

June 30, 2025

ERRATUM NOTICE

TO THE PRELIMINARY OFFICIAL STATEMENT DATED JUNE 25, 2025
RELATING TO THE ISSUANCE OF

\$7,867,408

LAKE GEORGE CENTRAL SCHOOL DISTRICT
WARREN AND WASHINGTON COUNTIES, NEW YORK

GENERAL OBLIGATIONS

\$7,867,408 Bond Anticipation Notes, 2025
(the "Notes")



Dated: July 17, 2025

Due: July 17, 2026

Please be advised that the Preliminary Official Statement for the above referenced issue, which is selling via competitive bid on Tuesday, July 1, 2025 at 10:30 A.M., has been revised as follows:

The "APPENDIX-D" to the Preliminary Official Statement dated June 25, 2025 erroneously included the District's Audited Financial Statement for the fiscal year ended June 30, 2005.

The "APPENDIX-D" to the Preliminary Official Statement has now been updated to include the District's Audited Financial Statement for the fiscal year ended June 30, 2024 as intended.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 25, 2025

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein regarding certain other tax considerations.

The Notes will be designated as or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$7,867,408

**LAKE GEORGE CENTRAL SCHOOL DISTRICT
WARREN AND WASHINGTON COUNTIES, NEW YORK**



GENERAL OBLIGATIONS

\$7,867,408 Bond Anticipation Notes, 2025
(the "Notes")

Dated: July 17, 2025

Due: July 17, 2026

The Notes are general obligations of the Lake George Central School District, Warren and Washington Counties, New York, (the "District" or "School District") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes are not subject to redemption prior to maturity.**

At the option of the purchaser(s), the Notes will be issued as registered notes registered in the name of the purchaser or in book-entry-only form. If such Notes are issued as registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the offices of the District. The purchaser(s) shall have the right to designate a bank or banks located and authorized to do business in the State of New York as the place or places for the payment of the principal and interest on the Notes. Any related bank fees are to be paid by the purchaser(s). A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

If the purchaser(s) notifies Bond Counsel by 3:00 P.M., prevailing time on the date of sale, such Notes may be issued in the form of book-entry-only notes, in denominations corresponding to the aggregate principal amount for each Note bearing the same rate of interest and CUSIP number. In the event that the purchaser(s) choose book-entry-only notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination. Principal of and interest on the Notes will be payable by the District by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about July 17, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 1, 2025 until 10:30 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

July __, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "MATERIAL EVENT NOTICES" HEREIN.

**LAKE GEORGE CENTRAL SCHOOL DISTRICT
WARREN AND WASHINGTON COUNTIES, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

KATIE BRUENING

President

MARYANNE MACKENZIE

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ROSEMARIE EARL
MARIO FASULO
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* * * * *

JOHN LUTHRINGER

Superintendent of Schools

BONNIE HART

Business Administrator

RENE PALMER

School District Treasurer



Bond Counsel



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisors

No person has been authorized by the Lake George Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs Lake George Central School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
LAKE GEORGE CENTRAL SCHOOL DISTRICT
WARREN AND WASHINGTON COUNTIES, NEW YORK

Relating To
\$7,867,408 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Lake George Central School District, Warren and Washington Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$7,867,408 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated July 17, 2025 and mature, without option of prior redemption, on July 17, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

If the Notes are issued registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the office of the District. The purchaser(s) shall have the right to designate a bank or banks located and authorized to do business in the State of New York as the place or places for the payment of the principal and interest on the Notes. Any related bank fees are to be paid by the purchaser(s). In such case, the Notes will be registered in the name of the purchaser(s) and a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to each purchaser at such interest rate.

If the purchaser notifies Bond Counsel by 3:00 P.M., prevailing time on the date of sale, such Notes may be issued in the form of book-entry-only notes, in denominations corresponding to the aggregate principal amount for each Note bearing the same rate of interest and CUSIP number. In the event that the purchaser chooses book-entry-only notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination as may be determined by the successful bidder(s). Principal of and interest on the Notes will be payable by the District by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to:

(i) a bond resolution adopted by the Board of Education on October 8, 2024 authorizing the issuance of not to exceed \$9,500,000 aggregate principal amount of general obligation bonds and notes and the expenditure of \$4,000,000 from the District's Capital Reserve Fund to finance the construction of a new transportation facility, including infrastructure and site work improvements, and acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such facility is to be used (the "Capital Project"), at a maximum aggregate cost of \$13,500,000.

(ii) various bond resolutions adopted by the Board of Education authorizing the issuance of general obligation bonds and notes to finance the acquisition of school buses.

Proceeds of the Notes in the amount of \$7,500,000 will provide new money for the Capital Project.

Proceeds of the Notes in the amount of \$367,408, together with \$181,348 in available monies of the District, will redeem and renew, in part, \$548,756 bond anticipation notes maturing on July 18, 2025 and originally issued to finance the acquisition of school buses.

NATURE OF OBLIGATION

The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof.

Holders of any series of notes or bonds of the School District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the School District and will contain a pledge of the faith and credit of the School District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the School District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the School District's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to

prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form with a single note certificate issued for the Notes. Principal of and interest on the Notes will be payable at the option of the District at the office of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount held by each owner at such interest rate. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, which was centralized in 1950, has an area of approximately 64 square miles and is located in the eastern Adirondack Mountains State Park, about halfway between New York City and Montreal, Canada and about 55 miles north of Albany. The community is known as a resort-recreation area, the main attraction of which is Lake George itself. In addition, there are beaches, parks, hiking and biking trails, amusement centers, golf courses, historic Revolutionary War sites and museums, and numerous restaurants and lodging facilities. In addition to employment in the District, residents commute to Glens Falls, Saratoga Springs, and other commercial, industrial and public service establishments in the surrounding area and the Capital District Region. Interstate Route 87 (the Northway), New York State Routes 9 and 9N and a network of local roads serve the District.

Source: District officials.

District Population

The District has an estimated 2023 population of 6,463. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

Larger Employers

<u>Name</u>	<u>Type of Service</u>	<u>Employees</u>
Warren County	Municipal Government	900 (Includes Sheriff's Dept)
Fort William Henry Corporation	Hotels & Amusement	100 FT 300 Seasonal
Lake George Central School District	Public Education	194
Great Escape Theme Park	Amusement Park	70 ⁽¹⁾
Town of Lake George	Municipal Government	49 (Includes summer employees)

⁽¹⁾ Represents year-round full-time employees. There are 1,200-1,500 seasonal part-time employees during the months of July and August.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and the Counties listed below. The figures set below with respect to such Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Bolton	\$ 29,269	\$ 52,884	\$ 64,560	\$ 66,094	\$118,472	\$ 116,094
Fort Ann	12,915	21,721	27,536	58,676	83,125	92,557
Lake George	34,350	33,781	46,122	71,581	87,279	117,532
Queensbury	30,450	45,308	51,716	74,424	104,186	116,921
County of:						
Warren	27,744	38,740	46,191	64,195	86,250	102,500
Washington	22,347	29,014	35,496	57,360	69,659	84,756
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau 2006-2010, 2016-2020 and 2019-2023 American Community Survey 5-Year Estimates data.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which include the District) are the Counties of Washington and Warren. The information set forth below with respect to the Counties and State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties or State are necessarily representative of the District, or vice versa.

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Warren County	4.6%	4.3%	8.0%	4.9%	3.5%	3.5%	3.7%
Washington County	4.0	3.8	6.8	4.6	3.2	3.2	3.4
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Warren County	4.9%	5.2%	4.5%	3.4%	2.8%	N/A
Washington County	4.3	4.6	4.1	3.0	2.6	N/A
New York State	4.6	4.3	4.1	3.7	3.5	N/A

Note: Unemployment rates for June 2025 are unavailable as of the date of this Official Statement

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education which is the policy-making body of the School District consists of seven members. Each Board member must be a qualified voter of the School District and no Board member may hold certain other School District offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 320 yes to 78 no. The adopted budget included a total tax levy increase of 2.69%, which was within the District’s Tax Cap of 2.69% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 351 yes to 68 no. The adopted budget includes a total tax levy increase of 2.16%, which is within the District’s Tax Cap of 2.17% for the 2025-26 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District does not invest in so-called “derivatives” including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 9.9% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also “MARKET AND RISK FACTORS”).

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State’s financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of the State’s fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal aid received by the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-26 preliminary building aid ratios, the District expects to receive State building aid of approximately 10.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State’s 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State’s 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State’s 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State’s 2024-25 Enacted Budget maintained the “save harmless” provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State’s 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State’s 2025-26 Enacted Budget includes approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State’s 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

Provisions in the State’s 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a “general fund imbalance” has or is expected to occur in fiscal year 2025-26. Specifically, the State’s 2025-26 Enacted Budget provides that a “general fund imbalance” has occurred, and the State Budget Director’s powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State’s 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York (“CFE”) mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of the CFE decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in Foundation Aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision

except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the *NYSER* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years, as well as budgeted figures for the 2024-25 and 2025-26 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 22,847,618	\$ 2,448,288	10.72%
2020-2021	22,886,631	2,139,234	9.34
2021-2022	23,318,217	2,353,299	10.09
2022-2023	24,137,034	2,269,103	9.40
2023-2024	25,209,769	2,568,597	10.19
2024-2025 (Budgeted)	24,850,322 ⁽¹⁾	2,444,830	9.84
2025-2026 (Budgeted)	25,425,922 ⁽²⁾	2,507,922	9.86

⁽¹⁾ Does not include \$467,077 of appropriated fund balance and \$150,000 use of reserves.

⁽²⁾ Does not include \$460,000 of appropriated fund balance and \$414,000 use of reserves.

Source: 2019-20 through and including 2023-24 audited financial statements of the District and the adopted budgets of the District for the 2024-25 and 2025-26 fiscal years. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Lake George Jr.-Sr. High School	7-12	734	1926, 2002
Elementary School	K-6	837	1968, 2002
Bus Garage and Track	N/A	N/A	1968, 2002

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-21	704	2025-26	580
2021-22	653	2026-27	565
2022-23	630	2027-28	550
2023-24	605	2028-29	530
2024-25	597	2029-30	520

Source: District officials.

Employees

The District employs approximately 153 full-time and 9 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

<u>Members</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
101	Lake George Education Association	June 30, 2028
37	Lake George Staff Association	June 30, 2026
13	CSEA – Transportation Employees	June 30, 2028
3	Lake George Administration Association	June 30, 2029

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement 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 benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figure for the 2025-26 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	\$ 318,944	\$ 864,910
2021-22	303,566	856,633
2022-23	258,950	877,296
2023-24	287,692	825,219
2024-25 (Actual)	317,723	852,877
2025-26 (Budgeted)	350,000	900,000

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not offer any early retirement incentive programs for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2025-26) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

* Estimated. Final contribution rate expected to be adopted at the July 31, 2025 TRS Retirement Board meeting.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Bouchey, Millet & Schafer Benefit Consulting, LLC to calculate its actuarial valuation under GASB 75. The following table outlines the changes to the Total OPEB Liability during the 2023 and 2024 fiscal years, by source.

Balance ending at:	<u>June 30, 2022</u>	<u>June 30, 2023</u>
	\$ 75,437,384	\$ 65,835,937
<u>Changes for the year:</u>		
Service cost	1,960,279	1,457,680
Interest on total OPEB liability	1,629,374	2,317,041
Changes in Benefit Terms	-	-
Differences between expected and actual experience	1,248,251	-
Changes in Assumptions or other inputs	(12,472,222)	(939,756)
Benefit payments	<u>(1,967,129)</u>	<u>(2,223,257)</u>
Net Changes	<u>\$ (9,601,447)</u>	<u>\$ 611,708</u>
Balance ending at:	<u>June 30, 2023</u>	<u>June 30, 2024</u>
	<u>\$ 65,835,937</u>	<u>\$ 66,447,645</u>

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX - D" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – D". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to this Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Source: District officials.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There have been no State Comptroller's audits of the District released within the past five years, nor are there any that are currently in progress or pending release at this time.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible to Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The classifications of the District for the 2021-22 through 2023-24 fiscal years are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	Susceptible	0.0
2023	Susceptible	0.0
2022	No Designation	0.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notices with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Valuations

<u>Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Lake George	\$ 1,340,693,514	\$ 1,346,074,875	\$ 1,366,641,857	\$ 1,353,575,353	\$ 1,366,952,240
Bolton	204,566,964	200,954,501	199,520,417	204,062,053	205,878,120
Fort Ann	273,255,500	274,689,627	314,064,919	313,281,721	545,560,022
Queensbury	<u>1,347,296,502</u>	<u>1,441,068,930</u>	<u>1,460,418,266</u>	<u>1,468,284,615</u>	<u>1,894,996,259</u>
Total Assessed Values	<u>\$ 3,165,812,480</u>	<u>\$ 3,165,812,480</u>	<u>\$ 3,340,645,459</u>	<u>\$ 3,339,203,742</u>	<u>\$ 4,013,386,641</u>
State Equalization Rates					
Towns of:					
Lake George	100.00%	100.00%	90.00%	84.00%	80.00%
Bolton	100.00%	100.00%	90.00%	75.00%	77.00%
Fort Ann	97.50%	95.00%	85.00%	75.00%	100.00% ⁽¹⁾
Queensbury	<u>100.00%</u>	<u>100.00%</u>	<u>90.00%</u>	<u>85.00%</u>	<u>100.00% ⁽¹⁾</u>
Total Full Valuation	<u>\$ 3,172,819,031</u>	<u>\$ 3,277,245,282</u>	<u>\$ 3,732,355,407</u>	<u>\$ 4,028,584,593</u>	<u>\$ 4,416,620,763</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Lake George	\$ 6.37	\$ 6.24	\$ 6.24	\$ 6.34	\$ 6.23
Bolton	6.37	6.24	6.24	7.10	6.48
Fort Ann	6.53	6.57	6.61	7.10	4.99 ⁽¹⁾
Queensbury	6.37	6.24	6.24	6.26	4.99 ⁽¹⁾

Source: District officials.

Tax Collection Procedure

Taxes are payable during September without penalty. A 2% penalty is added for the month of October and an additional 1% for November 1 through November 5. On November 15, all unpaid taxes are turned over to the County Treasurers to be relieved on the property tax bill. The responsibility for collection of unpaid taxes rests with the Counties. The District is reimbursed by the County Treasurers on or before April 1 of each year. The School District is therefore assured of 100% tax collection.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 20,210,000	\$ 20,457,142	\$ 20,966,388	\$ 21,452,591	\$ 22,030,000
Amount Uncollected	-	-	-	-	-
% Uncollected	0.000%	0.000%	0.000%	0.000%	0.000%

⁽¹⁾ The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years, as well as budgeted figures for the 2024-25 and 2025-26 fiscal years comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 22,847,618	\$ 19,912,991	87.16%
2020-2021	23,128,255	20,213,217	87.40
2021-2022	23,318,217	20,451,898	87.71
2022-2023	24,137,034	20,982,613	86.93
2023-2024	25,209,769	21,546,590	85.47
2024-2025 (Budgeted)	24,850,322 ⁽¹⁾	22,121,244	89.02
2025-2026 (Budgeted)	25,425,922 ⁽²⁾	22,623,000	88.98

⁽¹⁾ Does not include \$467,077 of appropriated fund balance and \$150,000 use of reserves.

⁽²⁾ Does not include \$460,000 of appropriated fund balance and \$414,000 use of reserves.

Source: 2019-20 through and including 2023-24 audited financial statements of the District and the adopted budgets of the District for the 2024-25 and 2025-26 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-25 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$ 42,282,648
State of New York	State Lands	39,819,890
HWP Development, LLC	Hotel and Water Park	22,415,000
Lake George RV Park Inc. ⁽¹⁾	Mobile Home Park	16,209,900
Harris Bay Yacht Club ⁽¹⁾	Marina	13,564,000
Westbrook Senior Residences	Apartments	13,173,000
Great Escape Theme Park	Amusement Park	12,963,000
J.H. Land Development LLC	Residences/MH Park/Forest	12,251,600
Kenny & Dittrich Amherst, LLC	Hotel	11,250,000
Jeffrey Edwards	Residential	10,956,700

⁽¹⁾ Pending tax certiorari claim outstanding.

The ten largest taxpayers listed above have a taxable assessed valuation of \$194,885,738 which represents 4.86% of the tax base of the School District.

The District experiences the impact of tax certiorari filings on occasion. Two townships within the District recently underwent reassessments, resulting in equalization rates being set at 100%. Consequently, the District has experienced significantly higher numbers of small claims assessment reviews and Article 7 petitions than usual. The District's legal counsel has reviewed each petition and continues to advise the District on potential settlements. Currently, negotiations between legal representatives are ongoing, but no agreements have been finalized. The District has established and funded a Tax Certiorari Reserve Fund to ensure any judgment or settlement will not negatively impact the financial position and budgetary requirements of the District. At this time, the District estimates that its tax certiorari reserve is sufficient to offset any potential tax refund liabilities related to these petitions and such petitions, if decided adversely to the District, are not currently known or expected to have a material adverse impact on the District's finances.

Source: District Tax Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

The below table lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Lake George	\$ 68,880	\$ 24,000	4/10/2025
Bolton	66,300	23,100	4/10/2025
Fort Ann	90,430	35,800	4/10/2025
Queensbury	86,100	30,000	4/10/2025

\$272,346 of the District’s \$22,030,000 school tax levy for 2024-25 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2025.

The District anticipates a similar amount of its tax levy to be exempted by the STAR for 2025-26.

Additional Tax Information

Additional Tax Information for the Town of Fort Ann:

- Total taxable assessed valuation of the School District is estimated to be categorized as follows: Residential – 63%, Vacant – 32%, Commercial - 2%, and Other - 3%.
- The estimated total annual property tax bill of a \$1,772,709 market-value residential property located in the School District is approximately \$26,197 including School District taxes.

Additional Tax Information for the Towns of Lake George:

- Total assessed valuation of the School District is estimated to be categorized as follows: Residential-67%, Commercial-24%, Other-5% and Vacant Lands - 4%.
- The estimated total annual property tax bill of a \$578,090 market-value residential property located in the School District is approximately \$5,598 including School District taxes.

Additional Tax Information for the Town of Bolton:

- Total assessed valuation of the School District is estimated to be categorized as follows: Residential-69%, Commercial-7%, Other-17% and Vacant Lands - 7%.
- The estimated total annual property tax bill of a \$1,702,672 market-value residential property located in the School District is approximately \$14,711 including School District taxes.

Additional Tax Information for the Town of Queensbury:

- Total assessed valuation of the School District is estimated to be categorized as follows: Residential-83%, Commercial-8%, Other-5% and Vacant Lands – 4%.
- The estimated total annual property tax bill of a \$794,358 market-value residential property located in the School District is approximately \$9,076 including School District taxes.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011 was enacted on June 24, 2011 (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district’s calculation of each fiscal year’s tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Bonds.

See "State Aid" for a discussion of the *New Yorkers for Students' Educational Rights v. State of New York* case which includes a challenge to the supermajority requirements regarding school district property tax increases.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

Purpose and Pledge. The School District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The School District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Board of Education, as the finance board of the School District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the School District, pursuant to the Local Finance Law.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 3,895,000	\$ 6,585,000	\$ 6,025,000	\$ 5,390,000	\$ 4,735,000
Bond Anticipation Notes	493,625	568,600	496,519	453,431	597,933
Revenue Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 4,388,625</u>	<u>\$ 7,081,519</u>	<u>\$ 6,521,519</u>	<u>\$ 5,843,431</u>	<u>\$ 5,332,933</u>

Source: Audited financial statements of the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 25, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2035	\$ 4,065,000
<u>Bond Anticipation Notes</u>		
Purchase of Buses	July 9, 2025	<u>548,756</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 4,613,756</u>

⁽¹⁾ To be redeemed and renewed in part, at maturity, with proceeds of the Notes together with \$181,348 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 25, 2025:

Full Valuation of Taxable Real Property	\$ 4,416,620,763
Debt Limit 10% thereof	441,662,076

Inclusions:

Bonds.....	\$ 4,065,000
Bond Anticipation Notes (BANs):.....	<u>548,756</u>
Total Inclusions prior to issuance of the Notes	<u>4,613,756</u>
Less: BANs being redeemed from appropriations	(181,348)
Add: New money proceeds of the Notes	<u>7,500,000</u>
Total Net Inclusions after issuance of the Notes	\$ 11,932,408

Exclusions:

State Building Aid ⁽¹⁾	\$ <u>0</u>
Total Exclusions.....	\$ <u>0</u>

Total Net Indebtedness <u>after issuance of the Notes</u>	\$ <u>11,932,408</u>
Net Debt-Contracting Margin	\$ <u>429,729,668</u>
The percent of debt contracting power exhausted is	2.70%

- ⁽¹⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2025-26 Building Aid Ratios, the School District anticipates State building aid of 10.0% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The District has not issued tax and/or revenue anticipation notes, nor budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Capital Project Plans

The District traditionally issues bond anticipation notes annually for the purchase of buses. The District currently has \$548,756 bond anticipation notes outstanding and maturing July 18, 2025 that were issued to finance the purchase of buses. Proceeds of the Notes in the amount of \$367,408, together with \$181,348 in available monies of the District, will redeem and renew, in part, the \$548,756 bond anticipation notes. The District will not be issuing bond anticipation notes in 2025 to provide new money to purchase school buses.

On December 6, 2022, the qualified voters of the District approved a referendum authorizing the District to issue not to exceed \$9,500,000 aggregate principal amount of general obligation bonds and notes and the expenditure of \$4,000,000 from the District’s Capital Reserve Fund to finance a capital project consisting of the construction of a new transportation facility, including infrastructure and site work improvements, acquisition of original furnishings, equipment, machinery or apparatus required for the purpose for which such facility is to be used (the “Capital Project”), at a maximum aggregate cost of \$13,500,000. Proceeds of the Notes in the amount of \$7,500,000 will provide new money for the Capital Project.

The District has no other authorized and unissued indebtedness for capital or other purposes.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Warren	3/20/2025	\$ 28,969,554 ⁽³⁾	\$ 533,229	\$ 28,436,325	24.56%	\$ 6,983,961
Washington	8/27/2024	28,969,554 ⁽³⁾	533,229	28,436,325	5.54%	1,575,372
Town of:						
Bolton	12/31/2023	133,340 ⁽⁴⁾	- ⁽⁵⁾	133,340	10.30%	13,734
Fort Ann	12/31/2023	1,148,413 ⁽⁴⁾	- ⁽⁵⁾	1,148,413	41.59%	477,625
Lake George	12/31/2023	1,007,081 ⁽⁴⁾	- ⁽⁵⁾	1,007,081	95.94%	966,194
Queensbury	12/31/2023	8,420,346 ⁽³⁾	-	8,420,346	34.68%	2,920,176
Village of:						
Lake George	5/31/2024	13,429,725 ⁽⁴⁾	- ⁽⁵⁾	13,429,725	100.00%	<u>13,429,725</u>
Total:						<u>\$ 26,366,787</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- (5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 25, 2025:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 11,932,408	\$ 1,846.26	0.27%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	38,299,195	5,925.92	0.87

- (a) The 2023 estimated population of the District is 6,463. (See "THE SCHOOL DISTRICT – District Population" herein.)
- (b) The District's full value of taxable real estate for its 2024-25 tax roll is \$4,416,620,763. (See "TAX INFORMATION – Taxable Valuations" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$26,366,787. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies

have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State’s ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State’s economy and financial condition due to the novel coronavirus (“COVID-19”) outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also “THE SCHOOL DISTRICT - State Aid”).

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District’s financial condition. These factors may have an effect on the market price of the Notes.

The District’s credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District’s credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have

been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District, could have an impact upon the market price of the Notes. See “TAX LEVY LIMITATION LAW” herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See “TAX MATTERS” herein.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

The District’s IT infrastructure was subject to a breach in July 2022. An investigation by a third-party IT Security and Compliance company found evidence of ransomware installed on a couple of servers of the District. Ransomware would have likely spread to other servers and devices had this compromise not been identified and mitigated quickly. The exploit was due to a remote code execution (RCE) vulnerability. The District immediately patched and remediated all affected servers. Evidence of data access and staging was discovered; however, no evidence of any data exfiltration was found.

Federal Policy Risk

Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State’s level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the “IRS”). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal,

state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes.

General

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. The District and others have made certain representations, certifications of fact, and statements of reasonable expectations and the District has given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations.

In the event of the inaccuracy or incompleteness of any such representations, certifications or statements of reasonable expectation, or of the failure by the District to comply with any such covenant, the interest on the Notes could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Notes, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Notes is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of the Notes. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of the Notes Bond and such Beneficial Owner's other items of income, deduction or credit. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Notes.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of the Notes may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Notes and would be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Notes, if other than the registered owner).

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Notes. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Notes may occur. Prospective purchasers of the Notes should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Bond Counsel as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts.

The Notes will be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District does not believe, however, that such suits, individually or in the aggregate, if decided adversely to the District, are likely to have a material adverse effect on the financial condition of the School District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of bonds or notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the bonds or notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of bonds and notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

The District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to Rule 15c2-12.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry only form, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. Subject to the approval of the District, the purchaser of the Notes may have a rating completed after the sale at the expense of the purchaser, including any fees to be incurred by the District, such as a rating action that may require the filing of a material event notification to EMMA.

Moody's Ratings ("Moody's") has assigned their issuer rating and underlying general obligation bond rating of "Aa2" to the District. This rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-1653.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the bonds may have an adverse effect on the market price of the bonds or the Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Barclay Damon LLP, Albany, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Bonnie Hart, School Business Administrator, 381 Canada Street, Lake George, New York 12845, Phone: (518) 668-5455, Email: hartb@lkgeorge.org.

Additional information and copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

Dated: July __, 2025

**PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSETS					
Cash - Unrestricted	\$ 3,186,223	\$ 2,506,896	\$ 2,370,222	\$ 2,552,025	\$ 2,459,809
Cash - Restricted	3,171,136	3,934,043	4,855,950	5,607,861	4,117,714
Other Receivables, net	365	3,648	6,160	6,302	1,587
Due from Other Funds	355,296	424,491	426,765	518,130	600,871
Inventories	-	-	-	-	-
State and Federal aid Receivable	137,446	169,109	186,599	98,324	120,805
Due from Other Governments	191,144	250,317	229,036	152,355	238,326
Prepaid expenses	-	-	-	-	2,222
	<u> </u>				
TOTAL ASSETS	<u>\$ 7,041,610</u>	<u>\$ 7,288,504</u>	<u>\$ 8,074,732</u>	<u>\$ 8,934,997</u>	<u>\$ 7,541,334</u>
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 798,309	\$ 396,549	\$ 363,468	\$ 491,087	\$ 422,604
Accrued Liabilities	96,688	93,386	63,813	62,723	58,896
Bond Anticipation Notes Payable	-	-	-	-	-
Due to Other Governments	26,288	34,207	34,207	7,919	-
Due to Other Funds	1,922	-	24	-	44
Due to Teachers' Retirement System	806,545	911,012	911,764	955,067	908,896
Due to Employees' Retirement System	83,268	93,962	70,135	80,564	95,182
Overpayments and collections in advance	1,589	9,423	24,740	29,307	21,294
Other Liabilities	-	33,678	32,675	18,537	20,438
	<u> </u>				
TOTAL LIABILITIES	<u>\$ 1,814,609</u>	<u>\$ 1,572,217</u>	<u>\$ 1,500,826</u>	<u>\$ 1,645,204</u>	<u>\$ 1,527,354</u>
FUND EQUITY					
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 2,222
Restricted	3,171,136	3,934,043	4,855,950	5,607,861	4,117,714
Assigned	1,099,475	825,854	761,566	689,584	877,570
Unassigned	956,390	956,390	956,390	992,348	1,016,474
	<u> </u>				
TOTAL FUND EQUITY	<u>\$ 5,227,001</u>	<u>\$ 5,716,287</u>	<u>\$ 6,573,906</u>	<u>\$ 7,289,793</u>	<u>\$ 6,013,980</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 7,041,610</u>	<u>\$ 7,288,504</u>	<u>\$ 8,074,732</u>	<u>\$ 8,934,997</u>	<u>\$ 7,541,334</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Real Property Taxes	\$ 19,520,203	\$ 19,845,716	\$ 20,107,436	\$ 20,638,652	\$ 21,165,276
Real Property Tax Items	392,788	367,501	344,462	343,961	381,314
Charges for Services	18,832	4,968	98,158	71,152	60,335
Use of Money & Property	142,468	16,869	23,560	472,011	696,510
Sale of Property and Compensation for Loss	76,726	79,941	96,776	78,633	62,161
Miscellaneous	230,795	222,277	279,863	223,597	248,355
Revenues from State Sources	2,448,288	2,139,234	2,353,299	2,269,103	2,568,597
Revenues from Federal Sources	17,518	210,125	14,663	39,925	27,221
Total Revenues	<u>\$ 22,847,618</u>	<u>\$ 22,886,631</u>	<u>\$ 23,318,217</u>	<u>\$ 24,137,034</u>	<u>\$ 25,209,769</u>
Other Sources:					
Appropriated Fund Balance	-	-	-	-	-
Transfers from Reserves	-	-	-	-	-
Total Revenues and Other Sources	<u>\$ 22,847,618</u>	<u>\$ 22,886,631</u>	<u>\$ 23,318,217</u>	<u>\$ 24,137,034</u>	<u>\$ 25,209,769</u>
EXPENDITURES					
General Support	\$ 2,387,431	\$ 2,471,489	\$ 2,375,043	\$ 2,859,175	\$ 2,872,069
Instruction	11,425,541	11,297,858	11,620,971	12,008,681	11,730,061
Pupil Transportation	568,560	608,628	689,183	773,583	845,764
Community Service	-	-	-	-	-
Employee Benefits	6,670,051	6,984,810	6,744,741	6,659,284	6,828,026
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 21,051,583</u>	<u>\$ 21,362,785</u>	<u>\$ 21,429,938</u>	<u>\$ 22,300,723</u>	<u>\$ 22,275,920</u>
Other Uses:					
Transfers to Reserves	1,107,173	1,034,560	1,030,660	1,120,424	4,209,662
Total Expenditures and Other Uses	<u>\$ 22,158,756</u>	<u>\$ 22,397,345</u>	<u>\$ 22,460,598</u>	<u>\$ 23,421,147</u>	<u>\$ 26,485,582</u>
Excess (Deficit) Revenues Over Expenditures	<u>688,862</u>	<u>489,286</u>	<u>857,619</u>	<u>715,887</u>	<u>(1,275,813)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,538,139	5,227,001	5,716,287	6,573,906	7,289,793
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 5,227,001</u>	<u>\$ 5,716,287</u>	<u>\$ 6,573,906</u>	<u>\$ 7,289,793</u>	<u>\$ 6,013,980</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2024			2025	2026
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 21,453,000	\$ 21,165,276	\$ 21,165,276	\$ 22,030,000	\$ 22,505,000
Real Property Tax Items	89,311	377,035	381,314	91,244	118,000
Charges for Services	-	50,000	60,335	25,000	6,500
Use of Money & Property	-	60,000	696,510	120,000	170,000
Sale of Property and Compensation for Loss	-	6,000	62,161	3,500	3,500
Miscellaneous	266,000	148,850	248,355	125,748	105,000
Revenues from State Sources	2,377,612	2,377,612	2,568,597	2,444,830	2,507,922
Revenues from Federal Sources	-	10,000	27,221	10,000	10,000
Total Revenues	\$ 24,185,923	\$ 24,194,773	\$ 25,209,769	\$ 24,850,322	\$ 25,425,922
Other Sources:					
Appropriated Fund Balance	622,769	472,769	-	467,077	460,000
Transfers from Reserves	-	3,503,166	-	150,000	150,000
Total Revenues and Other Sources	\$ 24,808,692	\$ 28,170,708	\$ 25,209,769	\$ 25,467,399	\$ 26,035,922
EXPENDITURES					
General Support	\$ 3,063,683	\$ 3,158,238	\$ 2,872,069	\$ 3,025,018	\$ 3,487,854
Instruction	12,325,609	12,657,711	11,730,061	12,146,576	12,442,097
Pupil Transportation	886,047	911,764	845,764	896,873	887,424
Community Service	-	-	-	-	-
Employee Benefits	7,399,353	7,233,333	6,828,026	8,221,413	8,079,888
Debt Service	-	-	-	-	-
Total Expenditures	\$ 23,674,692	\$ 23,961,046	\$ 22,275,920	\$ 24,289,880	\$ 24,897,263
Other Uses:					
Transfers to Reserves	1,134,000	4,209,662	4,209,662	1,177,519	1,138,659
Total Expenditures and Other Uses	\$ 24,808,692	\$ 28,170,708	\$ 26,485,582	\$ 25,467,399	\$ 26,035,922
Excess (Deficit) Revenues Over Expenditures	-	-	(1,275,813)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	7,289,793	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 6,013,980	\$ -	\$ -

BONDED DEBT SERVICE
(As of June 25, 2025)

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	705,000	100,831	805,831
2027	380,000	82,850	462,850
2028	390,000	70,750	460,750
2029	405,000	58,250	463,250
2030	420,000	45,038	465,038
2031	430,000	33,700	463,700
2032	255,000	24,150	279,150
2033	260,000	19,000	279,000
2034	265,000	13,750	278,750
2035	275,000	8,350	283,350
2036	280,000	2,800	282,800
TOTALS	\$ 4,065,000	\$ 459,469	\$ 4,524,469

CURRENT BONDS OUTSTANDING
(As of June 25, 2025)

Fiscal Year Ending June 30th	2010 School District Improvements			2016 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
	2025	\$ -	\$ -	\$ -	\$ -	\$ -
2026	335,000	6,281	341,281	160,000	21,850	181,850
2027	-	-	-	165,000	18,650	183,650
2028	-	-	-	165,000	15,350	180,350
2029	-	-	-	170,000	12,050	182,050
2030	-	-	-	175,000	8,438	183,438
2031	-	-	-	180,000	4,500	184,500
TOTALS	\$ 335,000	\$ 6,281	\$ 341,281	\$ 1,015,000	\$ 80,838	\$ 1,095,838

Fiscal Year Ending June 30th	2020 School District Improvements		
	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	210,000	72,700	282,700
2027	215,000	64,200	279,200
2028	225,000	55,400	280,400
2029	235,000	46,200	281,200
2030	245,000	36,600	281,600
2031	250,000	29,200	279,200
2032	255,000	24,150	279,150
2033	260,000	19,000	279,000
2034	265,000	13,750	278,750
2035	275,000	8,350	283,350
2036	280,000	2,800	282,800
TOTALS	\$ 2,715,000	\$ 372,350	\$ 3,087,350

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the securities, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the Notes
- (g) modifications to rights of security holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the securities
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The School District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the School District’s obligations under its material event notices undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser at closing.

**LAKE GEORGE CENTRAL SCHOOL DISTRICT
WARREN AND WASHINGTON COUNTIES, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Such audited financial report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

LAKE GEORGE
CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2024

LAKE GEORGE CENTRAL SCHOOL DISTRICT

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RAYMOND G. PREUSSER, CPA, P.C.

Certified Public Accountants

P.O. Box 538

Claverack, New York 12513

Telephone: (518) 851-6650

Fax: (518) 851-6675

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Lake George Central School District:

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

Opinions

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary funds of the Lake George Central School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lake George 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Lake George Central School

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

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic 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 basic 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 Lake George Central School District's internal control. Accordingly, no such opinion is expressed.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake George 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 auditing findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of changes in the total OPEB liability, the District's proportionate share of the net pension asset/liability, and District contributions on pages M1-M11 and 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Lake George Central School District's basic financial statements as a whole. The other supplementary information comprises the additional analysis and is not a required part of the financial statements, but is supplementary information required by the New York State Education Department. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024 on our consideration of the Lake George 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 this report is 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 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 Lake George Central School District's internal control over financial reporting and compliance.

Raymond G. Preusser, CPA, P.C.

Claverack, New York
September 17, 2024

**Lake George Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

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

FINANCIAL HIGHLIGHTS

- Long-range financial planning for fiscal health requires planning for upgrades, repairs and maintenance of facilities. District voters approved the establishment of a capital reserve to provide funding for necessary capital work in the future, including the new transportation facility. This reserve has a maximum funding amount of \$2.5 million, and a maximum life of 10 years. For the year ended June 30, 2024, the balance in the reserve is \$18,233. The maximum funding amount for this reserve has been reached.

- The voters approved a proposition on May 17, 2022 authorizing the establishment of another capital reserve fund in the amount of \$10 million, with a maximum life of 10 years. District voters approved the establishment of a capital reserve to provide funding for necessary capital work in the future, including the new transportation facility. For the year ended June 30, 2024, the balance in the Capital Reserve 2 was \$2,511,864.

- As a result of the June 2021 unsatisfactory rating on the building condition summary and a thorough study, it was determined that building a new transportation facility was the most viable solution. During the 2022-23 year, the District successfully passed a voter referendum to 1) construction a new transportation facility, including infrastructure and site work improvements, acquire, original furnishings, equipment, machinery or apparatus required for the purpose for which such building is to be used, and pay incidental costs related thereto at a cost not to exceed \$13,500,000; (2) expend such sum for such purpose; (3) expend \$4,000,000 from the Capital Reserve Fund for such purpose; (4) levy the necessary tax therefore, to be levied and collected in annual installments in such years and in such amounts as may be determined by the Board of Education, taking into account state aid received, and (5) in anticipation of the collection of such tax, issue bonds and notes of the District at one time or from time to time in the principal amount not to exceed \$9,500,000 and levy a tax to pay the interest on said obligations when due.

- The District completed a capital outlay project in the amount of \$100,000. The job scope included replacing 3 HVAC uni-vents, including 2 ceiling units, to improve the indoor air quality at the Junior-Senior High School.

- The District has completed 93% the \$1.6 million HVAC project which improves the indoor air quality in both school buildings. The project is completely funded by Federal CRRSA and ESSER stimulus funds, in the amount of \$1.6 million. The remaining units will be completed in the Summer of 2024. The job scope includes replacing 37 HVAC uni-vents at the elementary school and 9 additional units at the Junior-Senior High School.

- Expenditures and year-end encumbrances in the General Fund totaled \$8,896,075, or 95% of budgeted items. Revenues, excluding appropriated fund balance and reserve transfers, totaled \$25,209,769, 104% of estimates.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and

			student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

DISTRICT-WIDE STATEMENTS

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

The two district-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and liabilities – are one way to measure the School District's financial health or *position*.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.
 - The Town of Queensbury completed a revaluation process in 2018, bringing their equalization rate to 100% for the September 2018, 2019, 2020 and 2021 tax rolls. The Town of Queensbury equalization rate for 2022 was 90% and for 2023 was 85%. The Towns Lake George and Bolton completed a revaluation process in 2020, bringing their equalization rates to 100% for the September 2020 and 2021 tax roll and 90% for 2022. For 2023, the equalization rate for Lake George was 84% and for

- Bolton was 75%. The equalization rate for Fort Ann was at 95% in 2021, 85% for 2022 and 75% for 2023. Apportionment of taxes to the municipalities within the District are determined in part by the equalization rate.
- The Building Condition Survey, an in-depth review of District facilities, was completed during the 2021-22 year. Utilizing this information, the District will update the Facilities Master Plan, and will fine-tune project and financing schedules for the foreseeable future. This plan is updated on an annual basis.
 - The Strategic Plan, Facilities Plan and Long Range Financial Projection are utilized by District Officials to guide the development of the annual budget and capital projects.
 - In the district-wide financial statements, District activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

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

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

The District has two kinds of funds:

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

DISTRICT-WIDE FINANCIAL ANALYSIS

**Lake George Central School District's Net Position
June 30, 2024 and 2023**

	<u>Governmental Activities</u>		Variance Increase (Decrease)
	<u>2024</u>	<u>2023</u>	
Current Assets	\$ 10,760,441	\$ 9,705,711	\$ 1,054,730
Capital Assets	17,021,645	15,678,517	1,343,128
Net Pension Asset	-	-	-
Total Assets	<u>27,782,086</u>	<u>25,384,228</u>	<u>2,397,858</u>
Deferred Outflows of Resources	<u>7,619,674</u>	<u>8,758,593</u>	<u>(1,138,919)</u>
Total Assets and Outflows of Resources	<u>35,401,760</u>	<u>34,142,821</u>	<u>1,258,939</u>
Current Liabilities	2,230,961	2,196,237	34,724
Long-Term Liabilities	5,602,343	6,256,904	(654,561)
OPEB Obligation	66,447,646	65,835,937	611,709
Net Pension Liability	<u>1,477,034</u>	<u>2,332,395</u>	<u>(855,361)</u>
Total Liabilities	<u>75,757,984</u>	<u>76,621,473</u>	<u>(863,489)</u>
Deferred Inflows of Resources	<u>6,635,325</u>	<u>5,829,818</u>	<u>805,507</u>
Total Liabilities and Inflows of Resources	<u>82,393,309</u>	<u>82,451,291</u>	<u>(57,982)</u>
Net Position:			
Investment in capital assets, net of related debt	11,895,290	10,041,381	1,853,909
Restricted	4,117,714	6,128,986	(2,011,272)
Unrestricted (deficit)	<u>(63,004,553)</u>	<u>(64,478,837)</u>	<u>1,474,284</u>
Total Net Position	<u>\$ (46,991,549)</u>	<u>\$ (48,308,470)</u>	<u>\$ 1,316,921</u>

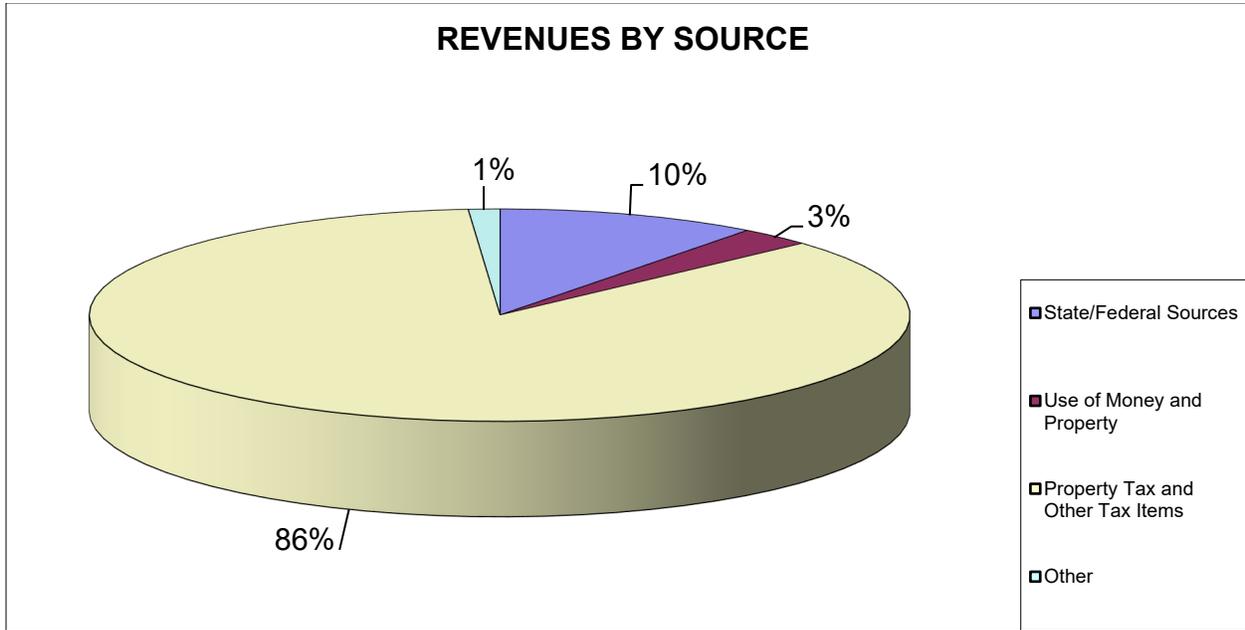
**Lake George Central School District's
Changes in Net Position**

For the Years Ended June 30, 2024 and 2023

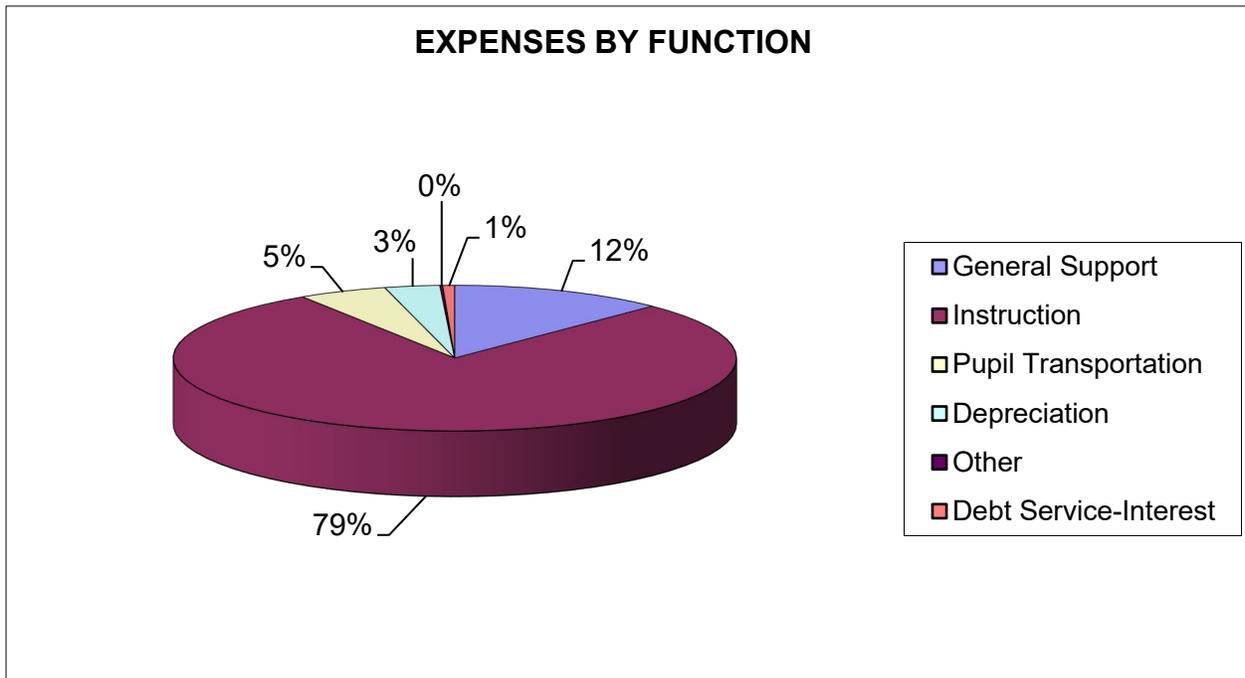
	Governmental Activities		Variance
	2024	2023	Increase (Decrease)
<u>Revenues:</u>			
Program Revenues:			
Charges for Services	\$ 177,128	\$ 274,242	\$ (97,114)
Operating Grants and Contributions	1,770,649	1,154,290	616,359
Total Program Revenues	\$ 1,947,777	\$ 1,428,532	\$ 519,245
General Revenues:			
Real Property Taxes	\$ 21,165,276	\$ 20,638,652	\$ 526,624
Other Tax Items	381,314	343,961	37,353
Use of Money and Property	727,241	496,777	230,464
Sale of Property and Compensation for Loss	62,161	78,633	(16,472)
Miscellaneous	248,355	223,597	24,758
State Sources	2,568,597	2,269,103	299,494
Federal Sources	27,221	39,925	(12,704)
Premium on Obligations	2,045	-	2,045
Total General Revenues	25,182,210	24,090,648	1,091,562
<u>Expenses (Net of Program Revenues):</u>			
Instruction	18,737,864	18,843,655	(105,791)
Support Services:			
General Support	2,954,704	3,421,753	(467,049)
Pupil Transportation	1,217,322	1,248,299	(30,977)
Debt Service-Interest	164,496	173,114	(8,618)
Depreciation	754,743	744,448	10,295
School Lunch	36,160	64,696	(28,536)
Total Expenses	23,865,289	24,495,965	(630,676)
Change in Net Position	\$ 1,316,921	\$ (405,317)	\$ 1,722,238

The following charts provide the percentage breakdowns of all revenues by source and all expenses by function for the entire District.

**District-wide Revenues by Source
For the Year Ended June 30, 2024**



**District-wide Expenses by Function
For the Year Ended June 30, 2024**



GOVERNMENTAL ACTIVITIES

Revenue for the School District's governmental general fund activities totaled \$25,209,769 while total expenses were \$26,485,582. Accordingly, the overall fund balance decreased by \$1,275,813. The continuation of the School District's solid fiscal health is dependent upon:

- *Effective leadership by the Board of Education and Administration.* The Board of Education and Superintendent continue to work together to improve district operations and outcomes. Working closely with administration, the Superintendent and Board of Education, based on the outcomes from the strategic planning process, are focusing on k-12 curricular alignment, increasing transparency and improving communication systems, along with other goals of the Board and District.
- *Community support/approval of the School District's annual budget.* For the 2022-23 budget, the district held separate budget workshops and other informational sessions to communicate with the public about the budget. In addition, traditional newsletters and electronic communications were utilized to enhance community education regarding budget items. This process was successful, and a respectable voter turnout overwhelmingly approved the 2023-24 school budget community education was again the focus, and administrators and managers of the major areas presented information at several different public meetings. The webpage was again utilized to provide information in addition to the traditional budget meetings and newsletters. The budget passed with a substantial majority. In addition, the purchase of two new buses were overwhelmingly approved.
- *Continued state and federal aid.* For several years the reliability of state and federal aid has been questionable. For the past few years state and federal aid has become more reliable, and the elimination of the GEA take-back has provided some relief to taxpayers. State aid as a percent of revenue has remained the same at approximately 10%. Estimating state and federal aid continues to be challenging, especially in light of the ongoing pandemic and its economic effects on New York State. District Officials continue to use a conservative approach when estimating this revenue.
- *Strategic use of services from BOCES.* The District is a member of the 31 District WSHWE BOCES. Leadership from member districts, including Superintendents and Business Officials, meet on a regular basis. The meetings provide pertinent information to the districts, and are often the first place where a potential BOCES service is discussed. District attendance at these meetings ensures LGCS D utilizes BOCES services whenever analysis indicates that it is the best service provider for the best price. In addition to the savings realized through group purchasing, LGCS D received state aid on many services provided by BOCES.
- *Tax Levy Limit and CPI.* Since the inception of the tax levy limit in 2014, the District has not only stayed within the allowable levy limit requiring a simple majority vote for passage of the budget. The 2022-23 levy increase was 2.52%, and for 2023-2024 the increase was 2.30%.

FUND FINANCIAL ANALYSIS (DISTRICT'S FUNDS)

The District's governmental funds (as presented on the balance sheet) reported a combined Fund Balance of \$8.6 million, which is higher than last year's total. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2024 and 2023.

	<u>Fund Balance</u> <u>2024</u>	<u>Fund Balance</u> <u>2023</u>	<u>Variance</u> <u>Increase</u> <u>(Decrease)</u>
General	\$ 6,013,980	\$ 7,289,793	\$ (1,275,813)
School Lunch	9,184	15,044	(5,860)
Special Aid	-	-	-
Capital	2,026,317	(245,671)	2,271,988
Debt Service	557,141	523,956	33,185
Totals	<u>\$ 8,606,622</u>	<u>\$ 7,583,122</u>	<u>\$ 1,023,500</u>

General Fund

The tables that follow assist in illustrating the financial activities and balance of the general fund.

<u>Revenues:</u>	<u>2024</u>	<u>2023</u>	<u>Variance</u> <u>Increase</u> <u>(Decrease)</u>
Taxes and Other Tax Items	\$ 21,546,590	\$ 20,982,613	\$ 563,977
Use of Money and Property	696,510	472,011	224,499
State/Federal Sources	2,595,818	2,309,028	286,790
Other	370,851	373,382	(2,531)
Totals	<u>\$ 25,209,769</u>	<u>\$ 24,137,034</u>	<u>\$ 1,072,735</u>

<u>Expenses:</u>	<u>2024</u>	<u>2023</u>	<u>Variance</u> <u>Increase</u> <u>(Decrease)</u>
General Support	\$ 2,872,069	\$ 2,859,175	\$ 12,894
Instruction	11,730,061	12,008,681	(278,620)
Pupil Transportation	845,764	773,583	72,181
Employee Benefits	6,828,026	6,659,284	168,742
Other	4,209,662	1,120,424	3,089,238
Totals	<u>\$ 26,485,582</u>	<u>\$ 23,421,147</u>	<u>\$ 3,064,435</u>

GENERAL FUND BUDGET INFORMATION

The District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The difference between the general fund's original budget and the final amended budget was \$3,362,016. This amount represents carryover encumbrances from 2022-23 of \$216,815, unanticipated repairs using the Repair Reserve of \$69,351, voter approved transfer to Capital Fund using Capital Reserve for the Transportation Facility Project of \$3,067,000 and gifts and donations of \$8,850.

CAPITAL ASSETS

The District's capital assets (net of accumulated depreciation) as of June 30, 2024 are as follows:

<u>Asset Description</u>	<u>Amount</u>
Land	\$ 875,000
Construction in Progress	7,657,844
Buildings and Improvements	6,961,897
Machinery and Equipment	746,460
Vehicles	<u>780,444</u>
Total	<u>\$17,021,645</u>

DEBT

The District had total long term debt including serial bonds outstanding in the amount of \$4,735,000 as of June 30, 2024, a decrease over the previous year of \$655,000. The debt outstanding for the year ended June 30, 2024 is summarized as follows:

<u>Debt Description</u>	<u>Outstanding Balance</u>
Bonds	<u>\$ 4,735,000</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the total full value of real property. At June 30, 2024, the District's general obligation debt was significantly lower than its total debt limit.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At this time these financial statements were prepared and audited, the School District was aware of the following existing circumstances, which could significantly affect its financial position in the future:

Every year new Article 7 claims are filed by property owners looking to lower the assessed values of properties within the District. Each year that the claim goes unsettled the liability to the District increases. To mitigate financial damage from these claims, the District has a Tax Certiorari Reserve Fund. The Reserve is funded at \$158,171.

State aid and property taxes fund the vast majority of school expenditures. With the implementation of the tax levy limit, the District's ability to raise taxes has been limited. In addition, NYS has frozen Foundation Aid formulas for several years. Allowing the formulas to run without modification would have a negative impact on LGCSD revenues. Because of the variations year to year and future uncertainty in State Aid, and the limits placed on property tax increases, long term planning and forecasting are challenging, and must be regularly reviewed and revised.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Business Administrator
Lake George Central School District
381 Canada Street
Lake George, New York 12845

LAKE GEORGE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2024

ASSETS

Unrestricted cash	\$	5,352,950	
Restricted cash		4,674,855	
Other receivables, net		8,941	
State and federal aid receivable		462,290	
Due from other governments		238,326	
Inventories		20,857	
Prepaid expenditures		2,222	
Capital assets, net		17,021,645	
Total Assets		17,021,645	\$ 27,782,086

DEFERRED OUTFLOW OF RESOURCES

Pensions	\$	4,694,462	
OPEB-GASB 75		2,925,212	
Total Deferred Outflows of Resources		2,925,212	\$ 7,619,674

LIABILITIES

Current Liabilities:

Accounts payable	\$	439,474	
Accrued liabilities		136,038	
Bond anticipation notes payable		597,933	
Due to fiduciary funds		44	
Due to other governments		518	
Due to teachers' retirement system		908,896	
Due to employees' retirement system		95,182	
Other liabilities		20,438	
Overpayments and collections		21,294	
Unearned revenue		11,144	
		11,144	

Long-Term Liabilities:

Due and payable within one year

Bonds payable		670,000	
		670,000	

Due and payable after one year

Bonds payable		4,065,000	
Compensated absences payable		867,343	
Other postemployment benefits payable		66,447,646	
Net pension liability- proportionate share		1,477,034	
		1,477,034	

Total Liabilities			\$ 75,757,984
			\$ 75,757,984

DEFERRED INFLOWS OF RESOURCES

Pensions		813,909	
OPEB-GASB 75		5,821,416	
		5,821,416	

Total Deferred Inflows of Resources			\$ 6,635,325
			\$ 6,635,325

NET POSITION

Net Investment in Capital Assets		11,895,290	
Restricted		4,117,714	
Unrestricted (deficit)		(63,004,553)	
		(63,004,553)	

Total Net Position			\$ (46,991,549)
			\$ (46,991,549)

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For Year Ended June 30, 2024

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Expenses Allocation	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General support	\$ 2,796,358	\$ 1,004,123	\$ -	\$ 847,138	\$ (2,953,343)
Instruction	12,303,094	7,070,105	60,335	573,639	(18,739,225)
Pupil transportation	799,747	454,572	-	36,997	(1,217,322)
Employee benefits	8,583,542	(8,583,542)	-	-	-
Debt service-interest	164,496	-	-	-	(164,496)
Depreciation	754,743	-	-	-	(754,743)
School lunch program	411,086	54,742	116,793	312,875	(36,160)
	Total Functions and Programs	\$ -	\$ 177,128	\$ 1,770,649	(23,865,289)
GENERAL REVENUES					
Real property taxes					21,165,276
Other tax items					381,314
Use of money and property					727,241
Sale of property and compensation for loss					62,161
Miscellaneous					248,355
State sources					2,568,597
Federal sources					27,221
Premium on obligations					2,045
					Total General Revenues
					25,182,210
					Change in Net Position
					1,316,921
					Total Net Position - Beginning of year
					(48,308,470)
					Total Net Position - End of year
					\$ (46,991,549)

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
June 30, 2024

	----- Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted cash	\$ 5,352,950	\$ -	\$ -	\$ 5,352,950
Restricted cash	4,674,855	-	-	4,674,855
Other receivables, net	8,941	-	-	8,941
Due from other funds	606,323	-	(606,323)	-
Due from other governments	238,326	-	-	238,326
State and federal aid receivable	462,290	-	-	462,290
Inventories	20,857	-	-	20,857
Prepaid expense	2,222	-	-	2,222
Capital assets, (net)	-	17,021,645	-	17,021,645
Total Assets	\$ 11,366,764	\$ 17,021,645	\$ (606,323)	\$ 27,782,086
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	\$ -	\$ 4,694,462	\$ -	\$ 4,694,462
OPEB-GASB 75	-	2,925,212	-	2,925,212
Total Deferred Outflows of Resources	\$ -	\$ 7,619,674	\$ -	\$ 7,619,674
LIABILITIES				
Accounts payable	\$ 439,474	\$ -	\$ -	\$ 439,474
Accrued liabilities	58,896	77,142	-	136,038
Bond anticipation notes payable	597,933	-	-	597,933
Bonds payable	-	4,735,000	-	4,735,000
Due to other funds	606,367	-	(606,367)	-
Due to fiduciary funds	-	-	44	44
Due to other governments	518	-	-	518
Due to teachers' retirement system	908,896	-	-	908,896
Due to employees' retirement system	95,182	-	-	95,182
Other postemployment benefits payable	-	66,447,646	-	66,447,646
Compensated absences	-	867,343	-	867,343
Overpayments and collections	21,294	-	-	21,294
Unearned revenues	11,144	-	-	11,144
Net pension liability- proportionate share	-	1,477,034	-	1,477,034
Other liabilities	20,438	-	-	20,438
Total Liabilities	\$ 2,760,142	\$ 73,604,165	\$ (606,323)	\$ 75,757,984
DEFERRED INFLOWS OF RESOURCES				
Pensions	\$ -	\$ 813,909	\$ -	\$ 813,909
OPEB-GASB 75	-	5,821,416	-	5,821,416
Total Deferred Inflows of Resources	\$ -	\$ 6,635,325	\$ -	\$ 6,635,325
FUND BALANCE\NET POSITION				
Total Fund Balance\Net Position	\$ 8,606,622	\$ (55,598,171)	\$ -	\$ (46,991,549)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance\Net Position	\$ 11,366,764	\$ 24,641,319	\$ (606,323)	\$ 35,401,760

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For Year Ended June 30, 2024

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 21,165,276	\$ -	\$ -	\$ -	\$ 21,165,276
Other tax items	381,314	-	-	-	381,314
Charges for services	60,335	-	-	-	60,335
Use of money and property	727,241	-	-	-	727,241
Sale of property and compensation for loss	62,161	-	-	-	62,161
Miscellaneous	248,655	-	-	-	248,655
State sources	2,867,982	-	-	-	2,867,982
Federal sources	1,498,185	-	-	-	1,498,185
Sales - school lunch	116,793	-	-	-	116,793
Total Revenues	<u>27,127,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,127,942</u>
EXPENDITURES/EXPENSES					
General support	3,719,207	-	(922,849)	-	2,796,358
Instruction	12,342,062	439	(39,407)	-	12,303,094
Pupil transportation	882,761	-	(83,014)	-	799,747
Employee benefits	6,882,768	1,700,774	-	-	8,583,542
Debt service- Principal	812,590	-	-	(812,590)	-
-Interest	161,001	3,495	-	-	164,496
Cost of sales	411,086	-	-	-	411,086
Depreciation	-	-	754,743	-	754,743
Capital outlay	1,052,602	-	(1,052,602)	-	-
Total Expenditures	<u>26,264,077</u>	<u>1,704,708</u>	<u>(1,343,129)</u>	<u>(812,590)</u>	<u>25,813,066</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>863,865</u>	<u>(1,704,708)</u>	<u>1,343,129</u>	<u>812,590</u>	<u>1,314,876</u>
OTHER SOURCES AND USES					
Bond anticipation notes redeemed	157,590	-	-	(157,590)	-
Premium on obligations	2,045	-	-	-	2,045
Operating transfers in	4,209,662	(4,209,662)	-	-	-
Operating transfers (out)	(4,209,662)	4,209,662	-	-	-
Total Other Sources (Uses)	<u>159,635</u>	<u>-</u>	<u>-</u>	<u>(157,590)</u>	<u>2,045</u>
Net Change for the Year	<u>\$ 1,023,500</u>	<u>\$ (1,704,708)</u>	<u>\$ 1,343,129</u>	<u>\$ 655,000</u>	<u>\$ 1,316,921</u>

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
BALANCE SHEET- GOVERNMENTAL FUNDS

June 30, 2024

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Unrestricted cash	\$ 2,459,809	\$ 183,544	\$ 55,935	\$ -	\$ 2,653,662	\$ 5,352,950
Restricted cash	4,117,714	-	-	557,141	-	4,674,855
Other receivables, net	1,587	-	7,354	-	-	8,941
Due from other funds	600,871	5,452	-	-	-	606,323
State and federal aid receivable	120,805	319,337	22,148	-	-	462,290
Due from other governments	238,326	-	-	-	-	238,326
Prepaid expense	2,222	-	-	-	-	2,222
Inventories	-	-	20,857	-	-	20,857
Total Assets	\$ 7,541,334	\$ 508,333	\$ 106,294	\$ 557,141	\$ 2,653,662	\$ 11,366,764
LIABILITIES						
Accounts payable	\$ 422,604	\$ 8,380	\$ 8,225	\$ -	\$ 265	\$ 439,474
Accrued liabilities	58,896	-	-	-	-	58,896
Bond anticipation notes payable	-	-	-	-	597,933	597,933
Due to other funds	44	499,953	77,223	-	29,147	606,367
Due to other governments	-	-	518	-	-	518
Due to teachers' retirement system	908,896	-	-	-	-	908,896
Due to employees' retirement system	95,182	-	-	-	-	95,182
Unearned revenues	-	-	11,144	-	-	11,144
Overpayments and collections	21,294	-	-	-	-	21,294
Other liabilities	20,438	-	-	-	-	20,438
Total Liabilities	1,527,354	508,333	97,110	-	627,345	2,760,142
FUND BALANCES						
Non-spendable	2,222	-	20,857	-	-	23,079
Restricted	4,117,714	-	-	557,141	876,352	5,551,207
Assigned	877,570	-	-	-	-	877,570
Unassigned (Deficit)	1,016,474	-	(11,673)	-	1,149,965	2,154,766
Total Fund Balances	6,013,980	-	9,184	557,141	2,026,317	8,606,622
Total Liabilities and Fund Balances	\$ 7,541,334	\$ 508,333	\$ 106,294	\$ 557,141	\$ 2,653,662	\$ 11,366,764

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
For Year Ended June 30, 2024

	General	----- Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 21,165,276	\$ -	\$ -	\$ -	\$ -	\$ 21,165,276
Other tax items	381,314	-	-	-	-	381,314
Charges for services	60,335	-	-	-	-	60,335
Use of money and property	696,510	-	-	30,731	-	727,241
Sale of property and compensation for loss	62,161	-	-	-	-	62,161
Miscellaneous	248,355	-	300	-	-	248,655
State sources	2,568,597	166,825	132,560	-	-	2,867,982
Federal sources	27,221	1,290,649	180,315	-	-	1,498,185
Sales	-	-	116,793	-	-	116,793
Total Revenues	25,209,769	1,457,474	429,968	30,731	-	27,127,942
EXPENDITURES						
General support	2,872,069	847,138	-	-	-	3,719,207
Instruction	11,730,061	612,001	-	-	-	12,342,062
Pupil transportation	845,764	36,997	-	-	-	882,761
Employee benefits	6,828,026	-	54,742	-	-	6,882,768
Debt service						
Principal	-	-	-	812,590	-	812,590
Interest	-	-	-	161,001	-	161,001
Cost of sales	-	-	411,086	-	-	411,086
Capital outlay	-	-	-	-	1,052,602	1,052,602
Total Expenditures	22,275,920	1,496,136	465,828	973,591	1,052,602	26,264,077
Excess (Deficiency) of Revenues Over Expenditures	2,933,849	(38,662)	(35,860)	(942,860)	(1,052,602)	863,865
OTHER SOURCES AND USES						
Bond anticipation notes redeemed	-	-	-	-	157,590	157,590
Premium on obligations	-	-	-	2,045	-	2,045
Operating transfers in	-	38,662	30,000	974,000	3,167,000	4,209,662
Operating transfers (out)	(4,209,662)	-	-	-	-	(4,209,662)
Total Other Sources (Uses)	(4,209,662)	38,662	30,000	976,045	3,324,590	159,635
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(1,275,813)	-	(5,860)	33,185	2,271,988	1,023,500
Fund Balance (Deficit)- Beginning of year	7,289,793	-	15,044	523,956	(245,671)	7,583,122
Fund Balance - End of year	\$ 6,013,980	\$ -	\$ 9,184	\$ 557,141	\$ 2,026,317	\$ 8,606,622

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 93,818
Due from governmental funds	<u>44</u>
Total Assets	<u><u>\$ 93,862</u></u>
LIABILITIES	
Other liabilities	\$ -
Due to governmental funds	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Reserved for scholarships	\$ -
Individuals, Organizations and Other governments	<u>93,862</u>
Total Net Position	<u><u>\$ 93,862</u></u>

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Gifts and donations	\$ 31,684
Interest	-
Unclassified	61,188
Total Additions	92,872
 DEDUCTIONS	
Scholarships and awards	-
Other custodial activities	73,411
Total Deductions	73,411
Net Increase (Decrease) in Fiduciary Net Position	19,461
Net Position - Beginning of year	74,401
Net Position - End of year	\$ 93,862

See auditor's report. See notes to financial statements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. **Summary of Significant Accounting Policies**

The financial statements of the Lake George Central School District have been prepared in conformity with generally accepted accounting principles (GAAP). Those principles are as prescribed by the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described below:

A. **Reporting Entity**

The Lake George Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 review of certain entities included in the School District's reporting entity:

The Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the Lake George Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds are included in these financial statements. The District accounts for assets held as an agent for various student organizations in a custodial fund.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

B. Joint Venture

The Lake George Central School District is one of 31 component school districts in the Washington-Saratoga-Warren-Hamilton-Essex Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

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

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which their students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year ended June 30, 2024, the Lake George Central School District was billed \$1,803,069 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$529,590. Financial statements for BOCES Aid are available from the BOCES administrative office.

C. Basis of Presentation

1. Districtwide Statements

The Districtwide 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,

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

1. Districtwide Statements (Continued)

State Aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

2. Fund Financial Statements

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

The District reports the following funds:

a. Major Governmental Funds

- (1) 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.
- (2) Special Aid Fund** – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

2. Fund Financial Statements (Continued)

a. Major Governmental Funds (Continued)

- (3) School Lunch Fund** – Used to account for transactions of the District’s lunch and breakfast programs.
- (4) Debt Service Fund** – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.
- (5) Capital Projects Fund** – This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

b. Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the districtwide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

- (1) Private Purpose Trust Funds** – These funds are used to account for trust arrangements in which principal and income benefits 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.
- (2) 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 agent for various student groups or extraclassroom activity funds.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting

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

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

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

E. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

F. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 8. Taxes are collected during the period September 1 to November 4.

Uncollected real property taxes are subsequently enforced by the County of Warren. An amount representing uncollected real property taxes is transmitted to the County for enforcement and is paid by the County to the District no later than the forthcoming April 1.

G. Restricted Resources

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

H. Interfund Transactions

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

In the districtwide 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 funds, except for 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 IV for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

I. Estimates

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

J. Receivables

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

K. Inventories and Prepaid Items

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

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

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaids do not constitute available spendable resources.

L. Other Assets/Restricted Assets

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

L. Other Assets/Restricted Assets (Continued)

In the districtwide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M. Capital Assets

Capital assets are reflected in the districtwide financial statements. Capital assets are reported at historical cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds and estimated useful lives of capital assets reported in the districtwide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Site Improvements	\$ 5,000	20
Buildings and Improvements	\$ 5,000	50
Furniture and Equipment	\$ 5,000	5-10
Vehicles	\$ 5,000	5-10

N. 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 service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

N. Compensated Absences (Continued)

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vested method and an accrual for that liability is included in the Districtwide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year end. In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available resources. These amounts are expensed on a pay-as-you-go basis.

O. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the districtwide 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund's 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.

P. Deferred Outflows of Resources

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

Q. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the Districtwide Statement of Net Position. This represents the effect of net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense, and the net difference between projected and actual earnings on pension plan investments. The second item is related to OPEB reported in the districtwide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

R. Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for service monies are received in advance from payers prior to the services being rendered by the District. These amounts are recorded as liabilities in the financial statements. The liabilities are removed, and revenues are recognized in subsequent periods when the District has legal claim to the resources.

S. Other Benefits

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

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

T. Short-Term Debt

The School District may issue Revenue and Tax Anticipation Notes in anticipation of 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 revenue anticipation and tax anticipation notes 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 School District may issue Bond Anticipation Notes in anticipation of proceeds from the subsequent sale of bonds. These bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

U. Equity Classifications

1. Districtwide Statements

In the districtwide 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 improvement of those assets.

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

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. **Summary of Significant Accounting Policies (Continued)**

U. **Equity Classifications (Continued)**

2. **Fund Statements**

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$20,857.

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

1. **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

2. **Unemployment Insurance**

This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

3. Employee Benefit Accrued Liability

This reserve is used to set aside 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. This reserve is accounted for in the General Fund.

4. Tax Certiorari

This reserve is used to accumulate funds to pay judgments and claims anticipated from tax certiorari proceedings. Any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

5. Employee Retirement Contributions

This reserve is used for future employee's retirement and teacher's retirement obligations. 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.

6. Insurance

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

7. Repair

This reserve is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

8. Capital

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

9. Workers' Compensation

This reserve is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any 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. The reserve is accounted for in the General Fund.

10. Property Loss

This reserve is used to cover property loss and liability claims. The reserve may be established by Board actions and is funded by budgetary appropriations. The reserve is accounted for in the General Fund.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Restricted fund balance includes the following:

General Fund:

Repair	\$ 282,580
Employee Benefit Accrued Liability	662,649
Property Loss	27,324
Insurance	3,795
Capital	2,530,099
Unemployment Insurance	11,894
Employee Retirement Contributions	261,205
Teacher's Retirement Contributions	157,847
Workers' Compensation	22,150
Tax Certiorari	158,171
Capital Fund	876,352
Debt Service Fund	557,141
Total restricted funds	\$ 5,551,207

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision making, the Board of Education. The School District has no committed fund balances as of June 30, 2024.

Assigned – Includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as **Assigned Fund Balance** in the General Fund. Encumbrances reported in the General Fund amounted to \$410,493 and the assigned fund balance amounted to \$467,077.

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 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.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

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. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

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

U. New Accounting Standards

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

GASB has issued Statement 99, Omnibus 2022, effective for the year ending June 30, 2024.

GASB has issued Statement 100, Accounting Changes and Error Corrections, effective after the year ending June 30, 2024.

V. Future Changes in Accounting Standards

GASB has issued Statement 101, Compensated Absences, effective for the year ending June 30, 2025.

GASB has issued Statement 102, Certain Risk Disclosures, effective for the year ending June 30, 2025.

GASB has issued Statement 103, Financial Reporting Model Improvements, effective for the year ending June 30, 2026.

The school district will evaluate the impact that these pronouncements may have on its financial statements and will implement them as applicable and when material.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements

Due to differences in the measurement focus and basis of accounting used in the governmental fund statements and the districtwide 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.

1. 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.

2. 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 three broad categories:

a. Long-term revenue differences:

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

b. Capital related differences:

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements (Continued)

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

c. Long-term debt transaction differences:

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

d. Pension differences:

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

The costs of building and acquiring capital assets (land, buildings, and equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually of their useful lives.

Original cost of capital assets	\$32,819,572
Accumulated depreciation	<u>15,797,927</u>
Capital assets, net	<u>\$17,021,645</u>

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Bond and notes payable	<u>\$ 5,332,933</u>
Compensated absences	<u>\$ 867,343</u>
OPEB obligations	<u>\$66,447,646</u>
Net pension liability-proportionate share	<u>\$ 1,477,034</u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements (Continued)

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

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation of \$754,743 was less than capital expenditures of \$2,097,871 in the current year.

Repayment of bond principal of \$655,000 is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Interest on long-term debt and short-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest reported in the Statement of Activities decreased by \$3,495.

III. Cash and Investments

A. Deposits

The Lake George Central School District's investment policies are governed by State statutes. The Lake George Central School District's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. 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 Federal Deposit 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 school districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A. Uncollateralized
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. Cash and Investments (Continued)

A. Deposits (Continued)

Deposits and investments at year end were entirely covered by Federal Deposit Insurance or by collateral held by the School District’s custodial bank in the School District’s name.

B. Investment Pool

The School District participates in two multi-municipal cooperation investment pool agreements pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. On June 30, 2024, the School District held \$9,694,135 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents. The investment pool is categorically exempt from the New York State collateralization requirements.

IV. Interfund Transaction

Interfund balances on June 30, 2024, are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 600,871	\$ 44	\$ -	\$ 4,209,662
Special Aid Fund	5,452	499,953	38,662	-
School Lunch Fund	-	77,223	30,000	-
Capital Fund	-	29,147	3,167,000	-
Debt Service Fund	-	-	974,000	-
Total governmental activities	<u>606,323</u>	<u>606,367</u>	<u>\$ 4,209,662</u>	<u>\$ 4,209,662</u>
Custodial Fund	<u>44</u>	<u>-</u>		
Totals	<u>\$ 606,367</u>	<u>\$ 606,367</u>		

The District typically transfers from the General Fund to the Special Aid Fund to pay its’ share of the Summer Handicapped Program.

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

V. Capital Assets

A summary of changes in general fixed assets follows:

	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
<u>Capital assets-not depreciated:</u>				
Land	\$ 875,000	\$ -	\$ -	\$ 875,000
Construction in progress	6,058,834	1,599,010	-	7,657,844
Total capital assets-not depreciated:	<u>6,933,834</u>	<u>1,599,010</u>	<u>-</u>	<u>8,532,844</u>
 <u>Other capital assets:</u>				
Buildings and improvements	17,691,174	-	-	17,691,174
Machinery and equipment	4,196,437	113,757	-	4,310,194
Vehicles	1,900,256	385,104	-	2,285,360
Total other capital assets:	<u>23,787,867</u>	<u>498,861</u>	<u>-</u>	<u>24,286,728</u>
 <u>Less accumulated depreciation:</u>				
Buildings and improvements	10,294,855	434,422	-	10,729,277
Machinery and equipment	3,472,721	91,013	-	3,563,734
Vehicles	1,275,608	229,308	-	1,504,916
Total accumulated depreciation	<u>15,043,184</u>	<u>754,743</u>	<u>-</u>	<u>15,797,927</u>
Other capital assets, net	<u>8,744,683</u>	<u>(255,882)</u>	<u>-</u>	<u>8,488,801</u>
Total	<u>\$ 15,678,517</u>	<u>\$ 1,343,128</u>	<u>\$ -</u>	<u>\$ 17,021,645</u>

Depreciation expense for the period was shown as unallocated in the Statement of Activities.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans

1. General Information

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

2. Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR 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 plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

Funding Policies:

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

Contributions

	<u>ERS</u>	<u>TRS</u>
2024	\$275,106	\$945,584
2023	\$248,630	\$906,135
2022	\$328,554	\$912,446

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

On 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 Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	1-Apr-24	30-Jun-23
Net pension liability/(asset)	\$951,352	\$525,682
District's portion of the Plan's total net pension liability/asset	.0064612%	.045968%
Change in proportion since the prior measurement date	(.0000379%)	(.002952%)

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

For the year ended June 30, 2024, the District's recognized pension expense of \$433,660 for ERS and \$1,554,018 for TRS. On June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resource</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$306,430	\$1,274,639	\$25,941	\$3,150
Changes of assumptions	359,685	1,131,777		246,665
Net difference between projected and actual earnings on pension plan investments	0	268,718	464,730	0
Changes in proportion and differences between the District's contributions and proportionate share of contributions	67,619	355,710	20,655	52,768
District's contributions subsequent to the measurement date	95,182	834,702	0	0
Total	\$828,916	\$3,865,546	\$511,326	\$302,583

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:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2024	\$ -	\$ 276,068
2025	(\$159,920)	(208,428)
2026	\$194,555	2,170,774
2027	\$286,601	218,193
2028	(\$98,829)	176,182
2029	\$ -	-
Thereafter	\$ -	95,474

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.9%	6.95%
Salary scale	4.40%	1.95%-5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.9%	2.40%
COLA's	1.5%	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 MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020, System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2022, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	<u>ERS</u> March 31, 2024	<u>TRS</u> June 30, 2023
<u>Asset Type</u>	<u>%</u>	<u>%</u>
Domestic Equities	4.00%	6.80%
International Equities	6.65%	7.60%
Global equities	0.00%	7.20%
Private Equity	7.25%	10.10%
Real Estate Equity	4.60%	6.30%
Domestic fixed income securities	1.50%	2.20%
Global bonds	0.00%	1.60%
Private debt	0.00%	6.00%
Absolute return strategies	5.25%	0.00%
Real estate debt	0.00%	3.20%
Cash Equivalents	25.00%	0.30%
High yield fixed income securities	0.00%	4.40%
Real assets	5.79%	0.00%

5. 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.

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

6. Sensitivity of the Proportionate Share of Net Pension Asset/Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.90% 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 (4.9% or ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate :

ERS	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share Of the net pension (asset) liability	\$2,991,147	\$951,352	(\$752,301)
TRS	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Employer's proportionate share Of the net pension (asset) liability	\$8,006,400	\$525,682	(\$5,765,926)

7. 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:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension liability	\$ 240,696,851	\$ 138,365,121,961
Plan Fiduciary Net Position	225,972,801	137,221,536,942
Employers' net pension liability/(asset)	14,724,050	1,143,585,019
Plan fiduciary net position as a percentage of total pension (asset)/liability	93.8800%	99.2000%

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

8. 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 contribution 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 \$95,182.

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 \$908,896.

VII. Short-Term Debt Obligations

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2023</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 6/30/24</u>
BAN	2024	3.17%	\$453,431	\$ -	\$ 453,431	\$ -
BAN	2025	4.50%	-	597,933	-	597,933
			<u>\$453,431</u>	<u>\$ 597,933</u>	<u>\$453,431</u>	<u>\$ 597,933</u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VII. Short-Term Debt Obligations (Continued)

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

Interest paid	\$14,374
Less interest accrued in the prior year	(13,512)
Plus, interest accrued in the current year	<u>25,714</u>
Total expense	<u>\$26,576</u>

VIII. Long-Term Debt Obligations

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

1. Long-Term Debt Interest

Interest paid	\$146,628
Less interest accrued in the prior year	(60,136)
Plus, interest accrued in the current year	<u>51,428</u>
Total expense	<u>\$137,920</u>

2. Changes

	Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
Serial Bonds	\$ 5,390,000	\$ -	\$ 655,000	\$ 4,735,000	<u>\$ 670,000</u>
Compensated					
Absences	866,904	439	-	867,343	
OPEB Obligations	65,835,937	611,709	-	66,447,646	
Net Pension Liability-					
Proportionate Share	<u>2,332,395</u>	<u>-</u>	<u>855,361</u>	<u>1,477,034</u>	
Totals	<u>\$ 74,425,236</u>	<u>\$ 612,148</u>	<u>\$ 1,510,361</u>	<u>\$ 73,527,023</u>	

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VIII. Long-Term Debt Obligations (Continued)

3. Maturity

a. The following is a summary of the debt issued:

Purpose	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2024
Serial Bonds:				
Construction	2020	2035	2-4%	\$ 2,915,000
Construction	2016	2031	1.5-2.5%	1,170,000
Construction	2010	2025	3.34%	650,000
Total				<u>\$ 4,735,000</u>

b. The following is a summary of maturing principal debt service requirements:

Serial Bonds:	Year	Principal	Interest	Total
	2025	\$ 670,000	\$ 124,319	\$ 794,319
	2026	705,000	100,831	805,831
	2027	380,000	82,850	462,850
	2028	390,000	70,750	460,750
	2029	405,000	58,250	463,250
	2030 and thereafter	2,185,000	146,788	2,331,788
Total		<u>\$ 4,735,000</u>	<u>\$ 583,788</u>	<u>\$ 5,318,788</u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits

A. General Information about the OPEB Plan

Plan Description- The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a 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.

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

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

Inactive members or beneficiaries currently receiving benefit payments	179
Inactive members entitled to but not yet receiving benefit payments	-
Active plan members	<u>120</u>
Total membership	299

B. Total OPEB Liability

The District’s total OPEB liability of \$66,447,646 was measured as of July 1, 2023, and was determined by an actuarial valuation as of that date.

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.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits (Continued)

B. Total OPEB Liability (Continued)

Inflation	2.60%
Salary Increases	3.0%, average, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	6.2% for 2024, decreasing to an ultimate rate of 5% for 2030 and beyond

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on the RP-2014 Mortality Table with mortality projected to the current year using Scale MP-2020 to account for mortality improvement.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 65,835,937</u>
<u>Changes for the Year</u>	
Service cost	1,457,680
Interest	2,317,041
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(939,756)
Benefit payments	(2,223,257)
Net Changes	<u>611,709</u>
Balance on June 30, 2024	<u>\$ 66,447,646</u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits (Continued)

C. Changes in the Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect no change in the discount rate from 3.54% in 2023 to 3.65% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate- The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	(2.65%) <u>1% Decrease</u>	Current Discount Rate (3.65%)	(4.65%) <u>1% Increase</u>
Total OPEB Liability	<u>\$75,968,888</u>	<u>\$66,447,646</u>	<u>\$57,825,035</u>

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

	<u>1% Decrease</u>	Healthcare Cost Trend Rates	<u>1% Increase</u>
Total OPEB Liability	<u>\$56,165,742</u>	<u>\$66,447,646</u>	<u>\$79,895,081</u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits (Continued)

D. 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 an OPEB expense of \$826,323. On 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
Contributions subsequent to the measurement date	\$2,490,048	\$ -
Differences between expected and actual experience	435,164	-
Changes of assumptions or other inputs	<u>-</u>	<u>(5,821,416)</u>
Total	<u>\$2,925,212</u>	<u>(\$5,821,416)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	(\$ 458,349)
2025	(458,349)
2026	(2,307,207)
2027	(2,432,745)
2028	(187,951)

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

X. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

The Lake George Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; 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.

2. Health Insurance

The School District participates in the Washington, Saratoga, Warren, Hamilton and Essex Insurance Consortium, which is a trust formed under New York State Insurance Law. The Consortium's purpose is to provide health insurance coverage at a lower rate for member educational institutions due to a larger participation pool.

3. Grants

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

4. Litigation

There are currently pending tax certiorari proceedings, the results of which could require the payments of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. The School District has established a tax certiorari reserve to cover a portion of the potential refund exposure and the District has legal authority to borrow funds to repay school taxes when needed.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XI. Other Disclosures

A. Summary of Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

Total governmental fund balance	\$ 8,606,622
Capital assets (net)	17,021,645
Deferred outflows of resources	7,619,674
Bonds payable	(4,735,000)
Accrued interest payable	(77,142)
Deferred inflows of resources	(6,635,325)
Net pension liability- proportionate share	(1,477,034)
Compensated absences	(867,343)
OPEB obligations	<u>(66,447,646)</u>
Total net position	<u><u>\$ (46,991,549)</u></u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XI. Other Disclosures (Continued)

B. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

Net changes in fund balance – total governmental funds	\$1,023,500
Capital outlays are expenditures in governmental funds, but are capitalized in the Statement of Net Position	2,097,872
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the Statement of Activities	(754,743)
Repayments of Long-term Debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the Statement of Net Position	812,590
Interest is recognized as an expense in governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. The increase in accrued interest during 2023/24 results in more expense.	(3,495)
Proceeds from debt are recognized as revenue in the Governmental Funds, but not in the Statement of Activities	(157,590)
(Increases) Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as revenues or expenditures in the governmental funds:	
Teachers’ Retirement System	(728,906)
Employees’ Retirement System	(145,545)
Certain expenses in the Statement of Activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
OPEB obligations	(826,323)
Compensated absences	<u>(439)</u>
Change in Net Position – Governmental Activities	<u>\$1,316,921</u>

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XII. Stewardship, Compliance and Accountability

A. Budgetary Procedures and Budgetary Accounting

1. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the 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 adoption of the budget constitute a limitation on expenditures (and encumbrances), that may be incurred. Appropriations lapse at the fiscal year end 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.

The General Fund budget was increased to reflect carryover encumbrances in the amount of \$216,815, gifts and donations of \$8,850, unanticipated repairs using the Repair Reserve of \$69,351 and a transfer to Capital Fund using Capital Reserve of \$3,067,000.

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

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

Special Aid Fund and School Lunch Fund have not been included because they do not have legally authorized budgets.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XII. Stewardship, Compliance and Accountability (Continued)

A. Budgetary Procedures and Budgetary Accounting (Continued)

2. 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.

XIII. Subsequent Events

On July 18, 2024, the District renewed a Bond Anticipation Note in the amount of \$548,756 to be used for the purchase of buses.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES COMPARED TO BUDGET- GENERAL FUND
For Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real property taxes	\$ 21,453,000	\$ 21,165,276	\$ 21,165,276	\$ -
Other tax items	89,311	377,035	381,314	4,279
Charges for services	50,000	50,000	60,335	10,335
Use of money and property	60,000	60,000	696,510	636,510
Sale of property and compensation for loss	6,000	6,000	62,161	56,161
Miscellaneous	140,000	148,850	248,355	99,505
Total Local Sources	<u>21,798,311</u>	<u>21,807,161</u>	<u>22,613,951</u>	<u>806,790</u>
State sources	2,377,612	2,377,612	2,568,597	190,985
Federal sources	10,000	10,000	27,221	17,221
Total Revenues	<u>24,185,923</u>	<u>24,194,773</u>	<u>25,209,769</u>	<u>\$ 1,014,996</u>
Appropriated Reserves	150,000	3,503,166		
Appropriated Fund Balance	<u>472,769</u>	<u>472,769</u>		
Total Revenues, Appropriated Fund Balance and Reserves	<u>\$ 24,808,692</u>	<u>\$ 28,170,708</u>		

See paragraph on required supplementary information included in auditor's report.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES, OTHER USES AND ENCUMBRANCES COMPARED TO BUDGET-
GENERAL FUND
For Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of education	\$ 52,545	\$ 53,379	\$ 51,090	\$ 51	\$ 2,238
Central administration	239,607	238,964	238,368	596	-
Finance	411,855	410,923	389,255	9,180	12,488
Staff	186,560	189,985	152,949	390	36,646
Central services	1,905,766	2,007,637	1,797,497	37,718	172,422
Special items	267,350	257,350	242,910	-	14,440
Total General Support	3,063,683	3,158,238	2,872,069	47,935	238,234
Instructional					
Instruction, administration and improvement	597,197	614,789	545,461	10,088	59,240
Teaching - regular school	6,039,511	5,883,075	5,677,232	18,751	187,092
Programs for children with handicapping conditions	2,114,290	2,325,296	2,164,910	18,012	142,374
Teaching - special school	25,000	24,500	3,980	-	20,520
Occupational education	625,545	594,919	509,647	-	85,272
Instructional media	1,507,031	1,780,887	1,457,347	296,931	26,609
Pupil services	1,417,035	1,434,245	1,371,484	10,366	52,395
Total Instructional	12,325,609	12,657,711	11,730,061	354,148	573,502
Pupil transportation	886,047	911,764	845,764	5,610	60,390
Employee benefits	7,399,353	7,233,333	6,828,026	2,800	402,507
Total Expenditures	23,674,692	23,961,046	22,275,920	410,493	1,274,633
OTHER FINANCING USES					
Operating transfers out	1,134,000	4,209,662	4,209,662	-	-
Total Expenditures and Other Uses	\$ 24,808,692	\$ 28,170,708	26,485,582	\$ 410,493	\$ 1,274,633
Net change in fund balance			(1,275,813)		
Fund balance- Beginning			7,289,793		
Fund balance- Ending			\$ 6,013,980		

See paragraph on required supplementary information included in auditor's report.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
For Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability					
Service Cost at end of year	\$ 1,457,680	\$ 1,960,279	\$ 1,866,932	\$ 1,599,199	\$ 1,523,047
Interest	2,317,041	1,629,374	1,618,010	2,178,951	2,246,066
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	1,248,251	-	(1,568,932)	-
Changes of assumptions or other inputs	(939,756)	(12,472,222)	627,693	10,813,216	2,534,232
Benefit payments	(2,223,257)	(1,967,128)	(1,909,833)	(2,133,274)	(2,468,558)
Net change in Total OPEB Liability	611,709	(9,601,447)	2,202,802	10,889,160	3,834,787
Total OPEB Liability- beginning	65,835,937	75,437,384	73,234,582	62,345,422	58,510,635
Total OPEB Liability- ending	<u>\$ 66,447,646</u>	<u>\$ 65,835,937</u>	<u>\$ 75,437,384</u>	<u>\$ 73,234,582</u>	<u>\$ 62,345,422</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

See paragraph on required supplementary information included in auditor's report

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
June 30, 2024

Teachers' Retirement System

	2024	2023	2022	2021	2020	2019
District 's proportion of the net pension asset/liability	.045968%	.048920%	.053609%	.051241%	.051078%	.051813%
District's proportionate share of the net pension (asset)/liability	\$ 525,682	\$ 938,719	\$ (9,289,865)	\$ 1,415,926	\$ (1,327,006)	\$ (936,910)
District's covered-employee payroll	\$ 8,550,707	\$ 8,282,356	\$ 8,726,520	\$ 9,085,561	\$ 8,697,731	\$ 8,528,079
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	6.14%	11.33%	106.56%	15.58%	15.26%	10.99%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%

Employees' Retirement System

	2024	2023	2022	2021	2020	2019
District 's proportion of the net pension liability	.0064612%	.0064991%	.0063460%	.0066703%	.0069094%	.0070473%
District's proportionate share of the net pension liability/(asset)	\$ 951,352	\$ 1,393,676	\$ (518,760)	\$ 6,642	\$ 1,829,651	\$ 499,322
District's covered-employee payroll	\$ 2,377,789	\$ 2,246,847	\$ 2,156,317	\$ 2,250,413	\$ 2,245,865	\$ 2,228,314
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	40.00%	62.03%	24.06%	0.30%	81.47%	22.40%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%

See paragraph on required supplementary information included in auditor's report.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
June 30, 2024

Teachers' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 834,702	\$ 882,925	\$ 855,199	\$ 865,854	\$ 770,619	\$ 905,682
Contributions in relation to the contractually required contribution	<u>834,702</u>	<u>882,925</u>	<u>855,199</u>	<u>865,854</u>	<u>770,619</u>	<u>905,682</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	<u>\$ 8,550,707</u>	<u>\$ 8,282,356</u>	<u>\$ 8,726,520</u>	<u>\$ 9,085,561</u>	<u>\$ 8,697,731</u>	<u>\$ 8,528,079</u>
Contributions as a percentage of covered employee payroll	9.76%	10.66%	9.80%	9.53%	8.86%	10.6%

Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 275,106	\$ 248,630	\$ 328,554	\$ 308,930	\$ 314,621	\$ 286,621
Contributions in relation to the contractually required contribution	<u>275,106</u>	<u>248,630</u>	<u>328,554</u>	<u>308,930</u>	<u>314,621</u>	<u>286,621</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	<u>\$ 2,377,789</u>	<u>\$ 2,246,847</u>	<u>\$ 2,156,317</u>	<u>\$ 2,250,413</u>	<u>\$ 2,245,865</u>	<u>\$ 2,228,314</u>
Contributions as a percentage of covered employee payroll	11.6%	11.1%	15.2%	13.7%	14.0%	12.9%

See paragraph on required supplementary information included in auditor's report.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND
THE REAL PROPERTY TAX LIMIT
For Year Ended June 30, 2024

CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET

Original Budget	\$ 24,808,692
Additions:	
Prior year's encumbrances	216,815
Repair reserve	69,351
Capital Reserve for Capital Project	3,067,000
Gifts and donations	8,850
	<u>3,362,016</u>
Final Budget	<u>\$ 28,170,708</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 Voter-approved Expenditure Budget	\$ 25,467,399
Maximum allowed (4% of 2024-2025 Budget)	<u>\$ 1,018,696</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	877,570
Unassigned fund balance	1,016,474
Total unrestricted fund balance	<u>\$ 1,894,044</u>

Less:	
Appropriated fund balance	467,077
Encumbrances included in committed and assigned fund balance	410,493
Total adjustments	<u>\$ 877,570</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,016,474</u>
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Actual percentage	3.99%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (originally Issued November 2010), the portion of General Fund Fund Balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
For Year Ended June 30, 2024

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2024	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources		Total
Districtwide renovations-2015	\$ 2,821,776	\$ 2,821,776	\$ 2,780,493	\$ -	\$ 2,780,493	\$ 41,283	\$ 2,305,000	\$ -	\$ 516,842	\$ 2,821,842	\$ 41,349
Buses-16/17	224,958	224,958	224,674	-	224,674	284	-	-	224,957	224,957	283
Buses-17/18	168,577	168,577	123,487	-	123,487	45,090	-	-	123,486	123,486	(1)
Buses-18/19	108,205	108,205	108,205	-	108,205	-	-	-	108,205	108,205	-
Buses-19/20	222,297	222,297	222,014	-	222,014	283	-	-	177,838	177,838	(44,176)
Buses-20/21	231,452	231,452	231,452	-	231,452	-	-	-	138,870	138,870	(92,582)
Buses-21/22	110,000	110,000	109,594	-	109,594	406	-	-	44,000	44,000	(65,594)
Buses-22/23	116,000	116,000	115,506	-	115,506	494	-	-	23,200	23,200	(92,306)
Buses-23/24	302,092	302,092	-	302,090	302,090	2	-	-	-	-	(302,090)
Smart Schools	229,532	229,532	197,294	33,014	230,308	(776)	-	197,294	-	197,294	(33,014)
Capital Outlay-23/24	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-
Transportation Facility-2022	13,500,000	13,500,000	-	617,498	617,498	12,882,502	-	-	3,067,000	3,067,000	2,449,502
Districtwide renovations-2018	5,272,191	5,272,191	4,905,054	-	4,905,054	367,137	3,415,000	-	1,655,000	5,070,000	164,946
	<u>\$ 23,407,080</u>	<u>\$ 23,407,080</u>	<u>\$ 9,017,773</u>	<u>\$ 1,052,602</u>	<u>\$ 10,070,375</u>	<u>\$13,336,705</u>	<u>\$ 5,720,000</u>	<u>\$ 197,294</u>	<u>\$ 6,179,398</u>	<u>\$ 12,096,692</u>	<u>\$ 2,026,317</u>

See paragraph on required supplementary information included in auditor's report.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
 SCHEDULE OF INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
 FOR THE YEAR ENDED JUNE 30, 2024

Capital assets, net		\$ 17,021,645
Deduct:		
Bond anticipation notes payable	\$ 597,933	
Short-term portion of bonds payable	670,000	
Long-term portion of bonds payable	4,065,000	
less: unspent bond proceeds	(206,578)	5,126,355
Net investment in capital assets		\$ 11,895,290

See paragraph on required supplementary information included in auditor's report.

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

To the Board of Education of the
Lake George Central School District:

We have audited, 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, the financial statements of the governmental activities, each major fund and the fiduciary funds of the Lake George Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the District's basic financial statements and have issued our report thereon dated September 17, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Raymond G. Preusser, CPA, P.C.

Claverack, New York
September 17, 2024