net position of $905,008.

Table A-3

	Fiscal Year 2025	Fiscal Year 2024	% Change (Incr.: - Decr.)
Revenues			
Program Revenues			
Charges for services	$ 622,618	$ 504,813	23.3%
Operating grants and contributions	2,858,734	2,934,742	-2.6%
General Revenues			
Property taxes	13,135,204	12,890,653	1.9%
State formula aid	8,504,485	8,662,153	-1.8%
Federal sources	51,329	0	100.0%
Use of money and property	307,619	273,097	12.6%
Miscellaneous	599,764	544,676	10.1%
Total Revenues	26,079,753	25,810,134	1.0%
Expenses			
General support	5,377,879	2,631,833	104.3%
Instruction	18,974,476	11,930,850	59.0%
Transportation	1,685,276	871,662	93.3%
Community service	5,694	5,475	4.0%
Employee benefits *	0	11,900,423	-100.0%
Debt service	518,342	496,728	4.4%
Cost of sales – Lunch Program	674,182	508,034	32.7%
Total Expenses	27,235,849	28,345,005	-3.9%
(Decrease) In Net Position from Operations	(1,156,096)	(2,534,871)	-54.4%
Other Changes in Net Position	905,008	0	100.0%
Total (Decrease) in Net Position	$ (251,088)	$ (2,534,871)	90.1%

* For 2025, the employee benefits were allocated to general support, instruction and transportation.

REVENUES – TABLE A–4



EXPENDITURES – TABLE A–5

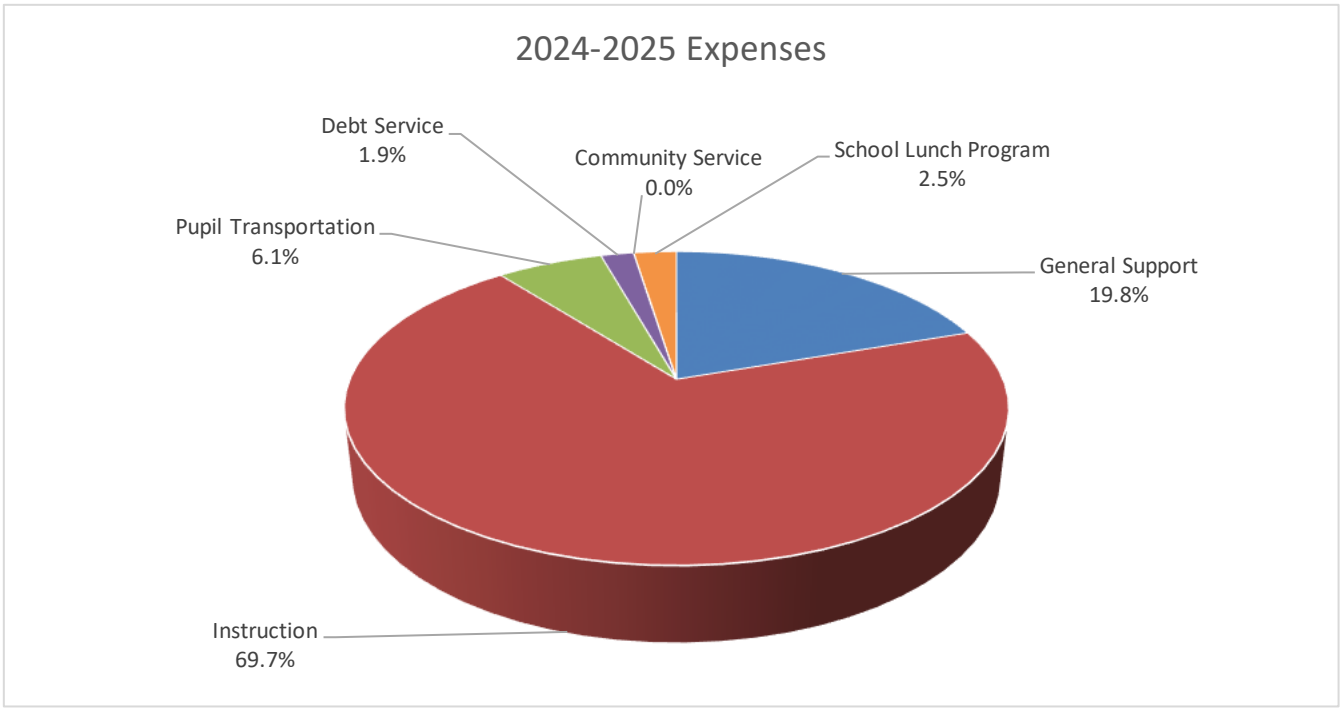


Table A-6 presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-6

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2025	2024	(Inc. - Dec.)	2025	2024	(Inc. - Dec.)
General support	$ 5,377,879	$ 2,631,833	104.3%	$ 5,377,879	$ 2,180,515	146.6%
Instruction	18,974,476	11,930,850	59.0%	16,095,781	9,496,311	69.5%
Pupil transportation	1,685,276	871,662	93.3%	1,685,276	871,662	93.3%
Community service	5,694	5,475	4.0%	5,694	5,475	4.0%
Debt service - interest	518,342	496,728	4.4%	518,342	496,728	4.4%
Employee benefits*	0	11,900,423	-100.0%	0	11,900,423	-100.0%
Cost of sales - lunch program	674,182	508,034	32.7%	71,525	(45,560)	257.0%
Totals	$ 27,235,849	$ 28,345,005		$ 23,754,497	$ 24,905,554	

* For 2025, the employee benefits were allocated to general support, instruction and transportation.

- The cost of all governmental activities for the year was $27,235,849.
- The users of the School District's programs financed $622,618 of the costs.
- Federal and state government grants financed $2,858,734.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of $4,097,613. The 2024-2025 increase in overall fund balance was $592,375. Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets and the current payments for debt, including the principal and interest payment.

Governmental Funds

General Fund – the General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance was $915,463, and the total fund balance was $3,416,337. The total fund balance of the District's General Fund increased by $261,786 during the current fiscal year.

Special Aid Fund – the Special Aid Fund is used to account for operating projects or programs supported in whole or in part with federal funds or state or local grants. The fund balance at the end of the year was $-0-. The fund balance of the District's Special Aid Fund increased by $2,807 during the current fiscal year.

Capital Projects Fund – the Capital Projects Fund is used to account for the financial resources used for the acquisition, construction, or major repairs of capital facilities. The fund balance at the end of the year was $397,902. The fund balance of the Capital Projects Fund increased by $269,735 during the current fiscal year.

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 the governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital assets are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding. The fund balance at the end of the year was $16,429. The fund balance of the District's Debt Service Fund decreased by $3,274 during the current fiscal year.

School Lunch Fund – the School Lunch Fund is used to account for transactions of the lunch and breakfast programs. The fund balance at the end of the year was $266,945. The fund balance of the School Lunch Fund increased by $61,321 during the current fiscal year.

General Fund Budgetary Highlights

	Results vs. Budget			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Fav; (Unfav)
REVENUES				
Local Sources	$ 13,895,268	$ 13,979,991	$ 14,592,961	$ 612,970
State Sources	8,581,904	8,537,181	8,504,485	(32,696)
Federal Sources	100,000	60,000	51,329	(8,671)
OTHER FINANCING SOURCES				
Transfers from other funds	3,283	3,283	3,283	0
Total Revenues and Other Financing Sources	22,580,455	22,580,455	23,152,058	571,603
EXPENDITURES				
General Support	2,778,739	3,343,229	3,098,039	245,190
Instruction	9,375,411	9,161,479	8,981,590	179,889
Pupil Transportation	917,802	981,053	970,838	10,215
Community Services	5,749	5,749	5,694	55
Employee Benefits	7,194,529	7,027,674	7,016,908	10,766
Debt Service	2,478,225	2,683,003	2,683,003	0
Total Expenditures	22,750,455	23,202,187	22,756,072	446,115
OTHER USES				
Transfers Out	130,000	125,000	125,000	0
Total Expenditures and Other Uses	22,880,455	23,327,187	22,881,072	$ 446,115
Revenues Over (Under) Expenditures and Other Uses	(300,000)	(746,732)	270,986	
Beginning Fund Balance	3,154,551	3,154,551	3,154,551	
Other Change in Fund Balance	0	0	(9,200)	
Ending Fund Balance	$ 2,854,551	$ 2,407,819	$ 3,416,337	

The general fund is the only fund for which a budget is legally adopted.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had $25,753,054 (net of depreciation and amortization) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

	Fiscal Year 2025	Fiscal Year 2024
Land	$ 35,200	$ 35,200
Buildings and improvements	24,141,828	24,141,828
Construction in progress	331,594	0
Land improvements	30,961	9,245
Furniture and equipment	575,994	749,690
Right to use assets	637,477	229,509
Totals	$ 25,753,054	$ 25,165,472

CAPITAL ASSET AND DEBT ADMINISTRATION – (CONTINUED)

Long-Term Debt

As of June 30, 2025, the School District had $88,435,773 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

	Fiscal Year 2025	Fiscal Year 2024
General obligation bonds (financed with property taxes)	$ 9,736,508	$ 10,825,559
Other debt	78,699,265	81,001,909
Totals	$ 88,435,773	$ 91,827,468

Other debt is comprised of compensated absences and other post-employment benefits.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is aware of the following existing circumstances that could affect its future financial health.

The District relies heavily on school taxes to support the budget. In 2011, New York State established the property tax cap law limiting school districts ability to raises taxes by 2% or the rate of inflation, whichever is less. This makes it difficult for districts trying to increase school taxes to supplement any state aid reduction. With revenues sources limited, primarily to state aid and property taxes, it is difficult to keep up with rising costs to provide a quality education to our students.

The uncertainty of the state’s financial position, as it relates to its funding of education, and ongoing litigation challenging formulas used by New York State to distribute aid, make it difficult to project revenues as a part of the District’s long-term planning.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Ticonderoga Central School District
Attention: School Business Executives
5 Calkins Place
Ticonderoga, New York 12883

TICONDEROGA CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS		
Cash		
Unrestricted	$	2,246,002
Restricted		1,890,621
Receivables		
State and federal aid		1,060,178
Taxes receivable		285,168
Due from other governments		177,809
Other receivables		72,692
Inventories		27,098
Net pension asset - proportionate share		1,062,205
Right to use assets, net of amortization		637,477
Capital assets, net of depreciation		25,115,577
Total Assets		32,574,827
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment (health insurance) benefits		5,144,587
Pensions		3,098,257
Total Deferred Outflows of Resources		8,242,844
LIABILITIES		
Payables		
Accounts payable		435,697
Accrued interest		19,212
Accrued liabilities		2,392
Unearned revenues		353,176
Due to other governments		572
Long-term liabilities		
Due and payable within one year		
Due to Employees' Retirement System		121,485
Due to Teachers' Retirement System		748,633
Leases payable		163,813
Bonds payable		1,200,825
Compensated absences payable		91,007
Due and payable after one year		
Leases payable		436,870
Bonds payable		7,935,000
Other post-employment benefits		77,561,682
Net pension liability - proportionate share		1,092,626
Compensated absences payable		1,046,576
Total Liabilities		91,209,566
DEFERRED INFLOWS OF RESOURCES		
Pensions		1,374,153
Other post-employment (health insurance) benefits		13,075,551
Total Deferred Inflows of Resources		14,449,704
NET POSITION		
Net investment in capital assets		16,016,546
Restricted for:		
Insurance reserve		4,209
Reserve for debt service		16,429
Retirement contribution reserve - ERS		1,404,923
Retirement contribution reserve - TRS		415,060
Unemployment insurance reserve		50,000
Unrestricted		(82,748,766)
Total Net Position	$	(64,841,599)

See notes to basic financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 5,377,879	$ 0	$ 0	$ (5,377,879)
Instruction	18,974,476	(552,601)	(2,326,094)	(16,095,781)
Pupil transportation	1,685,276	0	0	(1,685,276)
Debt service	518,342	0	0	(518,342)
Community service	5,694	0	0	(5,694)
School lunch program	674,182	(70,017)	(532,640)	(71,525)
Total Functions and Programs	$ 27,235,849	$ (622,618)	$ (2,858,734)	(23,754,497)
GENERAL REVENUES				
Real property taxes				12,701,736
Other tax items				433,468
Use of money and property				307,619
Miscellaneous				599,764
State sources				8,504,485
Federal sources				51,329
Total General Revenues				22,598,401
CHANGE IN NET POSITION				(1,156,096)
TOTAL NET POSITION - BEGINNING OF YEAR				(64,590,511)
PRIOR PERIOD ADJUSTMENT				905,008
TOTAL NET POSITION - END OF YEAR				$ (64,841,599)

See notes to basic financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2025

	General	Special Aid	School Lunch	Debt Service	Capital	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 1,605,015	$ 22,166	$ 257,412	$ 0	$ 361,409	$ 2,246,002
Restricted	1,874,192	0	0	16,429	0	1,890,621
Due from other funds	219,381	291,890	0	0	36,493	547,764
State and federal aid receivable	203,982	823,309	32,887	0	0	1,060,178
Taxes receivable	285,168	0	0	0	0	285,168
Due from other governments	177,809	0	0	0	0	177,809
Other receivables	0	72,692	0	0	0	72,692
Inventories	0	0	27,098	0	0	27,098
TOTAL ASSETS	$ 4,365,547	$ 1,210,057	$ 317,397	$ 16,429	$ 397,902	$ 6,307,332
LIABILITIES						
Accounts payable	$ 53,035	$ 382,662	$ 0	$ 0	$ 0	$ 435,697
Accrued liabilities	0	0	2,392	0	0	2,392
Unearned revenue	0	316,124	37,052	0	0	353,176
Due to other funds	36,493	511,271	0	0	0	547,764
Due to other governments	0	0	572	0	0	572
Due to Employees' Retirement System	111,049	0	10,436	0	0	121,485
Due to Teachers' Retirement System	748,633	0	0	0	0	748,633
Total Liabilities	949,210	1,210,057	50,452	0	0	2,209,719
FUND BALANCE						
Nonspendable						
Inventory	0	0	27,098	0	0	27,098
Restricted						
Insurance reserve	4,209	0	0	0	0	4,209
Reserve for debt service	0	0	0	16,429	0	16,429
Retirement contribution reserve - ERS	1,404,923	0	0	0	0	1,404,923
Retirement contribution reserve - TRS	415,060	0	0	0	0	415,060
Unemployment insurance reserve	50,000	0	0	0	0	50,000
Assigned	626,682	22,832	239,847	0	397,902	1,287,263
Unassigned	915,463	(22,832)	0	0	0	892,631
Total Fund Balance	3,416,337	0	266,945	16,429	397,902	4,097,613
TOTAL LIABILITIES AND FUND BALANCE	$ 4,365,547	$ 1,210,057	$ 317,397	$ 16,429	$ 397,902	$ 6,307,332

See notes to basic financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2025

Total balance - governmental funds balance sheet (page 15)	$	4,097,613
Add:		
Land, building and equipment, net of accumulated depreciation		25,115,577
Right to use assets, net of amortization		637,477
Pensions		1,693,683
Total		27,446,737
Deduct:		
Compensated absences		1,137,583
Other post-employment (health insurance) benefits		85,492,646
Accrued interest		19,212
Leases payable		600,683
Long-term bonds payable		9,135,825
Total		96,385,949
NET POSITION, GOVERNMENTAL ACTIVITIES	$	(64,841,599)

See notes to basic financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	Debt Service	Capital	Total Governmental Funds
REVENUES						
Real property taxes	$ 12,701,736	$ 0	$ 0	$ 0	$ 0	$ 12,701,736
Other tax items	433,468	0	0	0	0	433,468
Charges for services	552,601	0	0	0	0	552,601
Use of money and property	307,106	0	0	9	504	307,619
Miscellaneous	598,050	71,218	1,714	0	0	670,982
State sources	8,504,485	694,242	70,958	0	0	9,269,685
Federal sources	51,329	1,560,634	424,939	0	0	2,036,902
Surplus food	0	0	36,743	0	0	36,743
Sales - school lunch	0	0	70,017	0	0	70,017
Total Revenues	23,148,775	2,326,094	604,371	9	504	26,079,753
EXPENDITURES						
General support	3,098,039	0	0	0	0	3,098,039
Instruction	8,981,590	1,949,051	0	0	0	10,930,641
Pupil transportation	970,838	0	0	0	0	970,838
Community service	5,694	0	0	0	0	5,694
Employee benefits	7,016,908	399,236	12,436	0	0	7,428,580
Debt service						
Principal	2,161,657	0	0	0	0	2,161,657
Interest	521,346	0	0	0	0	521,346
Cost of sales	0	0	530,614	0	0	530,614
Capital outlay	0	0	0	0	903,375	903,375
Total Expenditures	22,756,072	2,348,287	543,050	0	903,375	26,550,784
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	392,703	(22,193)	61,321	9	(902,871)	(471,031)
OTHER FINANCING SOURCES AND USES						
Proceeds from debt	0	0	0	0	1,072,606	1,072,606
Operating transfers in	3,283	25,000	0	0	100,000	128,283
Operating transfers (out)	(125,000)	0	0	(3,283)	0	(128,283)
Total Other Financing Sources (Uses)	(121,717)	25,000	0	(3,283)	1,172,606	1,072,606
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	270,986	2,807	61,321	(3,274)	269,735	601,575
FUND BALANCE - BEGINNING OF YEAR	3,154,551	(2,807)	205,624	19,703	128,167	3,505,238
OTHER CHANGE IN FUND BALANCE	(9,200)	0	0	0	0	(9,200)
FUND BALANCE - END OF YEAR	$ 3,416,337	$ 0	$ 266,945	$ 16,429	$ 397,902	$ 4,097,613

See notes to basic financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

REVENUES - STATEMENT OF ACTIVITIES		$ 26,079,753
EXPENDITURES	$ 26,550,784	
Add:		
Depreciation and amortization	1,104,305	
Other post-employment (health insurance) benefits	3,105,510	
	4,209,815	
Deduct:		
Change in fixed assets	371,799	
Change in right to use assets	571,781	
Change in accrued interest	3,004	
Decrease in compensated absences	311,409	
Pensions	105,100	
Principal payments of long-term debt (net)	2,161,657	
	3,524,750	
EXPENDITURES - STATEMENT OF ACTIVITIES		27,235,849
CHANGE IN NET POSITION		$ (1,156,096)

See notes to basic financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

	Private Purpose Trusts	Custodial Funds
ASSETS		
Cash	$ 583,239	$ 62,728
Total Assets	$ 583,239	$ 62,728
LIABILITIES		
Other liabilities	$ 0	$ 3,113
Total Liabilities	0	3,113
NET POSITION		
Restricted	$ 583,239	$ 59,615
Total Net Position	$ 583,239	$ 59,615

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

ADDITIONS		
Investment earnings	$ 28,414	$ 0
Contributions	46,663	0
Extraclassroom receipts	0	63,870
Total Additions	75,077	63,870
DEDUCTIONS		
Extraclassroom disbursements	0	56,324
Scholarship and awards	51,473	0
Other custodial activities	0	1,094
Total Deductions	51,473	57,418
CHANGE IN NET POSITION	23,604	6,452
NET POSITION - BEGINNING OF YEAR	559,635	53,163
NET POSITION - END OF YEAR	$ 583,239	$ 59,615

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ticonderoga Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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 Ticonderoga Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District's financial reporting entity. 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.

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for assets held as the custodian for various student organizations in the custodial fund.

B. Joint Venture

The District is a component district in the Clinton-Essex-Warren-Washington Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that 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 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, the District was billed $2,063,348 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued $-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of $-0-,

The District's share of BOCES aid amounted to $361,732.

Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at fiscal 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 for 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 SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C. Basis of Presentation – (Continued)

2. Fund Statements

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

The District reports the following major governmental funds:

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

School Lunch Fund – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for expenditures of the school breakfast and lunch programs.

Special Aid Funds – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

Capital Projects Fund – These funds are used to account for the financial resources used for acquisition, construction or major repair of capital facilities.

The District reports the following fiduciary funds:

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

Private Purpose and Non-Expendable Trust Funds – These funds are used to account for trust arrangements in which the assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Measurement Focus and Basis of Accounting – (Continued)

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

The governmental fund 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 one year after the end of the fiscal year as it matches the liquidation of related obligations.

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, pensions and other post-employment benefits, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by the County in which the District is located. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

G. Interfund Transactions – (Continued)

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

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

Refer to Note 7 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, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash (and Cash Equivalents)/Investments

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

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

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

Investments are stated at fair value based on quoted market prices.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

K. Inventories and Prepaid Items

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

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

A reserve for these nonliquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on direct costing, standard costing or normal costing methods, were used. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 5,000	Straight-line	5-15
Land improvements	5,000	Straight-line	5-15
Furniture and equipment	5,000	Straight-line	3-7

M. Right to Use Assets

Right to use assets are reported at actual cost or estimated historical cost. Right to use assets are amortized using the straight-line method over the estimated useful life of the asset. All right to use assets are vehicles and equipment which are amortized over a 3-5 year period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. 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. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet 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 or fund balance 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 three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and net pension asset (TRS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The third item is related to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

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

At June 30, 2025, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. 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 ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
District's proportionate share of the net pension asset (liability)	$(1,092,626)	$ 1,062,205
District's portion of the Plan's total net pension asset (liability)	0.0063726%	0.035601%
Change in proportion since the prior measurement date	(0.0003941)%	(0.001245)%

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

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

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of $239,172 for ERS and $584,234 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 271,197	$ 1,143,799	$ 12,793	$ 0
Changes of assumptions	45,823	635,414	0	106,883
Net difference between projected and actual earnings on pension plan investments	85,724	0	0	1,180,200
Changes in proportion and differences between the District's contributions and proportionate share of contributions	14,897	159,223	69,071	5,206
District's contributions subsequent to the measurement date	121,485	620,695	0	0
Total	$ 539,126	$ 2,559,131	$ 81,864	$ 1,292,289

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended March 31, 2026 for ERS and June 30, 2026 for TRS. 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
2026	$ 164,473	$ 1,348,949
2027	271,758	(188,115)
2028	(103,195)	(229,690)
2029	2,742	147,229
2030	0	58,775
Thereafter	0	0

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.9%	6.95%
Salary scale	4.3%	1.95 – 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 Systems experience	July 1, 2015 - June 30, 2020 Systems experience
Inflation rate	2.9%	2.4%
Projected cost of living adjustments	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 through March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 through June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

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 target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions – (Continued)

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Asset type		
Domestic equity	3.54%	6.60%
International equity	6.57	7.40
Global equities	0	6.90
Real estate	4.95	6.30
Domestic fixed income securities	0	2.60
Global bonds	0	2.50
High-yield bonds	0	4.80
Real estate debt	0	3.90
Private debt	0	5.90
Fixed income	2.00	0
Credit	5.40	0
Private equity/alternative investments	7.25	10.00
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.50
Real assets	5.55	0

Discount Rate

The discount rate used to calculate the total pension asset (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 Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption – (Continued)

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	$(3,162,198)	$(1,092,626)	$ 635,467

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	$(4,906,385)	$ 1,062,205	$ 6,081,949

Pension Plan Fiduciary Net Position

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

	(Dollars in thousands)		
	ERS	TRS	Total
Measurement date	March 31, 2025	June 30, 2024	
Employers' total pension asset (liability)	$(247,600,239)	$(142,837,826)	$(390,438,065)
Plan fiduciary net position asset (liability)	230,454,512	145,821,435	376,275,947
Employers' net pension asset (liability)	(17,145,727)	2,983,609	(14,162,118)
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	93.08%	102.1%	96.37%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $121,485.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November, 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amount to $748,633.

Additional pension information can be found in Note 8.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises 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. The District had $353,176 in unearned revenue at June 30, 2025.

P. Vested Employee Benefits

Compensated Absences

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

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 within varying time periods.

Consistent with GASB Statement 101, *Accounting for Compensated Absences*, the liability has been calculated using the more likely than not to be used as leave or settled at separation method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the 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.

Q. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

R. Short-Term Debt

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

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

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

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

The District had no short-term debt as of June 30, 2025.

S. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T. Equity Classifications

District-Wide Statements

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

i) 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.

ii) Restricted Net Position

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

iii) Unrestricted Net Position

Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Funds Statements

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

1. Nonspendable

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $27,098.

2. Restricted

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

The District has established the following restricted fund balances:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District:

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any 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 School 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 under Restricted Fund Balance.

Insurance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service, must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund under Restricted Fund Balance.

3. Committed

Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School Districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.

4. 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.

5. Unassigned

Includes all other General Fund amounts that do not meet the definitions of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

T. Equity Classifications – (Continued)

Funds Statements – (Continued)

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 determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative fund balance.

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also addresses certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026. This statement's objective is to provide separate disclosure of lease assets, intangible right-to-use assets, subscription assets and capital assets held for sale.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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 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 District-wide statements, compared with the current financial resources focus of the governmental funds.

A. Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories, described as follows:

i) Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenue 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.

ii) Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) 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.

iv) Pension Differences

Pension 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.

v) OPEB 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.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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.

Encumbrances

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

NOTE 4 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

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

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

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	1,064,467

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 $1,890,621 within the governmental funds and $645,967 in fiduciary funds.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 35,200	$ 0	$ 0	$ 35,200
Construction in process	0	331,594	0	331,594
Total nondepreciable historical cost	35,200	331,594	0	366,794
Capital assets that are depreciated:				
Land improvements	377,993	23,000	0	400,993
Buildings and improvements	34,374,338	0	0	34,374,338
Furniture and equipment	2,757,328	17,205	0	2,774,533
Total depreciable historical cost	37,509,659	40,205	0	37,549,864
Less accumulated depreciation:				
Land improvements	368,748	1,284	0	370,032
Buildings and improvements	9,484,203	748,307	0	10,232,510
Furniture and equipment	2,007,638	190,901	0	2,198,539
Total accumulated depreciation	11,860,589	940,492	0	12,801,081
Net depreciable historical cost	25,649,070	(900,287)	0	24,748,783
Right to use assets that are amortized:				
Equipment	371,564	571,781	0	943,345
Less accumulated amortization:				
Equipment	142,055	163,813	0	305,868
Net amortizable historical cost	229,509	407,968	0	637,477
GRAND TOTAL - NET	$ 25,913,779	$ (160,725)	$ 0	$ 25,753,054

Depreciation and amortization were allocated to the following programs as follows:

General support	$ 220,117
Instruction	776,626
Pupil transportation	68,978
School lunch program	38,584
TOTAL	$ 1,104,305

NOTE 6 – LONG-TERM DEBT

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

Interest paid	$ 521,346
Less interest accrued in the prior year	22,216
Plus interest accrued in the current year	19,212
Total expense	$ 518,342

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Serial bond payable	$ 10,615,000	$ 500,825	$ 1,980,000	$ 9,135,825	$ 1,200,825
Lease purchase obligations	210,559	571,781	181,657	600,683	163,813
Other liabilities:					
Other post-employment benefits	79,552,917	0	1,991,235	77,561,682	0
Compensated absences, net	1,448,992	0	311,409	1,137,583	91,007
Total long-term liabilities	$ 91,827,468	$ 1,072,606	$ 4,464,301	$ 88,435,773	$ 1,455,645

The current portion (amount due within one year) of other post-employment benefits as of June 30, 2025, was not determinable.

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

Description of Issue	Date of Issue	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Serial bond - 2011	6/8/2011	2030	3.00-5.00%	$ 3,480,000
Serial bond - 2024	7/25/2024	2040	4.90451%	500,825
Serial bond - 2018	6/7/2018	2033	5.00%	4,030,000
Serial bond - 2020	5/26/2020	2035	2.25-2.375%	1,125,000
TOTAL				$ 9,135,825

	Principal	Interest	Total
Fiscal year ended June 30,			
2026	$ 1,200,825	$ 437,395	$ 1,638,220
2027	1,275,000	368,306	1,643,306
2028	1,330,000	307,369	1,637,369
2029	1,395,000	243,700	1,638,700
2030	1,465,000	176,912	1,641,912
2031 - 2035	2,255,000	251,269	2,506,269
2036 - 2040	215,000	27,625	242,625
Totals	$ 9,135,825	$ 1,812,576	$ 10,948,401

NOTE 6 – LONG-TERM DEBT – (CONTINUED)

In the prior year, the District defeased certain general obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

The following is a summary of long-term leases:

Description of Issue	Date of Issue	Final Maturity	Interest Rate	Outstanding at June 30, 2025
Lease liability - Copier	12/29/2021	2026	2.400%	$ 502
Lease liability - Bus	1/5/2023	2027	5.150%	28,672
Lease liability - Bus	6/30/2023	2027	5.150%	46,561
Lease liability - Meter	11/4/2022	2027	2.700%	7,154
Lease liability - Bus	7/1/2024	2029	5.620%	211,296
Lease liability - Bus	11/15/2024	2029	4.550%	236,465
Lease liability - Copier	3/15/2024	2029	2.700%	70,033
TOTAL				$ 600,683

Principal and interest payments due on leases are as follows:

	Principal	Interest	Total
Fiscal year ended June 30,			
2026	$ 163,813	$ 28,223	$ 192,036
2027	168,396	20,523	188,919
2028	133,543	12,552	146,095
2029	134,931	6,252	141,183
Totals	$ 600,683	$ 67,550	$ 668,233

NOTE 7 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 219,381	$ 36,493	$ 3,283	$ 125,000
Special Aid Funds	291,890	511,271	25,000	0
School Lunch Fund	0	0	0	0
Debt Service Fund	0	0	0	3,283
Capital Projects Fund	36,493	0	100,000	0
Total Governmental Activities	547,764	547,764	128,283	128,283
Custodial Fund	0	0	0	0
TOTALS	$ 547,764	$ 547,764	$ 128,283	$ 128,283

NOTE 7 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS – (CONTINUED)

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

NOTE 8 – PENSION PLANS

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

NOTE 8 – PENSION PLANS – (CONTINUED)

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute, and benefits to employees. 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. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

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

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

	NYSTRS	NYSERS
2025	$ 620,695	$ 319,331
2024	700,250	255,897
2023	647,008	228,987

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

Additional pension information can be found in Note 1 N.

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes, which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collected bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	144
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	140
Total	284

Net OPEB Liability:

The District's total OPEB liability of $77,561,682 was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2024

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6%
Salary Increases	3.5%
Discount Rate	3.93%
Healthcare Cost Trend Rates - Medical	7.80% for 2026, decreasing each year to an ultimate rate of 3.94% for 2095 and later years.

Mortality rates for active employees were based on the Pub-2010 Mortality Table for employees, sex distinct, job category specific, headcount weighted and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Mortality rates for retirees were based on the Pub-2010 Mortality Table for employees, sex distinct, job category specific, headcount weighted and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The discount rate was based on Bond Buyer Weekly 20 – Bond GO Index.

Changes in the Total OPEB Liability:

Balance at June 30, 2024	$ 79,552,917
Changes for the year:	
Service cost	2,231,709
Interest	2,939,299
Changes in benefit terms	0
Differences between expected and actual experience	(1,525,494)
Changes in assumptions or other inputs	(3,125,020)
Benefit payments	(2,511,729)
Net changes	(1,991,235)
Balance at June 30, 2025	$ 77,561,682

The plan had the following changes since the last valuation:

- Discount rate increased from 3.65% in 2024 to 3.93% in 2025.
- Health care trend rates were updated to the 2025 Getzen v1b long-term trend table.

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 90,373,938	$ 77,561,682	$ 67,226,795

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 (6.80% decreasing to 2.94%) or 1 percentage point higher (8.80% decreasing to 4.94%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 66,236,425	$ 77,561,682	$ 92,015,727

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

For the year ended June 30, 2025, the District recognized OPEB expense of $3,105,510. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 438,905	$ 4,904,464
Changes of assumption or other Inputs	2,068,314	8,171,087
Employer contributions subsequent to the measurement date	2,637,368	0
Total	$ 5,144,587	$ 13,075,551

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – (Continued)

Amounts reported as 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:	
2026	$ 627,015
2027	(4,324,904)
2028	(2,932,710)
2029	(1,004,266)
2030	(296,099)
Thereafter	0
Total	$ (7,930,964)

NOTE 10 – RISK MANAGEMENT

General

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, errors and omissions and natural disasters, etc. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington Counties BOCES and its component districts. Plan members are subjected to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustment to claims liabilities are charged or credited to expenses in the periods in which they are made.

There is a pending legal issue in which the District is involved. According to the District's counsel, the probable outcome of the cases at the present time is indeterminable. The District believes that there is a potential of liability exposure in relation to this claim.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The general fund fund balance was reduced by $9,200 for prior year expenditures. The net position was increased by $905,008 for prior year bonds that were defeased and not accounted for in the long-term debt group of accounts less the amount of prior year expenditures recorded.

NOTE 13 – TAX ABATEMENTS

The Counties of Essex and Warren enter into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced $-0-. The District received Payment in Lieu of Tax (PILOT) payment totaling $23,770.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance date of the audit report. There were no issues to report that would have a material effect on the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON–GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Revenues	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:				
Local Sources				
Real property taxes	$13,131,661	$12,702,341	$12,701,736	$ (605)
Real property tax items	53,400	436,068	433,468	(2,600)
Charges for services	441,500	572,875	552,601	(20,274)
Use of money and property	92,250	92,250	307,106	214,856
Miscellaneous	176,457	176,457	598,050	421,593
Total Local Sources	13,895,268	13,979,991	14,592,961	612,970
State Sources	8,581,904	8,537,181	8,504,485	(32,696)
Federal Sources	100,000	60,000	51,329	(8,671)
Total Revenues	22,577,172	22,577,172	23,148,775	571,603
OTHER FINANCING SOURCES				
Transfers from other funds	3,283	3,283	3,283	0
Total Revenues and Other Financing Sources	22,580,455	22,580,455	23,152,058	$ 571,603

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON–GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Expenditures	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	18,717	17,933	16,345	$ 0	$ 1,588
Central administration	227,917	226,035	226,035	0	0
Finance	251,667	300,952	297,652	1,110	2,190
Staff	56,558	117,479	100,126	17,167	186
Central services	1,705,035	1,933,893	1,710,945	218,785	4,163
Special items	518,845	746,937	746,936	0	1
Instructional					
Instruction, administration and improvements	523,648	508,175	505,985	742	1,448
Teaching – regular school	4,349,326	4,392,827	4,341,283	48,830	2,714
Programs for children with handicapping conditions	2,667,973	2,627,520	2,537,424	89,982	114
Occupational education	561,133	561,133	561,133	0	0
Teaching - special school	2,500	0	0	0	0
Instructional media	299,509	326,115	303,218	22,104	793
Pupil services	971,322	745,709	732,547	9,749	3,413
Pupil Transportation	917,802	981,053	970,838	7,702	2,513
Community Services	5,749	5,749	5,694	0	55
Employee Benefits	7,194,529	7,027,674	7,016,908	10,511	255
Debt Service	2,478,225	2,683,003	2,683,003	0	0
Total Expenditures	22,750,455	23,202,187	22,756,072	426,682	19,433
Other Financing Uses					
Transfers to other funds	130,000	125,000	125,000	0	0
Total Expenditures and Other Uses	22,880,455	23,327,187	22,881,072	$ 426,682	$ 19,433
NET CHANGE IN FUND BALANCE	(300,000)	(746,732)	270,986		
FUND BALANCE – BEGINNING	3,154,551	3,154,551	3,154,551		
OTHER CHANGE IN FUND BALANCE	0	0	(9,200)		
FUND BALANCE – ENDING	$ 2,854,551	$ 2,407,819	$ 3,416,337		

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019 AND 2018

Measurement Date	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability								
Service cost	$ 2,231,709	$ 2,401,597	$ 3,076,036	$ 3,045,175	$ 1,945,273	$ 1,925,708	$ 1,845,132	$ 2,389,213
Interest	2,939,299	2,806,550	2,043,310	2,018,153	2,219,918	2,288,410	1,987,022	1,721,246
Change of benefit terms	0	0	0	171,171	(248,390)	0	0	0
Differences between expected and actual experience	(1,525,494)	0	(7,975,985)	0	4,917,545	0	4,364,658	0
Change of assumptions or other inputs	(3,125,020)	(1,345,963)	(10,382,521)	1,079,314	19,891,564	1,708,193	(2,881,116)	(7,475,750)
Benefit payments	(2,511,729)	(2,377,450)	(2,196,768)	(2,167,335)	(1,698,415)	(1,597,043)	(1,321,469)	(1,258,873)
Net change in total OPEB liability	(1,991,235)	1,484,734	(15,435,928)	4,146,478	27,027,495	4,325,268	3,994,227	(4,624,164)
Total OPEB Liability - beginning	79,552,917	78,068,183	93,504,111	89,357,633	62,330,138	58,004,870	54,010,643	58,634,807
Total OPEB Liability - ending	$ 77,561,682	$ 79,552,917	$ 78,068,183	$ 93,504,111	$ 89,357,633	$ 62,330,138	$ 58,004,870	$ 54,010,643
Covered-employee payroll	$ 9,542,936	$ 9,536,184	$ 9,080,250	$ 8,636,491	$ 7,856,064	$ 7,919,899	$ 6,716,207	$ 8,481,679
Total OPEB liability as a percentage of covered-employee payroll	812.77%	834.22%	859.76%	1082.66%	1137.44%	787.01%	863.66%	636.79%
Plan's fiduciary net position	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net OPEB Liability	$ 77,561,682	$ 79,552,917	$ 78,068,183	$ 93,504,111	$ 89,357,633	$ 62,330,138	$ 58,004,870	$ 54,010,643

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 AND 2016

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0063726%	0.0067667%	0.0069231%	0.0065096%	0.0071497%	0.0072407%	0.0069095%	0.0075849%	0.0069992%	0.0071675%
District's proportionate share of the net pension liability (asset)	$ 1,092,626	$ 996,328	$ 1,484,600	$ (532,132)	$ 7,119	$ 1,917,387	$ 489,560	$ 244,799	$ 657,658	$ 1,150,403
District's covered-employee payroll	2,239,917	2,203,156	1,831,322	2,069,733	2,069,733	2,105,251	2,129,781	2,118,458	1,870,146	1,870,146
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.8%	45.2%	81.1%	25.7%	0.3%	91.1%	23.0%	11.6%	35.2%	61.5%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.035601%	0.036846%	0.037268%	0.037114%	0.040298%	0.042800%	0.043617%	0.044029%	0.043472%	0.042656%
District's proportionate share of the net pension liability (asset)	$ (1,062,205)	$ 421,366	$ 715,132	$ (6,431,422)	$ 1,113,543	$ (1,111,944)	$ (788,705)	$ (334,661)	$ 465,605	$ (4,430,548)
District's covered-employee payroll	7,404,441	6,797,556	7,050,685	6,299,272	6,299,272	6,846,645	7,143,677	7,104,668	6,977,100	6,708,192
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.3%	6.2%	10.1%	102.1%	17.7%	16.2%	11.0%	4.7%	6.7%	66.0%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 AND 2016

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 319,331	$ 255,987	$ 228,987	$ 283,393	$ 291,435	$ 299,531	$ 327,745	$ 311,731	$ 386,916	$ 350,174
Contributions in relation to the contractually required contribution	319,331	255,987	228,987	283,393	291,435	299,531	327,745	311,731	386,916	350,174
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 2,239,917	$ 2,203,156	$ 1,831,322	$ 2,069,733	$ 2,069,733	$ 2,105,251	$ 2,129,781	$ 2,118,458	$ 1,870,146	$ 1,870,146
Contribution as a percentage of covered-employee payroll	14.26%	11.62%	12.50%	13.69%	14.08%	14.23%	15.39%	14.71%	20.69%	18.72%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 748,589	$ 700,250	$ 647,008	$ 600,329	$ 606,010	$ 758,692	$ 696,257	$ 817,713	$ 889,506	$ 1,123,223
Contributions in relation to the contractually required contribution	748,589	700,250	647,008	600,329	606,010	758,692	696,257	817,713	889,506	1,123,223
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 7,404,441	$ 6,797,556	$ 7,050,685	$ 6,299,272	$ 6,299,272	$ 6,846,645	$ 7,143,677	$ 7,104,668	$ 6,977,100	$ 6,708,192
Contribution as a percentage of covered-employee payroll	10.11%	10.30%	9.18%	9.53%	9.62%	11.08%	9.75%	11.51%	12.75%	16.74%

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

ADOPTED BUDGET	$ 22,880,455
ADDITIONS:	
Prior year's encumbrances	446,732
FINAL BUDGET	$ 23,327,187

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2025

2025-2026 voter-approved expenditure budget	$ 22,886,569
Maximum allowed (4% of 2025-2026 budget)	915,463
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	626,682
Unassigned fund balance	915,463
Total unrestricted fund balance	1,542,145
Less:	
Appropriated fund balance and encumbrances	626,682
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 915,463
Actual percentage	4.0%

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

JUNE 30, 2025

			Expenditures				Methods of Financing					
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	State Aid	Local Sources	Premium on Obligations	Proceeds of Obligations	Total	Fund Balances
Portico Project	$ 725,000	$ 725,000	$ 80,279	$ 234,248	$ 314,527	$ 410,473	$ 0	$ 206,310	$ 0	$ 500,825	$ 707,135	$ 392,608
Capital Outlay 2025	100,000	100,000	0	97,231	97,231	2,769	0	100,000	0	0	100,000	2,769
Capital Outlay 2024	100,000	100,000	97,359	116	97,475	2,525	0	100,000	0	0	100,000	2,525
Leases	571,781	571,781	0	571,781	571,781	0	0	0	0	571,781	571,781	0
TOTALS	$ 1,496,781	$ 1,496,781	$ 177,638	$ 903,376	$ 1,081,014	$ 415,767	$ 0	$ 406,310	$ 0	$ 1,072,606	$ 1,478,916	$ 397,902

See paragraph on supplementary schedules included in independent auditors' report.

TICONDEROGA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

JUNE 30, 2025

CAPITAL ASSETS, NET		$ 25,753,054
DEDUCT:		
Short-term portion of leases payable	163,813	
Long-term portion of leases payable	436,870	
Short-term portion of bonds payable	1,200,825	
Long-term portion of bonds payable	7,935,000	
		9,736,508
NET INVESTMENT IN CAPITAL ASSETS		$ 16,016,546

See paragraph on supplementary schedules included in independent auditors' report.

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

To the President and the Other Members
of the Board of Education of the
Ticonderoga Central School District
Ticonderoga, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ticonderoga Central School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ticonderoga 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 Ticonderoga Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ticonderoga Central School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ticonderoga 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-001.

Ticonderoga Central School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Ticonderoga Central School District's response to the findings identified in our audit and described in the accompanying schedule of findings. Ticonderoga Central School District's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

WEST & COMPANY CPAs PC

Gloversville, New York
November 17, 2025

TICONDEROGA CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS

YEAR ENDED JUNE 30, 2025

FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

FINDING 2024-001 – STEWARDSHIP AND COMPLIANCE

Condition

The School District's unassigned fund balance was greater than the New York State Real Property Tax Law Section 1318 Limit.

Status

This condition has been corrected for the year ended June 30, 2025.

FINDING 2025-001 – U. S. DEPARTMENT OF EDUCATION REJECTION OF THE JUNE 30, 2022 AUDIT REPORT

Condition

The Ticonderoga Central School District was notified by the U. S. Department of Education on September 30, 2024, that the June 30, 2022 audit report was rejected and the District must engage an auditing firm to reperform the audit.

Criteria

2 CFR 200.343(a) states that the non-federal entity must submit no later than 90 calendar days after the end date of the period of performance. Ticonderoga Central School District's SF-SAC Data Collection Form submitted for the year ended June 30, 2022, was rejected by the U. S. Department of Education.

Cause and Effect

The result of not accepting the June 30, 2022 audit submission may delay future receipt of funding from federal sources or the School District may have to refund federal monies or make other restitution that would be material to the major program.

Questions Costs

None known.

Repeat Finding

The finding is a repeat of finding 2024-002 from the prior year.

Recommendation

The School District is required to engage an independent auditing firm to reperform the June 30, 2022 audit.

Management's Response

We agree with the recommendation.

TICONDEROGA CENTRAL SCHOOL DISTRICT

5 CALKINS PLACE
TICONDEROGA, NY 12833

Scott Nephew
Superintendent of Schools
Office- (518) 585-7400, Ext. 1135
Fax- (518) 585-2682
snephew@ticonderogak12.org

Laurie A. Cossey
Business Administrator
Office- (518) 585-7400, Ext. 1134
Fax- (518) 585-2682
lcossey@ticonderogak12.org

To Whom it May Concern:

Please accept the following corrective action plan for the fiscal year ending June 30, 2025:

2025-001 U.S. Department of Education Rejection of June 30, 2022 Audit Report

Summary of finding: The District was notified by the U.S. Department of Education that the June 30, 2022 audit report was rejected and the District must engage an auditing firm to reperform the audit.

Statement of Concurrence or Nonconcurrence: We agree with the finding of the independent auditor.

Corrective Action: Ticonderoga Central School District has established a relationship with an accounting firm to file an updated report by June 30, 2026.

Contact Person: Laurie Cossey, School Business Administrator, phone (518) 585-7400, etc. 1134, fax (518) 585-2682 or email lcossey@ticonderogak12.org.

Sincerely,

Laurie A. Cossey
School Business Administrator

TICONDEROGA CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2025

WEST & COMPANY CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Ticonderoga Central School District
Ticonderoga, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Ticonderoga Central School District (the District) as of June 30, 2025, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2025, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 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 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.

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 this matter.

West & Company CPAs PC

Gloversville, New York
November 17, 2025

TICONDEROGA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2025

ASSETS		
Cash	$	62,224
TOTAL ASSETS	$	62,224
LIABILITIES AND CLUB BALANCES		
Liabilities	$	3,071
Club balances		59,153
TOTAL LIABILITIES AND CLUB BALANCES	$	62,224

See notes to financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
Art Club	$ 880	$ 0	$ 225	$ 655
Class of 2022	7	0	7	0
Class of 2023	498	0	498	0
Class of 2025	9,457	7,655	17,106	6
Class of 2026	5,881	9,564	8,497	6,948
Class of 2027	9,287	5,446	3,086	11,647
Class of 2028	1,829	4,656	3,275	3,210
Class of 2029	1,123	3,493	2,332	2,284
Class of 2030	0	2,399	0	2,399
FBLA Club	1,441	0	0	1,441
Foreign Language	216	0	0	216
Jr. High Drama Club	3,154	528	596	3,086
Jr. High School Music	2,523	0	0	2,523
Jr./Sr. High Yearbook	1,019	0	0	1,019
Key Club	1,625	2,522	1,550	2,597
National Honor Society	511	0	343	168
Sales Tax	2,774	504	207	3,071
Sr. High School Music	1,861	12,875	10,886	3,850
Sr. High Drama Club	3,404	10,676	4,167	9,913
Student Recognition	1,541	0	0	1,541
Student Voice	4,371	1,516	1,871	4,016
Sweethearts & Heroes Club	0	1,486	1,102	384
Interest	31	30	0	61
Quiz Bowl	1,245	520	576	1,189
TOTALS	$ 54,678	$ 63,870	$ 56,324	$ 62,224

See notes to financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Ticonderoga Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. However, since the Board of Education does exercise general oversight, these funds are reflected in the Custodial Fund of the basic financial statements of the District.

The books and records of the Ticonderoga 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 are recognized when cash is disbursed.

NOTE 2 – MANAGEMENT LETTER

Management letter items associated with the Extraclassroom Activity Funds are included in the management letter associated with the District's basic financial statements.

November 17, 2025

To the President and the Other Members
of the Board of Education of the
Ticonderoga Central School District
Ticonderoga, New York

Re: Management Letter
June 30, 2025

In planning and performing our audit of the basic financial statements of the Ticonderoga Central School District for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The memorandum that follows summarizes our comments and recommendations regarding those matters. We previously reported on the District's internal control in our report dated November 17, 2025. This report does not affect our report dated November 17, 2025, on the financial statements of the Ticonderoga Central School District.

Current-Year Comments

1) Extraclassroom Activity Funds

Condition: During our audit, we noted that 5 clubs were fiscally inactive.

Recommendation: We recommend the board review the fiscally inactive clubs and close them if no activity is going to continue.

2) Capital Fund

Condition: During our audit, we noted that the Capital Fund books and records did not reflect lease transactions for the current fiscal year.

Recommendation: We recommend the business office records all current lease expenses and corresponding revenues when the lease is obtained.

* * * * * * * * * * * * * * * * * *

We appreciate the assistance and courtesies extended to us by your staff during our fieldwork.

Please let us know if you would like to discuss our comments and recommendations.

Very truly yours,

WEST & COMPANY CPAs PC

WEST & Company CPAs PC