

TUPPER LAKE CENTRAL SCHOOL DISTRICT
Financial Statements
Year Ended June 30, 2024

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Independent Auditor's Report

To the Board of Education
Tupper Lake Central School District
Tupper Lake, 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 Tupper Lake Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Tupper Lake 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 Tupper Lake 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 Tupper Lake 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 Tupper Lake 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 Tupper Lake 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 Tupper Lake 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 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 Tupper Lake Central School District's basic financial statements. The accompanying 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 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 6, 2024, on our consideration of Tupper Lake 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 Tupper Lake 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 Tupper Lake 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 6, 2024

**TUPPER LAKE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

As management of Tupper Lake 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 required supplementary information and 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.

Governmental funds

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 District maintains four 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, Capital Projects Fund, and School Food Service fund, all of which are considered major funds.

The General Fund is the only fund which the District legally adopts a budget. The Schedule of Revenues and Expenditures – 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 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 purposes 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 \$77,179,861 (i.e., net position), a change of \$(7,126,930) in comparison to the prior year.
- As of the close of the current fiscal year, the governmental activities reported total revenue of \$23,374,545 a change of \$1,711,479 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental activities reported total expenses of \$30,501,475, a change of \$5,985,606 in comparison to the prior year.

- As of the close of the current fiscal year, governmental funds reported a combined ending fund balance of \$2,568,876, a change of \$(331,090) in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported total revenue of \$23,339,081, a change of \$1,676,015 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported total expenses of \$24,115,524, a change of \$1,602,681 in comparison to the prior year.
- As of the close of the current fiscal year, unassigned fund balance for the General Fund was \$1,456,335, a change of \$389,414 in comparison to the prior year.
- As of the close of the current fiscal year, the District reported total outstanding long-term indebtedness of \$7,740,146, a change of \$(700,656) 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	June 30, 2023	Percentage Change
Assets			
Current assets	\$ 11,499,528	\$ 6,737,990	70.7%
Noncurrent assets	4,106,936	5,859,295	-29.9
Total assets	15,606,464	12,597,285	23.9
Deferred outflows of resources			
OPEB	13,347,182	12,611,660	5.8
Pensions	3,669,841	4,513,826	-18.7
Total deferred outflows of resources	17,017,023	17,125,486	-0.6
Total assets and deferred outflows of resources	\$ 32,623,487	\$ 29,722,771	9.8%
Liabilities			
Current liabilities	\$ 8,876,801	\$ 3,697,587	140.1%
Long-term liabilities	90,047,138	87,044,295	4.5
Total liabilities	99,823,939	90,741,882	10.0
Deferred inflows of resources			
Unearned revenue – federal aid	42,622	136,969	-68.9
Unearned revenue – prepaid meals	11,229	3,468	223.8
OPEB	9,090,489	8,458,417	7.5
Pension	835,069	434,966	92.0
Total deferred inflows of resources	9,979,409	9,033,820	10.5
Net position			
Net investment in capital assets	(2,478,210)	(1,311,507)	89.0
Restricted	1,109,943	765,829	44.9
Unrestricted	(75,811,594)	(69,507,253)	9.1
Total net position	(77,179,861)	(70,052,931)	10.2
Total liabilities, deferred inflows of resources, and net position	\$ 32,623,487	\$ 29,722,771	9.8%

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 \$(77,179,861), a change of \$(7,126,930) from the prior year.

\$(2,478,210), reflects our investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is 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, \$1,109,943, 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 \$(75,811,594) is a deficit, primarily resulting from the District's unfunded net pension liability and Other Post-Employment Benefit (OPEB) liability.

	<u>Change in Net Position</u>		
	June 30, 2024	June 30, 2023	Percentage Change
Revenues			
Program Revenues			
Charges for services	\$ 33,363	\$ 125,517	-73.4%
Operating grants	2,622,109	1,558,334	68.3
General revenues			
Property taxes and tax items	9,596,647	9,322,963	2.9
State sources	10,620,640	10,180,270	4.3
Use of money and property	11,322	2,343	383.2
Premium on obligation	35,464	-	-
Miscellaneous	455,000	473,639	3.9
Total revenues	<u>23,374,545</u>	<u>21,663,066</u>	<u>7.9</u>
Expenses			
General support	3,459,267	2,935,185	17.9
Instruction	13,637,482	12,692,749	7.4
Pupil transportation	891,513	889,509	0.2
Employee benefits	11,434,479	7,154,329	59.8
Interest	299,310	236,536	26.5
School lunch program	779,424	607,561	28.3
Total expenses	<u>30,501,475</u>	<u>24,515,869</u>	<u>24.4</u>
Change in net position	(7,126,930)	(2,852,803)	149.8
Net position – beginning of year	<u>(70,052,931)</u>	<u>(67,200,128)</u>	<u>4.2</u>
Net position – end of year	\$ <u>(77,179,861)</u>	\$ <u>(70,052,931)</u>	\$ <u>10.2%</u>

Governmental activities

The District's total revenues for the 2024 fiscal year were \$23,374,545 versus expenses of \$30,501,475. For the year, the District's net position decreased by \$7,126,930 to bring the total net position of the primary government to \$(77,179,861). The drivers of revenues for the year were state sources, property taxes, and operating grants. State sources comprised 45% of total revenues while property taxes and tax items were 41% of total revenue. Revenues were up from the prior year by \$1,711,479.

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 \$3,459,267 which consisted primarily of finance, central services, and special items. Instruction total expenses for the year were \$13,637,482. Costs associated with instruction included \$4,472,445 of teaching – regular school and \$2,892,446 of 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 \$1,456,335 and the total fund equity was \$2,828,464. 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 7% 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 \$231,751 during the current fiscal year.

Special Aid Fund – the Special Aid Fund is used to account for operating projects or programs supported in whole, or in part, with federal funds or state or local grants. The fund balance at the end of the year was \$0. The fund balance of the District's Special Aid Fund did not change 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 \$(281,717). The fund balance of the District's Capital Projects fund decreased by \$517,792 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 \$22,129. The fund balance of the School Food Service Fund decreased by \$45,049 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 Tupper Lake Central School was \$22,383,780. The total was revised during year to \$22,797,742. The difference arises from the prior year encumbrances.

The School District had a positive performance of expenditures with the original budget after last year encumbrances of \$22,797,742 and an actual performance of \$20,433,503 of expenditures, and \$12,186 of encumbrances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Total investment in capital assets for governmental activities at year end amounted to \$4,106,936 (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:

Capital Asset Additions

Construction in Progress	\$ 787,052
Root Tank	12,125
Elevator	193,287

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

Long-term debt

At June 30, 2024, the District's long-term debt balance consisted of bonds and notes payable totaling \$7,740,146, a decrease of \$700,656 from June 30, 2023.

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 the 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.

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:

Tupper Lake Central School District Offices
Attn: School Business Executives
294 Hosley Road
Tupper Lake, NY 12986

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

Assets

Cash - unrestricted	\$ 7,114,828
Cash - restricted	1,109,944
Accounts receivable	15,398
Due from other governments	102,038
State and federal aid receivable	3,140,227
Inventories	17,093
Capital assets, net of accumulated depreciation	4,106,936
Total assets	<u>15,606,464</u>

Deferred outflows of resources

OPEB	13,347,182
Pension	3,669,841
Total deferred outflows of resources	<u>17,017,023</u>

Total assets and deferred outflows of resources	\$ <u>32,623,487</u>
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Liabilities

Payables:

Accounts payable	\$ 1,832,736
Due to other governments	1,160
Accrued expenses	36,585
Bond anticipation note	6,200,000

Long-term liabilities:

Due and payable within one year:

Bonds payable	1,151,492
Notes payable	33,938
Due to Teachers' Retirement System	729,922
Due to Employees' Retirement System	76,398

Due and payable after one year:

Bonds payable	6,404,626
Notes payable	150,090
Compensated absences payable	444,525
Net pension liabilities - proportionate share	1,474,050
Other postemployment benefits payable	81,288,417
Total liabilities	<u>99,823,939</u>

Deferred inflows of resources

Unearned revenue - federal aid	42,622
Unearned revenue - prepaid meals	11,229
OPEB	9,090,489
Pension	835,069
Total deferred inflows of resources	<u>9,979,409</u>

Net position

Net investment in capital assets	(2,478,210)
Restricted:	
Unemployment insurance	203,153
Employee benefits	471,494
Retirement contributions	435,296
Unrestricted	<u>(75,811,594)</u>
Total net position	<u>(77,179,861)</u>

Total liabilities, deferred inflows of resources, and net position	\$ <u>32,623,487</u>
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The accompanying notes are an integral part of the financial statements.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

**Statement of Activities
Year Ended June 30, 2024**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
Functions/Programs				
General support	\$ 3,459,267	\$ 6,006	\$ -	\$ (3,453,261)
Instruction	13,637,482	-	1,963,411	(11,674,071)
Pupil transportation	891,513	-	-	(891,513)
Employee benefits	11,434,479	-	-	(11,434,479)
Interest expense	299,310	-	-	(299,310)
Cost of sales - school lunch	779,424	27,357	658,698	(93,369)
Total functions/programs	\$ <u>30,501,475</u>	\$ <u>33,363</u>	\$ <u>2,622,109</u>	<u>(27,846,003)</u>
General revenues				
Real property taxes				9,009,617
Other tax items				587,030
Use of money and property				11,322
Miscellaneous				455,000
State sources not restricted to specific programs				10,620,640
Premium on obligations				<u>35,464</u>
Total general revenues				<u>20,719,073</u>
Change in net position				(7,126,930)
Net position - beginning of year				<u>(70,052,931)</u>
Net position - end of year				<u>\$ (77,179,861)</u>

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

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

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>School Food Service</u>	<u>Total Governmental Funds</u>
Assets					
Cash - unrestricted	\$ 544,503	\$ 45,237	\$ 6,490,395	\$ 34,693	\$ 7,114,828
Cash - restricted	1,109,944	-	-	-	1,109,944
Accounts receivable	15,398	-	-	-	15,398
Due from other funds	1,741,607	20,000	-	-	1,761,607
Due from other governments	-	-	-	102,038	102,038
State and federal aid receivable	1,699,473	1,408,215	-	32,539	3,140,227
Inventories	-	-	-	17,093	17,093
Total assets	\$ 5,110,925	\$ 1,473,452	\$ 6,490,395	\$ 186,363	\$ 13,261,135
Liabilities					
Payables:					
Accounts payable	\$ 1,440,038	\$ 1,675	\$ 239,178	\$ 151,845	\$ 1,832,736
Due to other governments	-	-	-	1,160	1,160
Accrued expenses	33,587	2,998	-	-	36,585
Due to other funds	-	1,428,673	332,934	-	1,761,607
Due to Teachers' Retirement	723,619	6,303	-	-	729,922
Due to Employees' Retirement	75,341	1,057	-	-	76,398
Bond anticipation note	-	-	6,200,000	-	6,200,000
Total liabilities	<u>2,272,585</u>	<u>1,440,706</u>	<u>6,772,112</u>	<u>153,005</u>	<u>10,638,408</u>
Deferred inflows of resources					
Unearned revenue - federal aid	9,876	32,746	-	-	42,622
Unearned revenue - prepaid meals	-	-	-	11,229	11,229
Total deferred inflow of resources	<u>9,876</u>	<u>32,746</u>	<u>-</u>	<u>11,229</u>	<u>53,851</u>
Fund balance					
Nonspendable	-	-	-	17,093	17,093
Restricted:					
Unemployment Insurance	203,153	-	-	-	203,153
Employee benefits	471,494	-	-	-	471,494
Retirement contributions	435,296	-	-	-	435,296
Assigned:					
Appropriated fund balance	250,000	-	-	-	250,000
Unappropriated fund balance	12,186	-	-	5,036	17,222
Unassigned	<u>1,456,335</u>	<u>-</u>	<u>(281,717)</u>	<u>-</u>	<u>1,174,618</u>
Total fund balance	<u>2,828,464</u>	<u>-</u>	<u>(281,717)</u>	<u>22,129</u>	<u>2,568,876</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ 5,110,925	\$ 1,473,452	\$ 6,490,395	\$ 186,363	\$ 13,261,135

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

TUPPER LAKE 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	\$ 7,114,828	\$ -	\$ -	\$ 7,114,828
Cash - restricted	1,109,944	-	-	1,109,944
Accounts receivable	15,398	-	-	15,398
Due from other funds	1,761,607	-	(1,761,607)	-
Due from other governments	102,038	-	-	102,038
State and federal aid receivable	3,140,227	-	-	3,140,227
Inventories	17,093	-	-	17,093
Capital assets, net of accumulated depreciation	-	4,106,936	-	4,106,936
Total assets	<u>13,261,135</u>	<u>4,106,936</u>	<u>(1,761,607)</u>	<u>15,606,464</u>
Deferred outflows of resources				
OPEB	-	13,347,182	-	13,347,182
Pension	-	3,669,841	-	3,669,841
Total deferred outflows of resources	<u>-</u>	<u>17,017,023</u>	<u>-</u>	<u>17,017,023</u>
Total assets and deferred outflows of resources	<u>\$ 13,261,135</u>	<u>\$ 21,123,959</u>	<u>\$ (1,761,607)</u>	<u>\$ 32,623,487</u>
Liabilities				
Payables:				
Accounts payable	\$ 1,832,736	\$ -	\$ -	\$ 1,832,736
Due to other governments	1,160	-	-	1,160
Accrued expenses	36,585	-	-	36,585
Due to other funds	1,761,607	-	(1,761,607)	-
Due to Teachers' Retirement System	729,922	-	-	729,922
Due to Employees' Retirement System	76,398	-	-	76,398
Bond anticipation note	6,200,000	-	-	6,200,000
Bonds payable	-	7,556,118	-	7,556,118
Notes payable	-	184,028	-	184,028
Compensated absences	-	444,525	-	444,525
Net pension liability - proportionate share	-	1,474,050	-	1,474,050
Postemployment benefits	-	81,288,417	-	81,288,417
Total liabilities	<u>10,638,408</u>	<u>90,947,138</u>	<u>(1,761,607)</u>	<u>99,823,939</u>
Deferred inflows of resources				
Unearned revenue - federal aid	42,622	-	-	42,622
Unearned revenue - prepaid meals	11,229	-	-	11,229
OPEB	-	9,090,489	-	9,090,489
Pension	-	835,069	-	835,069
Total deferred inflows of resources	<u>53,851</u>	<u>9,925,558</u>	<u>-</u>	<u>9,979,409</u>
Fund balance/net position				
Total fund balance/net position	<u>2,568,876</u>	<u>(79,748,737)</u>	<u>-</u>	<u>(77,179,861)</u>
Total liabilities, deferred inflows of resources, and fund balance/net position	<u>\$ 13,261,135</u>	<u>\$ 21,123,959</u>	<u>\$ (1,761,607)</u>	<u>\$ 32,623,487</u>

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

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

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>School Food Service</u>	<u>Total Governmental Funds</u>
Revenues					
Real property taxes	\$ 9,009,617	\$ -	\$ -	\$ -	\$ 9,009,617
Other tax items	587,030	-	-	-	587,030
Charges for services	6,006	-	-	-	6,006
Use of money and property	11,205	-	113	4	11,322
State sources	10,620,640	296,436	-	287,177	11,204,253
Federal sources	-	1,666,975	-	371,521	2,038,496
Sales	-	-	-	27,357	27,357
Miscellaneous	430,756	23,484	-	760	455,000
Total revenues	<u>20,665,254</u>	<u>1,986,895</u>	<u>113</u>	<u>686,819</u>	<u>23,339,081</u>
Expenditures					
General support	3,188,353	-	963,258	-	4,151,611
Instruction	9,456,648	1,986,895	-	-	11,443,543
Pupil transportation	640,749	-	-	-	640,749
Employee benefits	5,666,057	-	-	24,285	5,690,342
Debt service:					
Principal	1,110,545	-	-	-	1,110,545
Interest	299,310	-	-	-	299,310
Cost of sales	-	-	-	779,424	779,424
Total expenditures	<u>20,361,662</u>	<u>1,986,895</u>	<u>963,258</u>	<u>803,709</u>	<u>24,115,524</u>
Excess (deficiency) of revenues over expenditures	<u>303,592</u>	<u>-</u>	<u>(963,145)</u>	<u>(116,890)</u>	<u>(776,443)</u>
Other financing sources and (uses)					
Bond proceeds	-	-	409,889	-	409,889
Premium on obligations	-	-	35,464	-	35,464
Operating transfers in	-	-	-	71,841	71,841
Operating transfers (out)	(71,841)	-	-	-	(71,841)
Total other sources and (uses)	<u>(71,841)</u>	<u>-</u>	<u>445,353</u>	<u>71,841</u>	<u>445,353</u>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	<u>231,751</u>	<u>-</u>	<u>(517,792)</u>	<u>(45,049)</u>	<u>(331,090)</u>
Fund balance - beginning of year, as previously stated	2,603,955	(7,242)	236,075	67,178	2,899,966
Prior period adjustment	<u>(7,242)</u>	<u>7,242</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year, restated	<u>2,596,713</u>	<u>-</u>	<u>236,075</u>	<u>67,178</u>	<u>2,899,966</u>
Fund balance - end of year	<u>\$ 2,828,464</u>	<u>\$ -</u>	<u>\$ (281,717)</u>	<u>\$ 22,129</u>	<u>\$ 2,568,876</u>

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

TUPPER LAKE CENTRAL SCHOOL DISTRICT
Reconciliation of the Governmental 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	\$ 9,009,617	\$ -	\$ -	\$ -	\$ -	\$ 9,009,617
Other tax items	587,030	-	-	-	-	587,030
Charges for services	6,006	-	-	-	-	6,006
Use of money and property	11,322	-	-	-	-	11,322
State sources	11,204,253	-	-	-	-	11,204,253
Federal sources	2,038,496	-	-	-	-	2,038,496
Sales	27,357	-	-	-	-	27,357
Miscellaneous	455,000	-	-	-	-	455,000
Total revenues	23,339,081	-	-	-	-	23,339,081
Expenditures/Expenses						
General support	4,151,611	243,771	(936,115)	-	-	3,459,267
Instruction	11,443,543	2,193,939	-	-	-	13,637,482
Pupil transportation	640,749	250,764	-	-	-	891,513
Employee benefits	5,690,342	5,744,137	-	-	-	11,434,479
Debt services:						
Principal	1,110,545	-	-	(1,110,545)	-	-
Interest	299,310	-	-	-	-	299,310
Cost of sales	779,424	-	-	-	-	779,424
Total expenditures/expenses	24,115,524	8,432,611	(936,115)	(1,110,545)	-	30,501,475
Excess (deficiency) of revenues over expenditures	<u>(776,443)</u>	<u>(8,432,611)</u>	<u>936,115</u>	<u>1,110,545</u>	<u>-</u>	<u>(7,162,394)</u>
Other sources and (uses)						
Bond proceeds	409,889	-	-	(409,889)	-	-
Premium on obligations	35,464	-	-	-	-	35,464
Operating transfers in	71,841	-	-	-	(71,841)	-
Operating transfers (out)	(71,841)	-	-	-	71,841	-
Total other sources and (uses)	445,353	-	-	(409,889)	-	35,464
Net change for the year	<u>\$ (331,090)</u>	<u>\$ (8,432,611)</u>	<u>\$ 936,115</u>	<u>\$ 700,656</u>	<u>\$ -</u>	<u>\$ (7,126,930)</u>

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

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

	Private Purpose Trusts	Custodial
Assets		
Cash	\$ 816,204	\$ 88,332
Accounts receivable	700	-
Total assets	\$ 816,904	\$ 88,332
Liabilities		
Due to other funds	\$ -	\$ -
Total liabilities	-	-
Net Position		
Restricted	816,904	88,332
Total liabilities and net position	\$ 816,904	\$ 88,332

TUPPER LAKE 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	\$ 89,137	\$ 128,959
Library taxes collected	-	271,347
Total additions	89,137	400,306
Deductions		
Scholarships and awards	67,580	-
Library taxes collected	-	271,347
Other custodial activities	-	129,776
Total deductions	67,580	401,123
Excess of expenditures over revenues	21,557	(817)
Net position - beginning of year, restated	795,347	89,149
Net position - end of year	\$ 816,904	\$ 88,332

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

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

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

The financial statements of 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 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 6 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, the following is a brief description of certain entities included in the District's reporting entity.

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.

Public Library

The Tupper Lake Public Library jointly shares the services of the District Treasurer and the District collects taxes and has title to real property used by the Library. The Library is an independent body whose Trustees are elected separately from the School District. Further review of GASB's requirements for component units indicate that the operations of the Library should not be reflected in the District's financial statements.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

b) Joint Venture

The District is one of ten component school districts in Franklin-Essex-Hamilton Board of Cooperative Educational Services (BOCES). A 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)).

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 \$363,806 for BOCES administrative and capital costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$0 of bond anticipation notes on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of \$1,155,000.

The District's share of BOCES aid amounted to \$1,471,677.

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, and School Food Service Fund 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

c) Basis of Presentation (continued)

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.

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 non-major 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.

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

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

The District reports the following fiduciary funds:

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

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

c) Basis of Presentation (continued)

There are two classes 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. The District also collects property taxes on behalf of the Tupper Lake Public Library.

d) Measurement Focus and Basis of Accounting

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

The district-wide and fiduciary fund financial statements are reported using 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 capital leases are reported as other financing sources.

e) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on November 30. 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, other post-employment benefits, pension benefits, useful lives of long-lived assets, lease liability.

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 be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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 inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount. A reserve for these non-liquid assets has been recognized to signify that a portion of fund balance is not available for other subsequent events.

l) Capital Assets

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

		<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$	5,000	Straight line	5-15 years
Furniture and equipment	\$	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.

m) 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.

n) 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

n) Deferred Inflows of Resources (continued)

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.

o) 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 for compensated absences 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.

p) Other Benefits

The District participates on 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 Internal Revenue Code Sections 403(b) and 457.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

q) Short-term Debt

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any 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 (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

r) 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.

s) 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

s) Equity Classifications (continued)

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. At June 30, 2024, non-spendable fund balance includes the inventory in the School Food Service Fund of \$17,093.

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

Employee Benefit Accrued Liability Reserve

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

Retirement Contribution Reserve

According to General Municipal Law (GML §6-r), all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employee's 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 detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

s) Equity Classifications (continued)

Restricted fund balance includes the following:

General Fund:

Unemployment insurance	\$	203,153
Employee benefits		471,494
Retirement contributions		435,296
	\$	<u>1,109,943</u>

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 District has no committed fund balance as of June 30, 2024.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances reported in the general fund amount to \$12,186. Appropriated fund balance in the General Fund amounted to \$250,000. Any remaining fund balance in other funds is considered assigned. As of June 30, 2024 the District's general fund encumbrances were classified as follows:

General support	\$	2,778
Instruction		6,810
Pupil transportation		2,598
Total	\$	<u>12,186</u>

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 and could report a surplus or deficit. In the 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 are 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

s) Equity Classifications (continued)

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.

t) 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. Stewardship, Compliance and Accountability

Budgets procedures and budgetary accounting

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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 2. Stewardship, Compliance and Accountability (continued)

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until 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. Encumbrances are classified as restricted or assigned fund balance based on the source and strength of constraints placed on them.

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 Capital Projects Fund has a fund deficit at June 30, 2024 of \$281,717. This will be liquidated through transfers from the general fund in subsequent years.

The District has a net position deficit of \$77,179,861 at June 30, 2024. This is a result of the other post-employment benefits being fully unfunded.

Note 3. 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 additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 3. Explanation of Certain Differences between Fund Statements and District-wide Statements (continued)

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	\$ 2,568,876
Assets	
Capital assets net of related depreciation	4,106,936
Deferred outflows of resources:	
OPEB	13,347,182
Pensions	3,669,841
Liabilities:	
Bonds payable	(7,556,118)
Notes payable	(184,028)
Compensated absences	(444,525)
Net pension liability – proportionate share	(1,474,050)
Other post-employment benefits	(81,288,417)
Deferred inflows of resources:	
OPEB	(9,090,489)
Pensions	(835,069)
Ending net position reported in Statement of Position for governmental activities	\$ (77,179,861)

- 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 on the Statement of Activities.

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 3. Explanation of Certain Differences between Fund Statements and District-wide Statements (continued)

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.

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

Total revenues and other funding sources of governmental funds	\$ 23,784,434
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the Statement of Net Position.

(409,889)

Total revenues of governmental activities in the Statement of Activities	\$ <u>23,374,545</u>
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Total expenditures reported in governmental funds	\$ 24,115,524
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In the Statement of Activities, certain operating expenses (compensated absences) 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).

35,694

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.

Expenditures for capital outlay

(936,115)

Current year depreciation

2,688,474

Repayment of bond and note 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.

(1,110,545)

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.

5,049,315

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.

659,128

Total expenses of governmental activities in the Statement of Activities	\$ <u>30,501,475</u>
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TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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

Cash

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

The District's aggregate bank 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	\$	8,431,574

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 \$1,109,944 within the governmental funds and \$904,536 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

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	School Food Service	Total
Accounts receivable	\$ 15,398	\$ -	\$ -	\$ -	\$ 15,398
Due from State and Federal	1,699,473	1,408,215	-	32,539	3,140,227
Total	<u>\$ 1,714,871</u>	<u>\$ 1,408,215</u>	<u>\$ -</u>	<u>\$ 32,539</u>	<u>\$ 3,155,625</u>

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		Interfund	
	Receivable	Payable	Revenues	Expenses
General Fund	\$ 1,741,607	\$ -	\$ -	\$ 71,841
School Food Service Fund	-	-	71,841	-
Special Aid Fund	20,000	1,428,673	-	-
Capital Projects Fund	-	332,934	-	-
Private Purpose Trust Fund	-	-	-	-
Total	<u>\$ 1,761,607</u>	<u>\$ 1,761,607</u>	<u>\$ 71,841</u>	<u>\$ 71,841</u>

Transfer from	Transfer to	Amount	Purpose
General Fund	School Food Service Fund	\$ 71,841	Fund School Food Service expenditures

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 7. Capital Assets

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

	<u>6/30/23 Balance</u>	<u>Additions</u>	<u>Retirements Reclassify</u>	<u>6/30/24 Balance</u>
Capital assets that are not depreciated:				
Land	\$ 57,700	\$ -	-	\$ 57,700
Construction in progress	56,349	787,052	56,349	787,052
Total	<u>114,049</u>	<u>787,052</u>	<u>56,349</u>	<u>844,752</u>
Capital assets that are depreciated:				
Building and land improvements	1,347,940	-	-	1,347,940
Buildings	31,663,605	193,287	-	31,856,892
Machinery and equipment	939,833	12,125	-	951,958
Vehicles	2,831,057	-	108,871	2,722,186
Total	<u>36,782,435</u>	<u>205,412</u>	<u>108,871</u>	<u>36,878,976</u>
Less accumulated depreciation:				
Building and land improvements	909,384	89,863	-	999,247
Building and improvements	26,913,938	2,123,793	-	29,037,731
Machinery and equipment	1,264,144	224,054	-	1,488,198
Vehicles	1,949,723	250,764	108,871	2,091,616
Total	<u>31,037,189</u>	<u>2,688,474</u>	<u>108,871</u>	<u>33,616,792</u>
Total capital assets - net	<u>\$ 5,859,295</u>	<u>\$ (1,696,010)</u>	<u>(56,349)</u>	<u>\$ 4,106,936</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 243,771
Instruction	2,193,939
Pupil transportation	250,764
	<u>\$ 2,688,474</u>

Note 8. Indebtedness

Short-term debt

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Stated Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
RAN	4/28/23	4.50%	\$ 2,806,328	\$ -	\$ 2,806,328	\$ -
BAN	6/27/25	4.50%	-	6,200,000	-	6,200,000
BAN	6/27/24	4.25%	-	2,000,000	2,000,000	-
			<u>\$ 2,806,328</u>	<u>\$ 8,200,000</u>	<u>\$ 4,806,328</u>	<u>\$ 6,200,000</u>

Interest paid on short-term debt for the year ended June 30, 2024 was \$35,672.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 8. Indebtedness (continued)

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 are backed by the full faith and credit of the District.

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.

Interest paid on long-term debt for the year ended June 30, 2024 was \$263,639.

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 bond	\$ 8,222,832	\$	409,889	\$	1,076,603	\$	7,556,118
Notes payable	217,970		-		33,942		184,028
Other liabilities:							
Compensated absences	408,831		35,694		-		444,525
Post – employment benefits	76,135,652		5,152,765		-		81,288,417
Net pension liability	2,059,010		-		584,960		1,474,050
	<u>\$ 87,044,295</u>	\$	<u>5,598,348</u>	\$	<u>1,695,505</u>	\$	<u>90,947,138</u>

Existing serial bond obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Original Amount	Balance
Serial bond	6/15/18	6/15/33	2.840%	\$ 8,287,833	\$ 5,381,229
Serial bond	6/24/10	6/15/25	3.25-4.00%	2,085,034	150,000
Serial bond	6/15/21	6/15/25	1.28%	313,000	80,000
Serial bond	6/23/21	6/15/33	1.49%	1,495,000	1,155,000
Serial bond	8/30/21	6/15/26	1.00-1.125%	313,000	160,000
Serial bond	3/21/23	6/15/27	4.41%	275,000	220,000
Serial bond	1/18/24	6/15/28	3.85%	334,889	334,889
Serial bond	6/28/24	6/15/29	0%	75,000	75,000
Note payable	7/1/14	6/1/29	0.086%	554,212	184,028
					7,740,146
Less current portion					(1,185,430)
Long-term portion					<u>\$ 6,554,716</u>

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 8. Indebtedness (continued)

The following is a summary of maturing debt service requirements:

<u>Years ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,185,430	\$ 218,184	\$ 1,403,614
2026	936,658	183,071	1,119,729
2027	897,739	158,244	1,055,983
2028	838,853	125,185	964,038
2029	785,001	107,578	892,579
2030-2034	3,096,465	178,632	3,275,097
	<u>\$ 7,740,146</u>	<u>\$ 970,894</u>	<u>\$ 8,711,040</u>

Note 9. 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. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State Statute. The 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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. Pension Plans (continued)

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	\$	255,518	\$ 626,107
2023		200,663	611,128
2022		283,759	613,943

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	6/30/23
Net pension asset/(liability)	\$ (1,106,312)	\$ (367,738)
District's portion of the Plan's total net pension asset/(liability)	0.0075136%	0.032157%
Change in proportion since prior Measurement date	\$ (274,113)	\$ (310,847)

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. Pension Plans (continued)

For the year ended June 30, 2024 the District's recognized pension expense of \$473,480 for ERS and \$1,081,822 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	\$ 356,342	\$ 891,668	\$ 30,166	\$ 2,204
Changes of assumptions	418,272	791,730	-	172,553
Net difference between projected and actual earnings on pension plan investments	-	187,981	540,427	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	100,969	220,374	88,310	1,409
District's contributions subsequent to the measurement date	76,398	626,107	-	-
Total	\$ <u>951,981</u>	\$ <u>2,717,860</u>	\$ <u>658,903</u>	\$ <u>176,166</u>

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. 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	\$ -	\$ 197,299
2025	(209,103)	(144,331)
2026	208,317	1,523,840
2027	323,785	148,706
2028	(106,319)	116,745
Thereafter	-	73,328

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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. Pension Plans (continued)

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 MP2020 for June 30, 2021, 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 weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation.

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:

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. Pension Plans (continued)

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
	<u>100.0%</u>	

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
	<u>100.0%</u>	

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

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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. Pension Plans (continued)

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

The following presents the District's proportionate share of the 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:

	1% Decrease (4.90%)	Current discount rate (5.90%)	1% Increase (6.90%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (3,478,357)	\$ (1,106,312)	\$ 874,838
TRS	1% Decrease (5.95%)	Current discount rate (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (5,600,841)	\$ (367,738)	\$ 4,033,527

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 \$473,480 for ERS and \$1,081,822 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%

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 9. 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 \$76,398.

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 \$729,922.

Note 10. 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	150
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	136
	<u>286</u>

Net OPEB liability

The District's total OPEB liability of \$81,288,417 was measured as July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 10. 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	2.7%
Salary Increases	3.5%
Discount Rate	3.65%
Healthcare Cost Trend Rates	7.80% for 2025, decreasing each year to an ultimate rate of 34.14% for 2094 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	\$ 76,135,652
<u>Changes for the Year -</u>	
Service Cost	2,848,984
Interest	2,752,855
Changes of benefit terms	-
Differences between expected and actual experience	(2,684,807)
Changes in assumptions or other inputs	4,676,463
Benefits payments	(2,440,730)
Net Changes	<u>5,152,765</u>
Balance at July 1, 2023	\$ <u>81,288,417</u>

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 10. 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	\$ 96,466,464	\$ 81,288,417	\$ 69,323,337

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

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 68,335,363	\$ 81,288,417	\$ 98,235,983

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 \$7,587,037.

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	\$ 1,095,225	\$ 2,232,819
Changes of assumptions or other inputs	9,714,235	6,857,670
Employer contribution subsequent to the measurement date (Expected employer contribution including implicit subsidy)	2,537,722	-
Total	\$ 13,347,182	\$ 9,090,489

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

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 10. Post-Employment Benefits (continued)

<u>Fiscal Year Ended:</u>	<u>Amount</u>
2025	\$ 2,387,444
2026	2,075,637
2027	(137,600)
2028	(546,473)
2029	(512,422)
2030 and thereafter	(1,547,615)

Note 11. Unrestricted Net Position

Unrestricted net position in the governmental activities consists of the following at June 30, 2024:

Designated for subsequent year's expenditures	\$ 250,000
Reserved for encumbrances	12,186
Reserved for School Food Service Fund	5,036
Unreserved	(76,078,816)
Total unrestricted net position	\$ <u>(75,811,594)</u>

Note 12. Commitments and Contingencies

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Franklin-Essex-Hamilton 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.

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.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements

Note 14. Prior Period Adjustment

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the District determined the due to other funds in the Special Aid Fund were incorrectly stated. Therefore, due to other funds in the Capital Projects Fund was overstated by \$7,242 and due from other funds in the General Fund was overstated by \$7,242. The effect of correcting that error is shown in the table below.

		Reporting Units Effected by Adjustments to and Restatements of Beginning Balances	
		Funds	
		Special Aid Fund	General Fund
6/30/23, as previously stated	\$	(7,242)	\$ 2,603,955
Error correction		7,242	(7,242)
6/30/24, as restated	\$	<u>-</u>	<u>\$ 2,596,713</u>

Note 15. Subsequent Events

The District has evaluated events and transactions that occurred between June 30, 2024 and November 6, 2024 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

TUPPER LAKE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - 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	\$ 9,548,000	\$ 9,548,000	\$ 9,009,617	\$ -	\$ (538,383)
Other tax items	63,000	63,000	587,030	-	524,030
Charges for services	23,500	23,500	6,006	-	(17,494)
Use of money and property	5,000	5,000	11,205	-	6,205
Miscellaneous	272,320	272,320	430,756	-	158,436
Total local sources	9,911,820	9,911,820	10,044,614	-	132,794
State sources	10,860,478	11,823,978	10,620,640	-	(1,203,338)
Federal sources	963,500	-	-	-	-
OTHER FINANCING SOURCES:					
Transfer from other funds	227,982	227,982	-	-	(227,982)
Total revenues and other financing sources	21,963,780	21,963,780	20,665,254	-	(1,298,526)
EXPENDITURES:					
General support:					
Board of education	20,550	14,550	14,053	-	497
Central administration	207,453	247,453	234,740	-	12,713
Finance	999,635	1,553,315	1,166,443	-	386,872
Staff	30,000	37,736	17,262	-	20,474
Central services	1,412,242	1,568,124	1,288,188	2,778	277,158
Special items	452,243	616,404	467,667	-	148,737
Total general support	3,122,123	4,037,582	3,188,353	2,778	846,451
Instruction:					
Instruction, administration and improvement	793,791	661,179	391,791	-	269,388
Teaching - regular school	4,408,029	5,235,742	4,472,445	-	763,297
Programs for handicapped children	3,474,894	3,897,618	2,892,446	-	1,005,172
Instructional media	540,252	1,011,634	655,938	6,810	348,886
Pupil services	976,137	1,575,888	1,044,028	-	531,860
Total instruction	10,193,103	12,382,061	9,456,648	6,810	2,918,603
Pupil transportation	772,796	809,534	640,749	-	168,785
Employee benefits	6,754,885	3,878,792	5,666,057	2,598	(1,789,863)
Debt service:					
Principal	1,156,283	1,156,283	1,110,545	-	45,738
Interest	264,590	322,990	299,310	-	23,680
OTHER FINANCING USES:					
Transfers to other funds	120,000	210,500	71,841	-	138,659
Total expenditures and other financing uses	22,383,780	22,797,742	20,433,503	12,186	2,352,053
Excess of revenues and other sources over expenditures and other uses	\$ (420,000)	\$ (833,962)	\$ 231,751	\$ (12,186)	\$ 1,053,527

See Independent Auditor's Report.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	07/1/2023	07/1/2022	07/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB (Other Post-Employment Benefit) liability							
Service cost	\$ 2,848,984	\$ 2,884,783	\$ 2,748,454	\$ 1,903,875	\$ 2,047,069	\$ 2,382,508	\$ 3,185,197
Interest	2,752,855	1,774,216	1,824,290	2,243,230	2,208,126	2,059,778	2,126,584
Differences between expected and actual experience	(2,684,807)	-	199,359	-	4,135,210	-	(7,544,302)
Changes of assumptions and other inputs	4,676,463	(7,340,836)	(2,284,734)	15,548,499	749,860	(2,433,791)	(12,732,211)
Benefit payments	<u>(2,440,730)</u>	<u>(2,410,022)</u>	<u>(2,116,858)</u>	<u>(2,054,002)</u>	<u>(1,870,609)</u>	<u>(1,792,618)</u>	<u>(1,474,430)</u>
Net change in total OPEB liability	5,152,765	(5,091,859)	370,511	17,641,602	7,269,656	215,877	(16,439,162)
Total OPEB liability - beginning	<u>76,135,652</u>	<u>81,227,511</u>	<u>80,857,000</u>	<u>63,215,398</u>	<u>55,945,742</u>	<u>55,729,865</u>	<u>72,169,027</u>
Total OPEB liability - ending	<u>\$ 81,288,417</u>	<u>\$ 76,135,652</u>	<u>\$ 81,227,511</u>	<u>\$ 80,857,000</u>	<u>\$ 63,215,398</u>	<u>\$ 55,945,742</u>	<u>\$ 55,729,865</u>
Covered payroll	<u>\$ 6,544,430</u>	<u>\$ 6,425,799</u>	<u>\$ 5,875,826</u>	<u>\$ 8,333,574</u>	<u>\$ 8,706,641</u>	<u>\$ 7,614,890</u>	<u>\$ 7,512,344</u>
Total OPEB liability as a percentage of covered payroll	1242%	1185%	1382%	970%	726%	735%	742%

See Independent Auditor's Report.

TUPPER LAKE CENTRAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)
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	6/30/2015
Proportion of the net pension asset or liability	0.032157%	0.035363%	0.035824%	0.03712%	0.037121%	0.037967%	0.038253%	0.036843%	0.037378%
Proportionate share of the net pension asset (liability) \$	(367,738) \$	(678,585) \$	6,207,947 \$	(1,025,761) \$	(1,025,761) \$	686,534 \$	290,762 \$	(394,601) \$	3,882,345
Covered-employee payroll	\$ 6,544,430	\$ 6,216,206	\$ 6,425,799	\$ 6,133,965	\$ 6,466,075	\$ 6,302,174	\$ 6,295,439	\$ 6,061,868	\$ 5,685,203
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.6%	10.9%	96.6%	16.7%	15.9%	10.9%	4.6%	6.5%	68.3%
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	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
Proportion of the net pension asset or liability	0.0075136%	0.0064370%	0.0070085%	0.0069971%	0.0070065%	0.0064757%	0.0058555%	0.0060018%	0.0050723%
Proportionate share of the net pension asset (liability) \$	(1,106,312) \$	(1,380,425) \$	572,917 \$	(6,967) \$	(1,855,368) \$	(458,825) \$	(188,983) \$	(563,940) \$	(814,114)
Covered-employee payroll	\$ 2,099,461	\$ 4,602,899	\$ 2,014,886	\$ 1,242,571	\$ 2,240,566	\$ 1,684,837	\$ 1,691,018	\$ 1,567,958	\$ 1,483,569
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.7%	30.0%	28.4%	0.3%	87.4%	22.6%	10.3%	31.7%	55.7%
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%

See Independent Auditor's Report.

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

Teachers' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 626,107	\$ 611,128	\$ 613,943	\$ 579,469	\$ 558,238	\$ 606,063	\$ 710,451	\$ 710,451	\$ 984,244
Contributions in relation to the contractually required contribution	\$ <u>626,107</u>	\$ <u>611,128</u>	\$ <u>613,943</u>	\$ <u>579,469</u>	\$ <u>558,238</u>	\$ <u>606,063</u>	\$ <u>710,451</u>	\$ <u>710,451</u>	\$ <u>984,244</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 6,544,430	\$ 6,216,206	\$ 6,425,799	\$ 6,133,965	\$ 6,466,075	\$ 6,302,174	\$ 6,295,439	\$ 6,061,868	\$ 5,685,203
Contributions as a percentage of covered-employee payroll	9.6%	9.8%	9.6%	10.0%	9.3%	10.6%	9.8%	13.2%	17.2%

Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 255,518	\$ 200,663	\$ 283,759	\$ 274,323	\$ 244,417	\$ 222,538	\$ 210,995	\$ 246,283	\$ 184,303
Contributions in relation to the contractually required contribution	\$ <u>255,518</u>	\$ <u>200,663</u>	\$ <u>283,759</u>	\$ <u>274,323</u>	\$ <u>244,417</u>	\$ <u>222,538</u>	\$ <u>210,995</u>	\$ <u>246,283</u>	\$ <u>184,303</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 2,099,461	\$ 4,602,899	\$ 2,014,886	\$ 1,242,571	\$ 2,240,566	\$ 1,684,837	\$ 1,691,018	\$ 1,567,958	\$ 1,483,569
Contributions as a percentage of covered-employee payroll	12.2%	4.4%	14.1%	15.5%	13.5%	12.8%	12.3%	13.5%	22.0%

See Independent Auditor's Report.

TUPPER LAKE CENTRAL SCHOOL DISTRICT
Schedule of Change from Adopted Budget to Final Budget
and Section 1318 of the Real Property Tax Law Limit Calculation
Year Ended June 30, 2024

Change from adopted budget to final budget

Adopted budget	\$ 22,383,780
Additions:	
Prior year encumbrances	<u>413,963</u>
Final budget	\$ <u><u>22,797,743</u></u>

Section 1318 of the Real Property Tax Law Limit Calculation

2024-2025 expenditure budget	\$ 21,918,837
Maximum allowed (4% of 2024-2025 budget)	<u>876,753</u>

Unrestricted fund balance:	
Assigned fund balance	\$ 262,186
Unassigned fund balance	<u>1,456,335</u>
Total unrestricted fund balance	\$ <u><u>1,718,521</u></u>

Less:	
Appropriated fund balance	\$ 250,000
Encumbrances included in committed and assigned fund balance	<u>12,186</u>
Total adjustments	\$ <u><u>262,186</u></u>

General Fund fund balance subject to section 1318 of the real property tax law	\$ <u><u>1,456,335</u></u>
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Actual percentage	6.6%
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See Independent Auditor's Report.

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

Capital assets, net	\$ 4,106,936
Deduct:	
Short-term portion of bonds and notes payable	1,065,430
Long-term portion of bonds and notes payable	<u>5,519,716</u>
Net investment in capital assets	\$ <u><u>(2,478,210)</u></u>

See Independent Auditor's Report.

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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 Tupper Lake 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 Tupper Lake 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 Opinions

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 Tupper Lake 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 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 Tupper Lake 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 Tupper Lake 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 6, 2024

TUUPPER LAKE CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Fund
Statement of Assets, Liabilities, and Fund Balance - Cash Basis
Year Ended June 30, 2024

Assets	
Cash	\$ <u>88,332</u>
Total assets	\$ <u><u>88,332</u></u>
Net position	
Reserve for extraclassroom activities	\$ <u>88,332</u>
Total net position	\$ <u><u>88,332</u></u>

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

TUPPER LAKE 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
Band/Chorus	\$ 8,255	\$ 15,385	\$ 8,454	\$ 15,186
Baseball Club	1,622	-	1,599	23
Boys Basketball	843	1,130	-	1,973
Cheerleaders	452	-	-	452
Class of 2022	11	-	11	-
Class of 2023	849	189	1,038	-
Class of 2024	5,584	52,939	58,523	-
Class of 2025	1,828	7,441	2,502	6,767
Class of 2026	1,717	2,806	1,169	3,354
Class of 2027	-	5,405	-	5,405
Drama Club	12,155	4,067	3,922	12,300
Friends of Rachel	151	290	78	363
Girls Basketball	1,884	1,104	1,629	1,359
Girls Volleyball	1,409	-	-	1,409
Green Team	42	500	-	542
Indoor Track Club	288	-	-	288
Jr. Honor Society	157	-	-	157
Middle School	208	-	-	208
Musical Club	18,935	16,926	18,582	17,279
National Honor Society	526	-	272	254
NYS Tax	225	2,106	-	2,331
Outdoor Track	738	-	700	38
SADD	1,024	598	750	872
Ski Club	10,036	1,202	1,227	10,011
Softball Club	37	-	-	37
Spirit Week	49	-	-	49
Student Council	2,619	1,259	1,275	2,603
Varisty Hockey Club	216	2,110	1,450	876
Varsity Soccer Club	(2)	2	-	-
Varsity T Club	2,009	7,628	9,198	439
Varsity Volleyball Club	-	-	-	-
Video Club	198	-	-	198
Year Book	15,084	5,872	17,397	3,559
Totals	\$ 89,149	\$ 128,959	\$ 129,776	\$ 88,332

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

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

As Tupper Lake 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 Tupper Lake 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 6, 2024 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

