TICONDEROGA CENTRAL SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2024

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Independent Auditor's Report

To the Board of Education
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 as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Ticonderoga Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ticonderoga Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of progress for the retiree health plan, schedule of proportionate share of net pension asset/liability, and schedule of District's contributions on pages 4-9 and 46-49 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 Ticonderoga Central School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of change from original budget to revised budget, section 1318 real property tax law calculation, and net investment in capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements, schedule of change from original budget to revised budget, section 1318 real property tax law calculation, and net investment in capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of Ticonderoga Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ticonderoga Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ticonderoga Central School District's internal control over financial reporting and compliance.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
November 13, 2024

As management of Ticonderoga Central School District, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. Other forward-looking indicators will also assist the reader to assess the overall financial health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements consist of the following activities:

- Governmental activities – Most of the District's basic services are reported here, including general support, instruction, and pupil transportation. Real property taxes and state and federal grants finance most of these activities.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental funds and fiduciary funds.

<u>Governmental funds</u>

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The School District maintains five governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Special Aid Fund, and Capital Projects Fund, all of which are considered major funds. The Debt Service Fund and School Food Service Fund are aggregated and reported as nonmajor governmental funds. Individual fund data for each of these governmental funds is provided in the form of combining schedules elsewhere in this report.

The General Fund is the only fund which the District legally adopts a budget. The Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary funds
Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the District. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. Fiduciary funds use the accrual basis of accounting and are reported using the economic resources measurement focus.

Notes to the financial statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide explanations of the accounting principles followed and include tables with more detailed analyses of accounts requiring further clarification. The notes to the financial statements can be found immediately following the basic financial statements.

Required supplementary information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America. The required supplementary information can be found immediately after the notes to the financial statements.

Supplementary information
Supplementary information includes schedules that are not a required part of the basic financial statements but are presented for the purpose of additional analysis. The supplementary information is presented following the required supplementary information.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $64,590,511 (i.e., net position), a change of $(2,534,871) in comparison to the prior year.

- As of the close of the current fiscal year, the governmental activities reported total revenue of $25,810,134, a change of $701,334 in comparison to the prior year.

- As of the close of the current fiscal year, the governmental activities reported total expenses of $28,345,005, a change of $744,832 in comparison to the prior year.

- As of the close of the current fiscal year, governmental funds reported a combined ending fund balance of $3,505,238, a change of $743,303 in comparison to the prior year.

- As of the close of the current fiscal year, the governmental funds reported total revenue of $25,810,134, a change of $701,334 in comparison to the prior year.

- As of the close of the current fiscal year, the governmental funds reported total expenses of $25,158,678, a change of $218 in comparison to the prior year.

- As of the close of the current fiscal year, the unassigned fund balance for the General Fund was $1,060,897 a change of $41,782 in comparison to the prior year.

- As of the close of the current fiscal year, the District reported total outstanding long-term indebtedness of $94,159,370, a change of $(1,283,222) in comparison to the prior year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

Net Position

	June 30, 2024	Restated June 30, 2023	Percentage Change
Assets			
Current assets	$ 5,137,820	$ 4,391,930	17.0%
Noncurrent assets	25,913,779	26,527,155	-2.3
Total assets	31,051,599	30,919,085	0.4
Deferred outflows of resources			
Pensions	3,781,379	4,863,719	-22.3
OPEB	10,012,056	15,588,635	-35.8
Total deferred outflows of resources	13,793,435	20,452,354	32.6
Total assets and deferred outflows of resources	$ 44,845,034	$ 51,371,439	-12.7%
Liabilities			
Long-term debt outstanding	$ 94,159,370	$ 95,442,592	-1.3%
Other liabilities	1,339,020	1,336,569	0.2
Total liabilities	95,498,390	96,779,161	-1.3
Deferred inflows of resources			
Unearned revenue	315,778	293,327	7.7
Pensions	775,102	428,192	81.0
OPEB	12,846,275	15,897,306	-19.2
Total deferred inflows of resources	13,937,155	16,618,825	-16.1
Net position			
Net investment capital assets	15,394,012	14,156,571	8.7
Restricted	1,544,184	1,068,811	44.5
Unrestricted	(81,528,707)	(77,251,929)	5.5
Total net position	(64,590,511)	(62,026,547)	4.1
Total liabilities, deferred inflows of resources, and net position	$ 44,845,034	$ 51,371,439	-12.7%

As noted earlier, 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 $(64,590,511) a change of $(2,534,871) from the prior year.

The largest portion of net position, $15,394,012, reflects our investment in capital assets (e.g., 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, $1,544,184, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of $(81,528,707) is a deficit, primarily resulting from the District's unfunded net pension liability and OPEB (Other Post-Employment Benefit) liability.

Change in Net Position

	June 30, 2024	Restated June 30, 2023	Percentage Change
Revenues			
Program Revenues			
Charges for services	$ 504,813	$ 416,213	21.3%
Operating grants	2,934,742	2,925,545	0.3
General revenues			
Property taxes and tax items	12,890,653	12,738,631	1.2
State sources	8,662,153	8,271,530	4.7
Use of money and property	273,097	175,613	55.5
Miscellaneous	544,676	581,268	-6.3
Total revenues	25,810,134	25,108,800	2.8
Expenses			
General support	2,631,833	2,856,793	-7.9
Instruction	11,930,850	11,554,151	3.3
Transportation	871,662	915,618	-4.8
Community services	5,475	5,289	3.5
Employee benefits	11,900,423	11,181,691	6.4
Interest	496,728	600,725	-17.3
School food service program	508,034	485,906	4.6
Total expenses	28,345,005	27,600,173	2.7
Change in net position	(2,534,871)	(2,491,373)	1.8
Net position – beginning of year	(62,055,640)	(59,564,267)	4.2
Net position – end of year	$ (64,590,511)	$ (62,055,640)	4.1%

Governmental activities
The District's total revenues for the 2024 fiscal year were $25,810,134 versus expenses of $28,345,005. For the year, the District's net position decreased by $2,534,871 to bring the total net position of the primary government to $(64,590,511). The drivers of revenues for the year were state sources, property taxes, and operating grants. State sources comprised 33% of total revenues while property taxes and tax items were 49% of total revenue. Revenues were up from the prior year by $701,334.

For expenses, general support, instruction, and employee benefits made up a majority of the costs of the governmental activities. Total expenses for general support were $2,631,833, which consisted primarily of central administration, central services, finance, and special items. Instruction total expenses for the year were $11,930,850. Costs associated with instruction included $4,297,465 of teaching – regular school and $3,214,831 for programs for handicapped children.

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 $1,060,897 and the total fund equity was $3,154,551. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year, unassigned fund balance represents 5% of total expenditures (including transfers out), while total fund balance was 14% of the same amount. The total fund balance of the District's General Fund increased by $756,838 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 $(2,807). The fund balance of the District's Special Aid Fund decreased 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 repair of capital facilities. The fund balance at the end of the year was $128,167. The fund balance of the District's Capital Projects Fund decreased by $33,289 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 $19,703. The fund balance of the District's Debt Service Fund increased by $19 during the current fiscal year.

School Food Service Fund – the School Food Service Fund is used to account for transactions of the lunch and breakfast programs. The fund balance at the end of the year was $205,624. The fund balance of the School Food Service fund increased by $22,542 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the District reallocates funds within the General Fund budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the District's original and final general fund budget amounts compared with actual results is shown on the Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual – General Fund.

The original budget for the General Fund for Ticonderoga Central School District was $22,207,074. The total was revised during year to $22,613,725. The difference arises from the carryover of prior year encumbrances and additional approved transfer to the capital fund.

The District had expenditures with the original budget after last year encumbrances of $22,613,725, and an actual performance $22,081,224 of expenditures and $446,732 of encumbrances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Total investment in capital assets for governmental activities at year end amounted to $25,684,270 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

2 Floor scrubbers	$	23,130
2 milk coolers	$	12,140
School bus		70,061
Security cameras		97,359

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt

At the end of the current fiscal year, total serial bond debt outstanding was $11,529,208, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was 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 raise 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 revenue 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 the 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.

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REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Ticonderoga Central School District Offices
Attn: School Business Executives
5 Calkins Place
Ticonderoga, NY 12883

TICONDEROGA CENTRAL SCHOOL DISTRICT
Statement of Net Position
Year Ended June 30, 2024

Assets		
Cash:		
Unrestricted	$	1,140,882
Restricted		1,974,887
Receivables:		
Due from other governments		558,683
State and federal aid		1,435,004
Inventories		28,065
Prepaid expenses		299
Capital assets, net		25,684,270
Right to use lease asset, net		229,509
Total assets		31,051,599
Deferred outflows of resources		
Pensions		3,781,379
OPEB		10,012,056
Total deferred outflows of resources		13,793,435
Total assets and deferred outflows of resources	$	44,845,034
Liabilities		
Payables:		
Accounts payable	$	491,039
Accrued liabilities		22,216
Due to other governments		485
Long-term liabilities:		
Due and payable within one year:		
Bonds payable		2,083,051
Lease liability		57,636
Due to Teachers' Retirement System		731,300
Due to Employees' Retirement System		93,980
Due and payable after one year:		
Bonds payable		9,446,157
Lease liability		152,923
Net pension liability- proportionate share		1,417,694
Compensated absences payable		37,871
Other postemployment benefits payable		79,552,917
Retirement incentive payable		1,411,121
Total liabilities		95,498,390
Deferred inflows of resources		
Unearned revenue		315,778
Pensions		775,102
OPEB		12,846,275
Total deferred inflows of resources		13,937,155
Net position		
Net investment in capital assets		15,394,012
Restricted:		
Unemployment insurance		10,000
Insurance		162,784
Retirement contributions		1,174,138
School food service		177,559
Debt service		19,703
Unrestricted		(81,528,707)
Total net position		(64,590,511)
Total liabilities, deferred inflows of resources, and net position	$	44,845,034

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Change in Net Position
General support	$ 2,631,833	$ 448,333	$ 2,985	$ (2,180,515)
Instruction	11,930,850	-	2,434,539	(9,496,311)
Pupil transportation	871,662	-	-	(871,662)
Community services	5,475	-	-	(5,475)
Employee benefits	11,900,423	-	-	(11,900,423)
Interest expense	496,728	-	-	(496,728)
Cost of sales - school lunch	508,034	56,480	497,114	45,560
Total functions/programs	$ 28,345,005	$ 504,813	$ 2,934,638	(24,905,554)
General revenues				
Real property taxes				12,436,035
Other tax items				454,618
Use of money and property				273,201
Miscellaneous				544,676
State sources not restricted to specific programs				8,662,153
Total general revenues				22,370,683
Change in net position				(2,534,871)
Net position - beginning of year, as previously stated				(62,026,547)
Prior period adjustment				(29,093)
Net position - beginning of year, restated				(62,055,640)
Net position - end of year				$ (64,590,511)

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
Year Ended June 30, 2024

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash:					
Unrestricted	$ 1,140,882	$ -	$ -	$ -	$ 1,140,882
Restricted	1,346,922	283,669	128,167	216,129	1,974,887
Receivables:					
Prepaid expenses	299				299
Due from other funds	800,660	-	-	-	800,660
Due from other governments	558,683	-	-	-	558,683
State and federal aid	145,621	827,573	436,955	24,855	1,435,004
Inventories	-	-	-	28,065	28,065
Total assets	$ 3,993,067	$ 1,111,242	$ 565,122	$ 269,049	$ 5,938,480
Liabilities					
Payables:					
Accounts payable	$ 18,397	$ 472,642	$	$ -	$ 491,039
Due to other funds	-	363,705	436,955	-	800,660
Due to other governments	-	-	-	485	485
Due to Teachers' Retirement System	731,300	-	-	-	731,300
Due to Employees' Retirement System	87,825	-	-	6,155	93,980
Total liabilities	837,522	836,347	436,955	6,640	2,117,464
Deferred inflows of resources					
Unearned revenue	994	277,702	-	37,082	315,778
Fund balance					
Nonspendable					
Inventory	-	-	-	28,065	28,065
Restricted:					
Unemployment Insurance	10,000	-	-	-	10,000
Insurance	162,784	-	-	-	162,784
Retirement contributions	1,174,138	-	-	-	1,174,138
School food service	-	-	-	177,559	177,559
Debt service	-	-	-	19,703	19,703
Assigned:					
Encumbrances	446,732	-	-	-	446,732
Appropriated	300,000	-	-	-	300,000
Unappropriated	-	-	128,167	-	128,167
Unassigned	1,060,897	(2,807)	-	-	1,058,090
Total fund balance	3,154,551	(2,807)	128,167	225,327	3,505,238
Total liabilities, deferred inflows of resources, and fund balance	$ 3,993,067	$ 1,111,242	$ 565,122	$ 269,049	$ 5,938,480

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Year Ended June 30, 2024

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position
Assets				
Cash:				
Unrestricted	$ 1,140,882	$ -	$ -	$ 1,140,882
Restricted	1,974,887	-	-	1,974,887
Receivables:				
Due from other funds	800,660	-	(800,660)	-
Due from other governments	558,683	-	-	558,683
State and federal aid	1,435,004	-	-	1,435,004
Inventories	28,065	-	-	28,065
Prepaid expenses	299	-	-	299
Capital assets, net	-	25,684,270	-	25,684,270
Right to use lease asset, net	-	229,509	-	229,509
Total assets	5,938,480	25,913,779	(800,660)	31,051,599
Deferred outflows of resources				
Pension	-	3,781,379	-	3,781,379
OPEB	-	10,012,056	-	10,012,056
Total deferred outflows of resources	-	13,793,435	-	13,793,435
Total assets and deferred outflows of resources	$ 5,938,480	$ 39,707,214	$ (800,660)	$ 44,845,034
Liabilities				
Payables:				
Accounts payable	$ 491,039	$ -	$ -	$ 491,039
Accrued liabilities	-	22,216	-	22,216
Due to other funds	800,660	-	(800,660)	-
Due to other governments	485	-	-	485
Due to Teachers' Retirement System	731,300	-	-	731,300
Due to Employees' Retirement System	93,980	-	-	93,980
Bonds payable	-	11,529,208	-	11,529,208
Lease liability	-	210,559	-	210,559
Net pension liability- proportionate share	-	1,417,694	-	1,417,694
Compensated absences	-	37,871	-	37,871
Postemployment benefits	-	79,552,917	-	79,552,917
Retirement incentive payable	-	1,411,121	-	1,411,121
Total liabilities	2,117,464	94,181,586	(800,660)	95,498,390
Deferred inflows of resources				
Unearned revenue	315,778	-	-	315,778
Pension	-	775,102	-	775,102
OPEB	-	12,846,275	-	12,846,275
Total deferred inflows of resources	315,778	13,621,377	-	13,937,155
Fund balance/net position				
Total fund balance/net position	3,505,238	(68,095,749)	-	(64,590,511)
Total liabilities, deferred inflows of resources, and fund balance/net position	$ 5,938,480	$ 39,707,214	$ (800,660)	$ 44,845,034

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Funds
Year Ended June 30, 2024

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Real property taxes	$ 12,436,035	$ -	$ -	$ -	$ 12,436,035
Other tax items	454,618	-	-	-	454,618
Charges for services	448,333	-	-	-	448,333
Use of money and property	273,097	-	104	-	273,201
State sources	8,662,153	165,591	2,985	64,386	8,895,115
Federal sources	-	2,268,948	-	397,330	2,666,278
Surplus food	-	-	-	35,398	35,398
Sales	-	-	-	56,480	56,480
Miscellaneous	471,979	67,257	-	5,440	544,676
Total revenues	22,746,215	2,501,796	3,089	559,034	25,810,134
Expenditures					
General support	2,601,645	-	136,378	-	2,738,023
Instruction	9,222,396	2,063,486	-	-	11,285,882
Pupil transportation	753,477	-	-	-	753,477
Community services	5,475	-	-	-	5,475
Employee benefits	6,750,172	466,117	-	-	7,216,289
Debt service:					
Principal	2,119,553	-	-	-	2,119,553
Interest	503,506	-	-	-	503,506
Cost of sales	-	-	-	536,473	536,473
Total expenditures	21,956,224	2,529,603	136,378	536,473	25,158,678
Excess (deficiency) of revenues over expenditures	789,991	(27,807)	(133,289)	22,561	218 651,456
Other financing sources (uses)					
Lease proceeds	91,847	-	-	-	91,847
Operating transfer in	-	25,000	100,000	-	125,000
Operating transfer (out)	(125,000)	-	-	-	(125,000)
Total other financing sources (uses)	(33,153)	25,000	100,000	-	91,847
Excess of revenues over expenditures and other sources	756,838	(2,807)	(33,289)	22,561	743,303
Fund balance - beginning of year, as previously stated	2,426,806	-	161,456	202,766	2,791,028
Prior period adjustment	(29,093)	-	-	-	(29,093)
Fund balance - beginning of year, restated	2,397,713	-	161,456	202,766	2,761,935
Fund balance - end of year	$ 3,154,551	$ (2,807)	$ 128,167	$ 225,327	$ 3,505,238

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2024

	Total Governmental Funds	Long-term Revenues, Expenses	Capital Related Funds	Long-term Debt Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenues						
Real property taxes	$ 12,436,035	$ -	$ -	$ -	$ -	$ 12,436,035
Other tax items	454,618	-	-	-	-	454,618
Charges for services	448,333	-	-	-	-	448,333
Use of money and property	273,201	-	-	-	-	273,201
State sources	8,895,115		-	-	-	8,895,115
Federal sources	2,666,278	-	-	-	-	2,666,278
Surplus food	35,398	-	-	-	-	35,398
Sales	56,480	-	-	-	-	56,480
Miscellaneous	544,676	-	-	-	-	544,676
Total revenues	25,810,134	-	-	-	-	25,810,134
Expenditures/Expenses						
General support	2,738,023	99,860	(206,050)	-	-	2,631,833
Instruction	11,285,882	736,815	(91,847)	-	-	11,930,850
Pupil transportation	753,477	188,246	(70,061)	-	-	871,662
Community services	5,475	-	-	-	-	5,475
Employee benefits	7,216,289	4,684,134	-	-	-	11,900,423
Debt service:						
Principal	2,119,553		-	(2,119,553)	-	-
Interest	503,506	(6,778)	-	-	-	496,728
Cost of sales	536,473	-	(28,439)	-	-	508,034
Total expenditures/expenses	25,158,678	5,702,277	(396,397)	(2,119,553)	-	28,345,005
Excess (deficiency) of revenues over expenditures/expenses	651,456	(5,702,277)	396,397	2,119,553	-	(2,534,871)
Other financing sources (uses)						
Lease Proceeds	91,847	-		(91,847)	-	-
Operating transfer in	125,000	-	-	-	(125,000)	-
Operating transfer (out)	(125,000)	-	-	-	125,000	-
Total other financing sources (uses)	91,847	-	-	(91,847)	-	-
Net change for the year	$ 743,303	$ (5,702,277)	$ 396,397	$ 2,027,706	$ -	$ (2,534,871)

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2024

	Private Purpose Trusts	Custodial
Assets		
Cash	$ 559,635	$ 54,678
Total assets	$ 559,635	$ 54,678
Net Position		
Restricted	$ 559,635	$ 54,678
Total liabilities and net position	$ 559,635	$ 54,678

TICONDEROGA CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2024

	Private Purpose Trusts	Custodial
Additions		
Gifts and contributions	$ 15,635	$ 57,973
Investment earnings	27,791	-
Total additions	43,426	57,973
Deductions		
Scholarships and awards	9,362	-
Other custodial activities	-	56,458
Total deductions	9,362	56,458
Excess of revenues over expenditures	34,064	1,515
Net position - beginning of year	525,571	53,163
Net position - end of year	$ 559,635	$ 54,678

The accompanying notes are an integral part of the financial statements.

Note 1. Summary of Significant Accounting Policies

Ticonderoga Central School District ("the District") provides K-12 public education to students living within its geographic borders.

The financial statements of 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 used by the District are described below:

a) Reporting Entity

The Ticonderoga Central School District is governed by the laws of the State of New York. 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 Unit*. The financial reporting entity consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include 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, there are no entities that should be combined with the financial statements of the District.

Extraclassroom Activity Funds

The extraclassroom activity funds represent funds of 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 at the District's business office. The District accounts for assets held as an agent for various student organizations in a custodial fund.

b) Joint Venture

The District is a component district in Clinton-Essex-Warren-Washington BOCES. A Board of Cooperative Educational Services (BOCES) is a voluntary, cooperative association of school districts in a geographical 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.

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)).

Note 1. Summary of Significant Accounting Policies (continued)

b) Joint Venture (continued)

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 $457,417 for BOCES administrative and capital 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 $1,220,000.

The District's share of BOCES aid amounted to $6,584,238.

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

c) Basis of Presentation

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both government-wide and fund financial statements categorize primary activities as governmental. The District's General Fund, Special Aid Fund, Capital Projects Fund, Debt Service Fund, and School Food Service Fund activities are classified as governmental.

District-wide statements

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

Fund statements

The District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Note 1. Summary of Significant Accounting Policies (continued)

c) Basis of Presentation (continued)

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

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditure for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The special revenue funds classified as major are:

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, or major repair to capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in a separate column in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

The District reports the following fiduciary funds:

Fiduciary Funds: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements because their resources do not belong to the District and are not available to be used. The District has two types of fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefit annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as an agent for various student groups or extraclassroom activity funds.

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 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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

In the governmental fund statements, expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease liabilities 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 August 24, 2023. Taxes were collected during the period September 1, 2023, to November 3, 2023.

Uncollectable 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 not 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 borrowing. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

Note 1. Summary of Significant Accounting Policies (continued)

g) Interfund Transactions (continued)

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset. Refer to Note 6 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, other post-employment benefits, net pension asset/liability, and useful lives of long-lived asset.

i) Cash (and Cash Equivalents)/Investments

The District's cash and cash equivalents consists 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 by 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.

j) Accounts Receivable

Receivables are shown as gross. No allowance for uncollectible accounts has been provided since the District expects to collect the full amount.

k) Inventories

Inventories of food in the school food service 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 inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount. A portion of the fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

l) Right to Use Assets

Right to use assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease or, if not readily determinable, the District's estimated incremental borrowing rate. The right to use assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Note 1. Summary of Significant Accounting Policies (continued)

m) Capital Assets

Capital assets are reported at the actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and construction in progress are not capitalized. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of general fixed 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 years
Land improvements	$ 5,000	Straight line	5-15 years
Machinery & equipment	$ 5,000	Straight line	3-7 years
Vehicles	$ 5,000	Straight line	3-7 years

Capital assets are not reported in the governmental fund financial statements. Capital outlays in these funds are recorded as expenditures in the year they are incurred.

n) Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in 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. Also included in this item is the District's contribution to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The second item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effects of the net change in the actual and expected experience.

o) Deferred Inflows of Resources

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 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 (TRS and ERS Systems) and differences during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in the pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of net changes of assumption or other inputs. The third item is related to unearned revenue. 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. The District reports unearned on its governmental funds balance sheet and Statement of Net Position as a deferral related to a future period.

Note 1. Summary of Significant Accounting Policies (continued)

p) Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

The liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rate 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

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). 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.

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 provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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

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.

Note 1. Summary of Significant Accounting Policies (continued)

s) Accrued Liabilities and Long-term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

t) Equity Classifications

District-wide statements:

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

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

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

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.

Fund statements:

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

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory in the school food service fund of $28,065.

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. The District has established the following restricted fund balances:

Unemployment Insurance - According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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.

Note 1. Summary of Significant Accounting Policies (continued)

t) Equity Classifications (continued)

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.

Retirement Contributions

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve 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 appropriations and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separately and apart from all other funds and a detail report of the operation and condition of the fund must be provided to the Board.

General Fund:	
Unemployment insurance	$ 10,000
Insurance	162,784
Retirement contributions	1,174,138
School Food Service Fund	177,559
Debt Service Fund	19,703
	$ 1,544,184

Committed – Includes amounts that can only be used for the specific purpose 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 balance as of June 30, 2023.

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. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances reported in the General Fund amount to $446,732. Appropriated fund balance in the General Fund amounted to $300,000. Any remaining fund balance in other funds is considered assigned. The Capital Projects Fund reports an assigned fund balance of $128,167. The School Food Service Fund also reports an assigned fund balance of $205,624. The Debt Service Fund reports an assigned fund balance of $19,703.

Note 1. Summary of Significant Accounting Policies (continued)

t) Equity Classifications (continued)

As of June 30, 2024, the District's general fund encumbrances were classified as follows:

General support	$	239,940
Instruction		118,452
Pupil transportation		67,505
Employee benefits		20,835
Total	$	446,732

Unassigned – Includes all other General Fund amounts that do not meet the definition 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 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. Non-spendable and restricted fund balance in the General Fund is excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Net Position/Fund Balance

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to be reported as restricted – net position and unrestricted net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund balance flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to be reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Order of use of fund balance - The District's policy is to apply expenditures against non-spendable 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, non-spendable fund balances are determined first and then restricted fund balances for specific purposes 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. Assignment of fund balance cannot cause a negative unassigned fund balance.

u) Implementation of New Accounting Standards

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections ("ACEC"). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information. The requirements of this statement are effective for ACECs made for the fiscal year ending June 30, 2024.

Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements

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

a) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the 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 on capital assets and long-term liabilities, including pensions and other post-employment benefits.

Explanation of Differences Between Governmental Fund Balance and District-wide Net Position

Ending fund balance reported on governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance	$	3,505,238
Assets		
Long-term:		
Capital assets, net of related depreciation		25,684,270
Right to use leased assets, net of related amortization		229,509
Deferred outflows of resources:		
Pensions		3,781,379
OPEB		10,012,056
Liabilities:		
Long-term:		
Bonds payable		(11,529,208)
Lease liability		(210,559)
Net pension liability, proportionate share		(1,417,694)
Accrued interest		(22,216)
Compensated absences		(37,871)
Other post-employment benefits		(79,552,917)
Retirement incentive payable		(1,411,121)
Deferred inflows of resources:		
Pensions		(775,102)
OPEB		(12,846,275)
Ending net position reported in Statement of Position for governmental activities	$	(64,590,511)

Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)

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 categories. The amounts shown below represent:

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 revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used in 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 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) Other post-employment benefits:

Other post-employment benefits differences occur as a result of changes in the District’s OPEB liability and differences between the District’s contributions and OPEB expenses.

v) Pension differences:

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

Note 2. Explanation of Certain Differences Between Fund Statements and District-wide Statements (continued)

Explanation of Differences Between Governmental Funds Operating Statements and the District Wide Statement of Activities

Total revenues and other funding sources of governmental funds	$	25,901,981
Proceeds from capital outlay of leased asset		(91,847)
Total revenues of governmental activities in the Statement of Activities	$	25,810,134
Total expenditures reported in governmental funds	$	25,158,678
In the Statement of Activities, certain operating expenses are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
Compensated absences		6,018
Retirement incentives		20,621
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Purchase of capital assets		(304,550)
Current year depreciation		969,603
When the purchase of right to use leased assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statements of Activities, the cost of those right to use leased assets is allocated over term of the lease and reported as amortization expense.		
Purchase of right to use asset		(91,847)
Current year amortization		55,318
Repayment of bonds payable, notes payable and lease liability principal is an expenditure in the governmental funds but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Principal		(2,119,553)
Accrued interest		(6,778)
The payment of other post-employment benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the annual OPEB cost exceeded the premiums paid.		4,010,282
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		647,213
Total expenses of governmental activities in the Statement of Activities	$	28,345,005

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) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year determined at the time the budget was adopted.

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

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

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 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 reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time as the liability is incurred or the commitment is paid.

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include using its fund balance in future budgets to provide stability to taxpayers in a fiscally responsible manner.

Fund balance/net position deficits

The District has a net position deficit of $64,590,511 at June 30, 2024. This is a result of the other post-employment benefits being fully unfunded.

Note 4. Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risk

Cash

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

Uncollateralized	$ -
Collateralized securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 4,682,184

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 $1,346,922 within the governmental funds and $614,313 in the fiduciary funds.

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institutions' trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024, all deposits were fully insured and collateralized by the District's agent in the District's name.

Investments and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State, and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Note 4. Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risk (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured, or guaranteed as to the payment of principal and interest, by the United State Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Note 5. Receivables

Receivables at year-end for individual funds are as follows:

Description	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total
Due from other governments	$ 558,683	$ -	$ -	$ -	$ 558,683
State and Federal aid	145,621	827,573	436,955	24,855	1,435,004
Total	$ 704,304	$ 827,573	$ 436,955	$ 24,855	$ 1,993,687

District management has deemed the amounts to be fully collectible.

Note 6. Interfund Balances and Activity

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

Fund	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenses
General Fund	$ 800,660	$ -	$ -	$ 125,000
Special Aid Fund	-	363,705	25,000	-
Capital Projects Fund	-	436,955	100,000	-
Nonmajor Governmental Funds	-	-	-	-
Total	$ 800,660	$ 800,660	$ 125,000	$ 125,000

Transfer from	Transfer to	Amount	Purpose
General fund	Capital projects fund	$ 100,000	Fund capital expenditures
General fund	Special aid fund	25,000	Fund special aid expenditures
Total		$ 125,000	

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

Note 7. Capital Assets

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

	6/30/23 Balance	Additions	Retirements Reclassify	6/30/24 Balance
Capital assets that are not depreciated:				
Land	$ 35,200	$ -	$ -	$ 35,200
Capital assets that are depreciated:				
Land improvements	377,993	-	-	377,993
Buildings and improvements	34,196,700	177,638	-	34,374,338
Machinery and equipment	2,630,416	126,912	-	2,757,328
Total	37,205,109	304,550	-	37,509,659
Less accumulated depreciation:				
Land improvements	368,167	581	-	368,748
Building and improvements	8,740,387	743,816	-	9,484,203
Machinery and equipment	1,782,432	225,206	-	2,007,638
Total	10,890,986	969,603	-	11,860,589
Total capital assets – net	$ 26,349,323	$ (665,053)	$ -	$ 25,684,270

Depreciation expense was charged to governmental functions as follows:

General government	$ 81,869
Instruction	736,815
Pupil transportation	150,919
	$ 969,603

Note 8. Right to Use Assets

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

	6/30/23 Balance	Additions	Reductions	6/30/23 Balance
Right to use assets:				
Leased equipment	$ 279,717	$ 91,847	$ -	$ 371,564
Total	279,717	91,847	-	371,564
Less accumulated amortization:				
Leased equipment	87,037	55,018	-	142,055
Total	87,037	55,018	-	142,055
Total right to use assets - net	$ 192,680	$ 36,829	$ -	$ 229,509

Amortization expense of $17,991 was charged to general support and $37,327 was charged to pupil transportation.

Note 9. Indebtedness

Long-term debt

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Further, unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial bonds

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the general fund's future budgets for capital indebtedness.

Long-term liability balances and activity for the year ended June 30, 2024, are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Serial bonds	$ 13,507,754	$ -	$ 1,978,546	$ 11,529,208
Lease liability	259,719	91,847	141,007	210,559
Other liabilities:				
Compensated absences	31,853	6,018	-	37,871
Post – employment benefits	78,068,183	1,484,734	-	79,552,917
Net pension liability	2,199,732	-	782,038	1,417,694
Retirement incentive	1,390,500	20,621	-	1,411,121
	$ 95,457,741	$ 1,603,220	$ 2,901,591	$ 94,159,370

Existing serial bond obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Original Amount	Balance
Serial bond – 2011	6/8/11	2030	3.00-5.00%	19,000,000	$ 5,102,695
Serial bond – 2018	6/7/18	2033	5.000%	7,337,237	5,206,513
Serial bond – 2020	5/26/20	2035	2.25-2.375%	1,581,680	1,220,000
					11,529,208
Less current portion					(2,083,051)
Long-term portion					$ 9,446,157

The following is a summary of maturing debt service requirements:

Year ended June 30	Principal	Interest	Total
2025	$ 2,083,051	$ 493,539	$ 2,576,590
2026	1,937,823	391,265	2,329,088
2027	1,785,000	292,037	2,077,037
2028	1,920,000	233,015	2,153,015
2029	1,549,550	170,063	1,719,613
2030-2034	2,128,784	89,468	2,218,252
2035-2036	125,000	8,906	133,906
	$ 11,529,208	$ 1,678,293	$ 13,207,501

Note 9. Indebtedness (continued)

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

Interest paid	$	496,316
Less: interest accrued in prior year		(28,994)
Plus: interest accrued in current year		22,216
Interest expense	$	489,538

Note 10. Leases

The School District has entered into various operating lease agreements for the purpose of the right to use tangible assets, which consists of buses and office equipment. The initial terms for these leases vary dependent on the terms and conditions of the lease. For accounting purposes, the right to use lease liability is reported at the present value of future minimum lease payments. Lease liabilities are comprised of the following:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Original Amount		Balance
Lease liability- Copier	12/29/21	2026	2.400%	3,851	$	1,983
Lease liability – Bus	1/5/23	2027	5.150%	69,758		41,967
Lease liability – Bus	6/30/23	2027	5.150%	116,877		68,207
Lease liability- Meter	11/422	2027	2.700%	17,599		10,859
Lease liability- Copier	3/15/24	2029	2.700%	91,847		87,543
						210,559
Less current portion						(57,636)
Long-term portion					$	152,922

The following is a summary of maturing lease liabilities:

Year ended June 30		Principal		Interest		Total
2025	$	57,636	$	7,965	$	65,601
2026		60,009		5,589		65,598
2027		59,349		3,132		62,481
2028		18,985		672		19,657
2029		14,580		165		14,745
	$	210,559	$	17,523	$	228,082

Note 11. Pension Plans

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems)

Plan Description and Benefits Provided

Provisions and administration:

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (NYSTRS). 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.

Note 11. Pension Plans (continued)

System benefits are established under New Your 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 New York TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York, 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

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 the 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. System benefits are established under the provision of the New York State Retirement and Social Security Law (NYSRSSL). 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. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Systems are noncontributory except for the employees who joined after to July 27, 1976, who can contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 2010 who generally contribute 3% 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 actuarial 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.

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

June 30		ERS		TRS
2024	$	255,897	$	700,250
2023		228,987		647,008
2022		283,393		600,329

Note 11. Pension Plans (continued)

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024, for ERS and June 30, 2023 for TRS.

The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. 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 System in reports provided to the District.

	ERS	TRS
Actuarial valuation date	4/1/23	6/30/22
Net pension asset/(liability)	$ (996,328)	$ (421,366)
District's portion of the Plan's total net pension asset/(liability)	0.0067667%	0.036846%
Change in proportion since prior Measurement date	$ (488,272)	$ (293,766)

For the year ended June 30, 2024, the District's recognized pension expense of $418,816 for ERS and $1,241,405 for TRS. At June 30, 2024, the District's reported deferred outflows of and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 320,916	$ 1,021,702	$ 27,167	$ 2,525
Changes of assumptions	376,689	907,190	-	197,717
Net difference between projected and actual earnings on pension plan investments	-	215,394	486,701	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	13,511	168,441	53,646	7,346
District's contributions subsequent to the measurement date	93,980	663,556	-	-
Total	$ 805,096	$ 2,976,283	$ 567,514	$ 207,588

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Note 11. Pension Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2024	$ -	$ 223,447
2025	(202,675)	(168,707)
2026	172,719	1,735,850
2027	285,741	45,833
2028	(112,183)	103,323
Thereafter	-	65,392

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, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return	5.90%	6.95%
Salary scale	4.40%	5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 Systems Experience
Inflation rate	2.90%	2.40%
Cost of living adjustment	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – 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 plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2023, applied on a generational basis.

For ERS, the actuarial assumption used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

For TRS, the demographic actuarial assumptions and salary scale are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

For ERS, 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 weighing the expected future real rates of return by each target asset allocation percentage and by adding expected inflation.

Note 11. Pension Plans (continued)

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates for each major asset class included in the target asset allocation are summarized as follows:

ERS	Target allocation	Long-term expected real rate of return
Asset type		
Domestic equity	32.0%	4.00%
International equity	15.0	6.65
Private equity	10.0	7.25
Real estate	9.0	4.60
Opportunistic return strategies	3.0	5.25
Credit	4.0	5.40
Real assets	3.0	5.79
Fixed income	23.0	1.50
Cash	1.0	0.25
	100.0%	

Real rates of return are net of the long-term inflation assumption of 2.90%.

TRS	Target allocation	Long-term expected real rate of return
Asset type		
Domestic equity	33.0%	6.8%
International equity	15.0	7.6
Global Equity	4.0	7.2
Real estate equity	11.0	6.3
Private equity	9.0	10.1
Domestic fixed income securities	16.0	2.2
Global bonds	1.0	1.6
Private Debt	2.0	6.0
Real Estate Debt	6.0	3.2
High yield bonds	2.0	4.4
Cash	1.0	0.3
	100.0%	

Real rates of return are net of the long-term inflation assumption of 2.40%.

Note 11. Pension Plans (continued)

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% 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 liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% 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 (4.90% for ERS and 5.95% for TRS) or 1 percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current discount rate (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	$ (3,132,557)	$ (996,328)	$ 787,866

TRS	1% Decrease (5.95%)	Current discount rate (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ (6,417,625)	$ (421,366)	$ 4,621,746

Change of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset (liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2024 is $418,816 for ERS and $1,241,405 for TRS.

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
Employers' total pension liability	$ 240,696,851	$ 138,365,122
Fiduciary net position	225,972,801	137,221,537
Employers' net pension liability (asset)	$ 14,724,050	$ 1,143,585
Ratio of fiduciary net position to the Employers' total pension liability	93.9%	99.2%

Note 11. Pension Plans (continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contributions for the period of April 1, 2024, through June 30, 2024, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024, amounted to $93,980.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024, are paid to the System in September, October, and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024, represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024, amounted to $731,300.

Note 12. Post-Employment 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 single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Funding Policy - The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits provided -The District provides healthcare benefits for retirees and their dependents. The benefits 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.

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

Inactive employees or beneficiaries currently receiving benefit payments	147
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	151
	298

Net OPEB liability

The District's total OPEB liability of $79,552,917 was measured as July 1, 2023 and was determined by an actuarial valuation as of July 1, 2022.

Note 12. Post-Employment Benefits (continued)

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

Inflation	2.2%
Salary Increases	3.5%
Discount Rate	3.65%
Healthcare Cost Trend Rates	7.80% for 2024, decreasing each year to an ultimate rate of 3.94% for 2093 and later years
Retirees' Share of Benefit-Related Cost	All current and future retirees contribute 50% of the medical plan premium for individual or family coverage, with the District assuming the remaining balance. Surviving Spouses may continue coverage at 50% of the individual premium cost.

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.

Retirement participation rate assumed that 100% of eligible employees will elect medical coverage at retirement age, and 80% of active members' spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teacher's Retirement System and the New York State Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on Bond Buyer Weekly 20 - Bond Go Index.

Changes in the Total OPEB Liability

Changes in the District's net OPEB liability were as follows:

Balance at July 1, 2022	$ 78,068,183
Changes for the Year-	
Service cost	2,401,597
Interest cost	2,806,550
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(1,345,963)
Benefits payments	(2,377,450)
Net changes	1,484,734
Balance at July 1, 2023	$ 79,552,917

Note 12. Post-Employment Benefits (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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

	1% Decrease (2.65%)	Current discount rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 93,081,479	$ 79,552,917	$ 68,673,149

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 66,179,297	$ 79,552,917	$ 99,947,905

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

For the year ended June 30, 2024, the District recognized OPEB expense of $6,522,010.

At June 30, 2024, 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	$ 1,334,633	$ 5,101,757
Changes of assumptions or other inputs	6,165,694	7,744,518
Employer contribution subsequent to the measurement date (Expected employer contribution including implicit subsidy)	2,511,729	-
Total	$ 10,012,056	$ 12,846,275

Note 12. Post-Employment Benefits (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30	Amount
2025	$ 1,442,753
2026	(1,139,470)
2027	(3,454,021)
2028	(2,061,827)
2029	(133,383)
2030 and thereafter	-

Note 13. Risk Management

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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Note 14. Commitments and Contingencies

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component Districts. Plan members are subject 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 cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made.

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

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 15. Prior Period Adjustment

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the District determined that state aid receivable related to the summer handicap aid in the prior year was overstated. Therefore, state aid receivable was overstated by $29,093 for the fiscal year ended June 30, 2023. The effect of correcting that error is shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	General Fund	Governmental Activities
6/30/23, as previously stated	$ 2,426,806	$ (62,026,547)
Error correction	(29,093)	(29,093)
6/30/23, as restated	$ 2,397,713	$ (62,055,640)

Note 16. Subsequent Events

The District has evaluated events and transactions that occurred between June 30, 2024 and November 13, 2024, which is the date the financial statements were available to be issued and determined that the following subsequent event requires disclosure.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures
Budget and Actual - General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
Revenues:					
Local sources:					
Real property taxes	$ 12,823,523	$ 12,436,821	$ 12,436,035	$ -	$ (786)
Other tax items	53,400	440,102	454,618	-	14,516
Charges for services	390,250	390,250	448,333	-	58,083
Use of money and property	40,000	40,000	273,097	-	233,097
Miscellaneous	155,350	155,350	471,979	-	316,629
Total local sources	13,462,523	13,462,523	14,084,062	-	621,539
State sources	8,541,739	8,541,739	8,569,883	-	28,144
Medicaid sources	100,000	100,000	92,270	-	(7,730)
Other financing sources					
Lease Proceeds	-	-	91,847	-	91,847
Transfer from other funds	2,812	2,812	-	-	(2,812.00)
Total revenues and other financing sources	22,107,074	22,107,074	22,838,062	-	730,988
Expenditures					
General support:					
Board of education	17,885	17,671	14,804	-	2,867
Central administration	220,151	220,939	218,309	-	2,630
Finance	242,399	242,494	238,204	-	4,290
Staff	65,945	87,600	69,585	15,482	2,533.00
Central services	1,630,396	1,808,740	1,582,252	224,458	2,030
Special items	471,576	482,147	478,491	-	3,656
Total general support	2,648,352	2,859,591	2,601,645	239,940	18,006
Instruction:					
Instruction, administration and improvement	480,223	514,830	505,858	145	8,827
Teaching - regular school	4,202,860	4,331,445	4,297,465	15,701	18,279
Summer school	2,500	11,695	10,695	-	1,000
Programs for handicapped children	3,017,435	3,284,642	3,214,831	60,064	9,747
Instructional media	286,947	346,939	307,785	35,167	3,987
Pupil services	898,466	931,891	885,762	7,375	38,754
Total instruction	8,888,431	9,421,442	9,222,396	118,452	80,594
Pupil transportation	960,938	943,892	753,477	67,505	122,910
Community services	5,530	5,530	5,475	-	55
Employee benefits	7,098,960	6,778,407	6,750,172	20,835	7,400
Debt service:					
Principal	1,885,000	1,885,000	2,119,553	-	(234,553)
Interest	589,863	589,863	503,506	-	86,357
Other financing uses					
Transfers to other funds	130,000	130,000	125,000	-	5,000
Total expenditures and other financing uses	22,207,074	22,613,725	22,081,224	446,732	85,769
Excess of revenues and other sources over expenditures and other uses	$ (100,000)	$ (506,651)	$ 756,838	$ (446,732)	$ 816,757

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TICONDEROGA CENTRAL SCHOOL DISTRICT
Schedule of Funding Progress for the Retiree Health Plan
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Measurement date	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total Other Post-Employment Benefits (OPEB) liability							
Service cost	$ 2,401,597	$ 3,076,036	$ 3,045,175	$ 1,945,273	$ 1,925,708	$ 1,845,132	$ 2,389,213
Interest	2,806,550	2,043,310	2,018,153	2,219,918	2,288,410	1,987,022	1,721,246
Changes in benefit terms	-	-	171,171	(248,390)	-	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	-	(7,975,985)	-	4,917,545	-	4,364,658	-
Changes of assumption or other inputs	(1,345,963)	(10,382,521)	1,079,314	19,891,564	1,708,193	(2,881,116)	(7,475,750)
Benefit payments	(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	1,484,734	(15,435,928)	4,146,478	27,027,495	4,325,268	3,994,227	(4,624,164)
Total OPEB liability - beginning	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	79,552,917	78,068,183	$ 93,504,111	$ 89,357,633	$ 62,330,138	$ 58,004,870	$ 54,010,643
Covered payroll	$ 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 payroll	834%	860%	1083%	1137%	787%	864%	673%

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TICONDEROGA CENTRAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability
Year Ended June 30, 2024

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/205
Ticonderoga Central School's proportion of the net pension asset or liability	0.036846%	0.037268%	0.037114%	0.040298%	0.042800%	0.043617%	0.044029%	0.043472%	0.042656%
Ticonderoga Central School's proportionate share of the net pension asset (liability)	$ (421,366)	$ (715,132)	$ 6,431,422	$ (1,113,543)	$ 1,111,944	$ 788,705	$ 334,661	$ (465,605)	$ 4,430,548
Ticonderoga Central School's covered-employee payroll	$ 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
Ticonderoga Central School's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	6.20%	-10.14%	102.10%	17.68%	16.24%	11.04%	4.71%	-6.67%	66.05%
Plan fiduciary net position as a percent of the total pension liability (asset)	99.2%	98.7%	113.3%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
Ticonderoga Central School's proportion of the net pension asset or liability	0.0067667%	0.0069231%	0.0065096%	0.0071497%	0.0072407%	0.0069095%	0.0075849%	0.0069992%	0.0071675%
Ticonderoga Central School's proportionate share of the net pension asset (liability)	$ (996,328)	$ (1,484,600)	$ 532,132	$ (7,119)	$ (1,917,387)	$ (489,560)	$ (244,799)	$ (657,658)	$ (1,150,403)
Ticonderoga Central School's covered-employee payroll	$ 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
Ticonderoga Central School's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	45.22%	-81.07%	25.71%	-0.34%	-91.08%	-22.99%	-11.56%	-35.17%	-61.51%
Plan fiduciary net position as a percent of the total pension liability (asset)	93.9%	90.8%	103.5%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%

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TICONDEROGA CENTRAL SCHOOL DISTRICT
Schedule of the District's Contributions
Year Ended June 30, 2024

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 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	700,250	647,008	600,329	606,010	758,692	696,257	817,713	889,506	1,123,223
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 6,797,556	$ 7,050,685	$ 6,299,272	$ 6,299,272	$ 6,846,645	$ 7,143,677	$ 7,104,668	$ 6,977,100	$ 6,780,192
Contributions as a percentage of covered-employee payroll	10.30%	9.18%	9.53%	9.62%	11.08%	9.75%	11.51%	12.75%	16.74%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 255,897	$ 228,987	$ 283,393	$ 291,435	$ 299,531	$ 327,745	$ 311,731	$ 386,916	$ 350,174
Contributions in relation to the contractually required contribution	255,897	228,987	283,393	291,435	299,531	327,745	311,731	386,916	350,174
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ 0	$ -	$ -
Covered-employee payroll	$ 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
Contributions as a percentage of covered-employee payroll	11.62%	12.50%	13.69%	14.08%	14.23%	15.39%	14.71%	20.69%	18.72%

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TICONDEROGA CENTRAL SCHOOL DISTRICT
Combining Balance Sheet - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Debt Service	School Food Service	Total
Assets			
Cash:			
Restricted	$ 19,703	$ 196,426	$ 216,129
State and federal aid	-	24,855	24,855
Inventories	-	28,065	28,065
Total assets	$ 19,703	$ 249,346	$ 269,049
Liabilities			
Due to other governments	$ -	$ 485	$ 485
Due to Employees' Retirement System	-	6,155	6,155
Total liabilities	-	6,640	6,640
Deferred inflows of resources			
Unearned revenue	-	37,082	37,082
Fund balance			
Nonspendable			
Inventory	-	28,065	28,065
Restricted			
School food service	-	177,559	177,559
Debt service	19,703	-	19,703
Total fund balance	19,703	205,624	225,327
Total liabilities, deferred inflows of resources, and fund balance	$ 19,703	$ 249,346	$ 269,049

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TICONDEROGA CENTRAL SCHOOL DISTRICT
Combining Schedule of Revenues and Expenditures - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Debt Service	School Food Service	Total
Revenues			
State sources	$ -	$ 64,386	$ 64,386
Federal sources	-	397,330	397,330
Surplus food	-	35,398	35,398
Sales	-	56,480	56,480
Miscellaneous	19	5,421	5,440
Total revenues	19	559,015	559,034
Expenditures			
Cost of sales	-	536,473	536,473
Total expenditures	-	536,473	536,473
Excess of revenues over expenditures	19	22,542	22,561
Other financing sources (uses)			
Operating transfer (out)	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	19	22,542	22,561
Fund balance - beginning of year, as previously stated	19,684	183,082	202,766
Fund balance - end of year	$ 19,703	$ 205,624	$ 225,327

See Independent Auditor's Report

TICONDEROGA CENTRAL SCHOOL DISTRICT
General Fund - Schedule of Change from Adopted Budget to Final Budget
and Section 1318 of the Real Property Tax Limit Calculation
Year Ended June 30, 2024

General Fund - Schedule of Change from Adopted Budget to Final Budget

Original budget	$ 22,207,074
Additions:	
Prior year's encumbrances	406,651
Revised budget	$ 22,613,725

Section 1318 of the Real Property Tax Law Limit Calculation

2024-2025 expenditure budget	$ 22,880,455
Maximum allowed (4% of 2024-2025 budget)	$ 915,218
Unrestricted fund balance:	
Assigned fund balance	$ 746,732
Unassigned fund balance	1,060,897
Total unrestricted fund balance	1,807,629
Less:	
Appropriated fund balance	300,000
Encumbrances included in committed and assigned fund balance	446,732
Total adjustments	746,732
General Fund fund balance subject to section 1318 of the real property tax law	$ 1,060,897
Actual percentage	4.6%

See Independent Auditor's Report

TICONDEROGA CENTRAL SCHOOL DISTRICT
Net Investment in Capital Assets
Year Ended June 30, 2024

Capital assets and right to use assets, net	$ 25,913,779
Deduct:	
Short-term portion of bonds payable	2,045,687
Long-term portion of bonds payable	8,474,079
Net investment in capital assets	$ 15,394,013

See Independent Auditor's Report

TELLING & HILLMAN, P.C.

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Independent Auditor's Report

To the Board of Education
Extraclassroom Activity Funds of
Ticonderoga Central School District
Ticonderoga, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets, liabilities, and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of Ticonderoga Central School District as of and for the year ended June 30, 2024.

In our opinion, the financial statements referred to above present fairly, in all material respects the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of Ticonderoga Central School District, as of June 30, 2024, and its receipts, disbursements, and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Extraclassroom Activity Funds of Ticonderoga Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
November 13, 2024

TICONDEROGA CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Fund
Statement of Assets, Liabilities, and Fund Balance - Cash Basis
June 30, 2024

Assets	
Cash	$ 54,678
Total assets	$ 54,678
Net position	
Reserve for extraclassroom activities	54,678
Total net position	$ 54,678

The accompanying notes are an integral part of the financial statements.

TICONDEROGA CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Fund
Statement of Receipts, Disbursements, and Ending Balances - Cash Basis
Year Ended June 30, 2024

	July 1 2023	Total Receipts	Total Payments	June 30 2024
Art Club	$ 1,195	$ 1,360	$ 1,675	$ 880
Class of 2022	7	-	-	7
Class of 2023	498	-	-	498
Class of 2024	8,406	1,252	9,658	-
Class of 2025	6,316	10,291	7,150	9,457
Class of 2026	3,414	3,431	964	5,881
Class of 2027	4,898	4,389	-	9,287
Class of 2028	1,829	-	-	1,829
Class of 2029		3,908	2,785	1,123
FBLA	1,441	-	-	1,441
Foreign Language	216	-	-	216
Jr. High Drama Club	14	3,422	282	3,154
Jr. High School Music	2,523	-	-	2,523
Jr./Sr. High Yearbook	1,019	-	-	1,019
Key Club	1,347	2,301	2,023	1,625
MS Student Council	41	-	41	-
National Honor Society	101	878	468	511
Sales Tax	88	4,000	1,314	2,774
Sales Tax Credit	-	-	-	-
Sr. High School Music	2,655	9,306	10,100	1,861
Sr. High Drama Club	5,177	9,986	11,759	3,404
Student Recognition	1,541	-	-	1,541
Student Voice	8,747	1,650	6,026	4,371
Interest	7	24	-	31
Unity Club	1,486	-	1,486	-
Quiz Bowl	197	1,775	727	1,245
Totals	$ 53,163	$ 57,973	$ 56,458	$ 54,678

The accompanying notes are an integral part of the financial statements.

Note 1. Summary of Significant Accounting Policies

As Ticonderoga Central School District, through its Board of Education, has oversight responsibility over the Extraclassroom Activity Funds, such funds are considered a component unit of the District. Accordingly, such transactions are blended with the other trust funds of the District in its basic financial statements under the Custodial Fund.

The books and records of 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. Subsequent Events

The District has evaluated events and transactions that occurred between June 30, 2024 and November 13, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.