

**BURNT HILLS-BALLSTON LAKE  
CENTRAL SCHOOL DISTRICT**

**Financial Statements and Required Reports  
Under Uniform Guidance  
As of and For the Year Ended  
June 30, 2024  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

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## **INDEPENDENT AUDITOR'S REPORT**

October 8, 2024

The Board of Education of  
Burnt Hills Ballston Lake Central School District:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Burnt Hills Ballston Lake Central School District (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the information required by the New York State Education Department, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 October 8, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Burnt Hills Ballston Lake Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

# BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2024

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*The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2024. The 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. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.*

### FINANCIAL HIGHLIGHTS

- The School District's 2023-2024 actual general fund revenue came in \$2,701,662 over projected revenue. Use of money and property, offset by charges for services coming in under budget, accounted for much of this increase. Adjustment mandated by GASB 87 were also a significant contributing factor to this revenue variance. Revenue was \$2,437,234 higher than the prior year primarily due the increase in local real property taxes, use of money and property, and state sources.
- The 2023-2024 approved budget was \$81,570,122. It was approved 985 to 260 (79% margin). The actual expenditures for the fiscal year were \$79,857,071, equating to a favorable difference of \$1,713,051 after encumbrances and final budget transfers. Costs associated with special services out of district placements, maintenance, salaries, and employee benefits came in less than what was budgeted which was the primary reason for this favorable difference. Adjustments mandated by GASB 87 were also a significant contributing factor to the district's overall expenditures.
- In May of 2024, one incumbents was re-elected to the Board of Education as well as two new member to begin three-year terms. The board established procedures to ensure continuity of school board governance including a mentoring process for its newest members to provide support and training. The School District ensures that all board members complete required fiscal oversight training. In addition, the board has a history of employing long range planning strategies in their decision-making process for financial and instructional matters.
- The enrollment for the School District remains stable overall with increasing enrollment at the elementary level over the course of the past several years. Enrollment projection studies have indicated a continued, moderate increase in elementary enrollment of the foreseeable future. Due to the full funding of the foundation aid formula, this increasing enrolment has been accompanied by commensurate increases in State Aid. However, classroom space remains a concern at the elementary level. This four-classroom addition to Pashley Elementary School, which is part of the district's 2023 referendum, should mitigate the space concern once completed.
- In May 2024, the 2024-2025 budget proposal of \$84,923,072 was voter approved 990 to 338 (75% margin) including \$1,802,152 to replace some of the School District's older buses. This includes the potential purchase of two full size electric school buses.

## FINANCIAL HIGHLIGHTS (Continued)

- In 2011, the State Legislature and the Governor enacted legislation applicable to the 2023-24 school year, establishing a cap on the amount that a school district's property tax levy can increase each year. Under this law, the starting point for the calculation of the allowable growth in the school tax levy will be capped at 2% or the rate of inflation, whichever is less, with some exceptions. A majority of the taxpayers must approve the budget. To raise the levy greater than 2%, with certain exclusions, requires a super majority of 60% of the local voters to approve the increase. The School District's ability to raise local revenue is now contingent on successfully informing local taxpayers as to its needs for any increase in the tax levy. The 2023-2024 budget carried a 1.12% increase. Neither exceeded the tax levy limit.
- All collective bargaining units have settled contracts.
- Since 1978 the School District has addressed major renovations and capital improvements in five-year cycles through voter approved bond referenda. In October 2018, a \$34.1 million proposition to build our 2<sup>nd</sup> Century II was approved by a 69% margin. Work commenced shortly after and has been completed. In October 2023, a \$53.9 million proposition went to voters and was approved 1,100 to 219 (90% margin). The School District maximized state building aid on all projects.
- Continual upgrades to our existing network are being made with the purchase of equipment for the wireless infrastructure and stronger fiber connections between buildings as well as hardware to allow students the ability to acquire the latest 21<sup>st</sup> learning skills. The School District generated BOCES aid for much of these expenditures as well as uses E-Rate funding and the Smart Schools Investment for additional purchases in accordance with the Technology Plan.
- The Board of Education voted to discontinue Burnt Hills-Ballston Lake's participation in the National School Lunch Program in September of 2013. Since that time, the Elementary schools rejoined in 2016-2017, the Middle School rejoined in 2017-18 and most recently the High School rejoined the program in 2022-2023.
- The Federal government discontinued the program to provide free lunches to all district students for the 2022-2023 school year. In 2023-2024, the school lunch fund closed with a deficit of \$188k. This included \$96k in revenue from the Supply Chain Disruption Grant and \$60k in new equipment purchases. The School District anticipates fewer overall lunch sales and depleted fund balance which would lead to larger transfers to the cafeteria fund than what was done in the recent past.

This annual report consists of three parts: management's discussion and analysis (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 operation in more detail than the entity-wide statements.

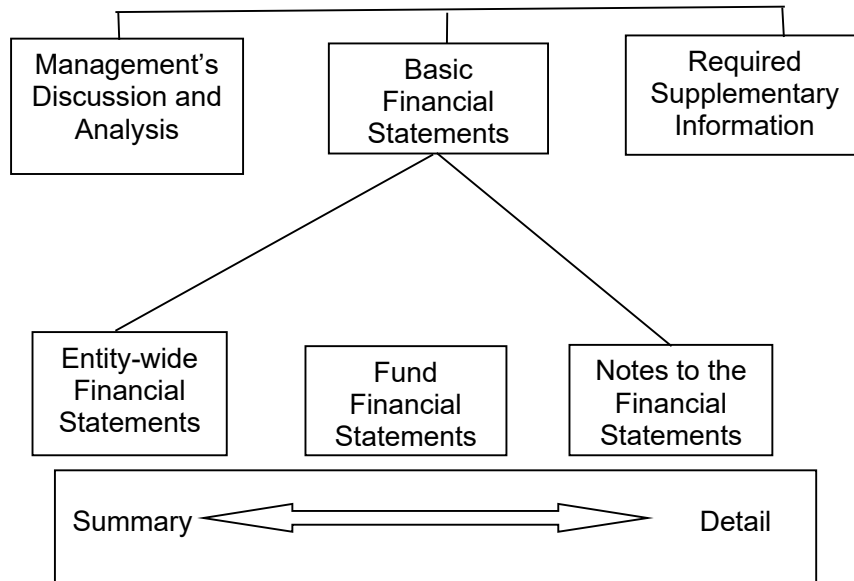
The governmental fund statements tell how basic services such as instruction and support functions were financed in the short-term, as well as what remains for future spending.



## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

**Table A-1:** Organization of the School District's Annual Financial Report



## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

**Table A-2:** Major Features of the School District-Wide and Fund Financial Statements

		Fund Financial Statements
	District-Wide	Governmental Funds
Scope	Entire District	The day-to-day operating activities of the School District, such as instruction and special education.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/deferred inflows-outflows of resources/liability information	All assets, deferred inflows/outflows of resources, and liabilities, both financial and capital, short-term and long-term debt	Assets, deferred inflows/outflows of deferred resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.

### District-Wide Statements

The School District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred inflow/outflows of resources, and liabilities. All of the current year's revenue 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, deferred inflow/outflows of resources, and liabilities – is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors, such as changes in the property tax bases and the condition of buildings and other facilities, should be considered.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### District-Wide Statements (Continued)

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid.

Depreciation is not calculated in the governmental fund financial statements. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

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

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

### Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – 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. The funds have been established by the State of New York.

The School District has the following type of funds:

- *Governmental Funds*: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can 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 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 School District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2024 are detailed in Tables A-3 and A-4.

**Table A-3** Condensed Statement of Net Position – Governmental Activities

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Percent <u>Change</u>
Current assets	\$ 27,107,885	\$ 22,204,593	22.1%
Non-current assets	<u>100,761,064</u>	<u>100,533,177</u>	<u>0.2%</u>
Total assets	<u>127,868,949</u>	<u>122,737,770</u>	<u>4.2%</u>
Deferred outflows of resources	<u>20,830,444</u>	<u>28,202,049</u>	<u>-26.1%</u>
Current liabilities	45,454,727	39,419,023	15.3%
Long-term liabilities	<u>83,764,690</u>	<u>90,944,059</u>	<u>-7.9%</u>
Total liabilities	<u>129,219,417</u>	<u>130,363,082</u>	<u>-0.9%</u>
Deferred inflows of resources	<u>21,543,514</u>	<u>26,218,796</u>	<u>-17.8%</u>
Net position:			
Investment in capital assets	47,967,230	46,197,928	3.8%
Restricted for debt service	9,508,915	7,703,347	23.4%
Unrestricted	<u>(59,539,683)</u>	<u>(59,543,334)</u>	<u>0.0%</u>
Total net position	<u>\$ (2,063,538)</u>	<u>\$ (5,642,059)</u>	<u>-63.4%</u>

During 2023-2024, total assets increased due to the increase of cash and capital assets for the 2023-2024 fiscal year. Total liabilities decreased mainly due to the decrease in net pension liabilities.

### Changes in Net Position

The School District's fiscal year 2024 revenue totaled \$84,212,624 (see Table A-4). Property taxes and state aid accounted for most of the School District's revenue by contributing 49% and 38%, respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, operating grants, tuition, interest earnings, insurance recovery, refunds (BOCES/NYSMAC), Medicaid reimbursement, and other miscellaneous sources.

The total cost of all programs and services totaled \$80,634,103 in 2024. 82% of this amount is used to support general instruction, the provision of services to students with disabilities, and student transportation (see Table A-6). The School District's administrative and business activities accounted for 18% of total costs.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

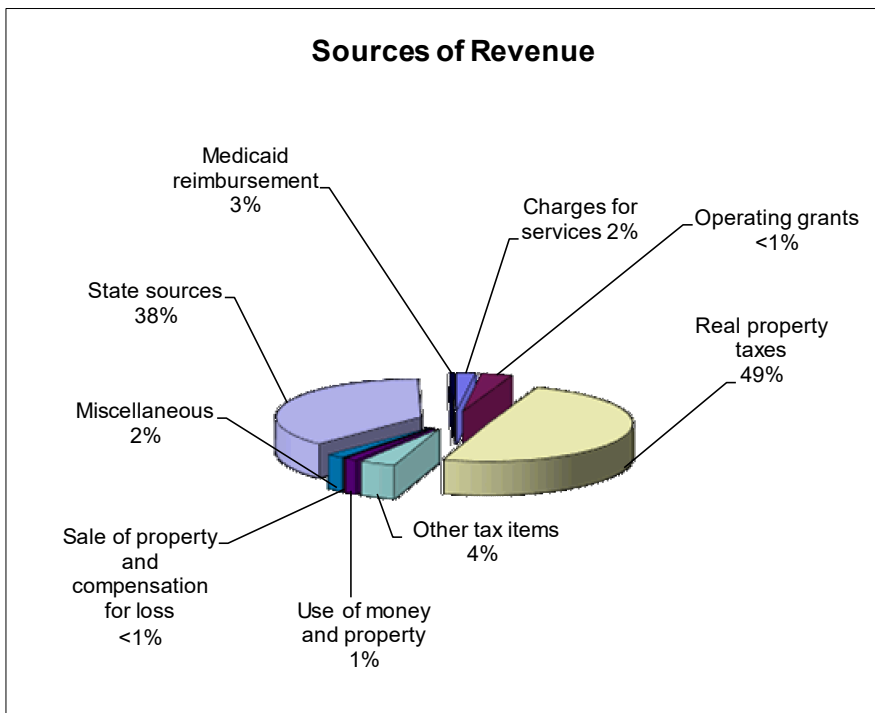
**Table A-4** Changes in Net Position from Operating Results - Governmental Activities Only:

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Percent <u>Change</u>
<u>Revenue</u>			
Charges for services	\$ 1,751,944	\$ 1,408,677	24.4%
Operating grants	2,886,124	4,086,537	-29.4%
General revenue:			
Real property taxes	41,633,011	40,772,102	2.1%
Other tax items	3,421,044	3,776,650	-9.4%
Use of money and property	1,166,303	911,839	27.9%
State sources	31,351,919	26,906,053	16.5%
Federal sources	297,040	242,123	22.7%
Sale of property/compensation for loss	58,043	90,212	-35.7%
Miscellaneous	1,647,196	1,514,732	8.7%
	<u>84,212,624</u>	<u>79,708,925</u>	<u>5.7%</u>
<u>Expenses</u>			
General support	11,525,702	11,078,242	4.0%
Instruction	58,535,517	55,033,343	6.4%
Pupil transportation	7,252,886	5,816,536	24.7%
Community service	4,482	5,002	-10.4%
Debt service	1,683,603	1,838,687	-8.4%
School lunch program	1,631,913	1,412,364	15.5%
	<u>80,634,103</u>	<u>75,184,174</u>	<u>7.2%</u>
Change in net position	<u>\$ 3,578,521</u>	<u>\$ 4,524,751</u>	<u>-20.9%</u>

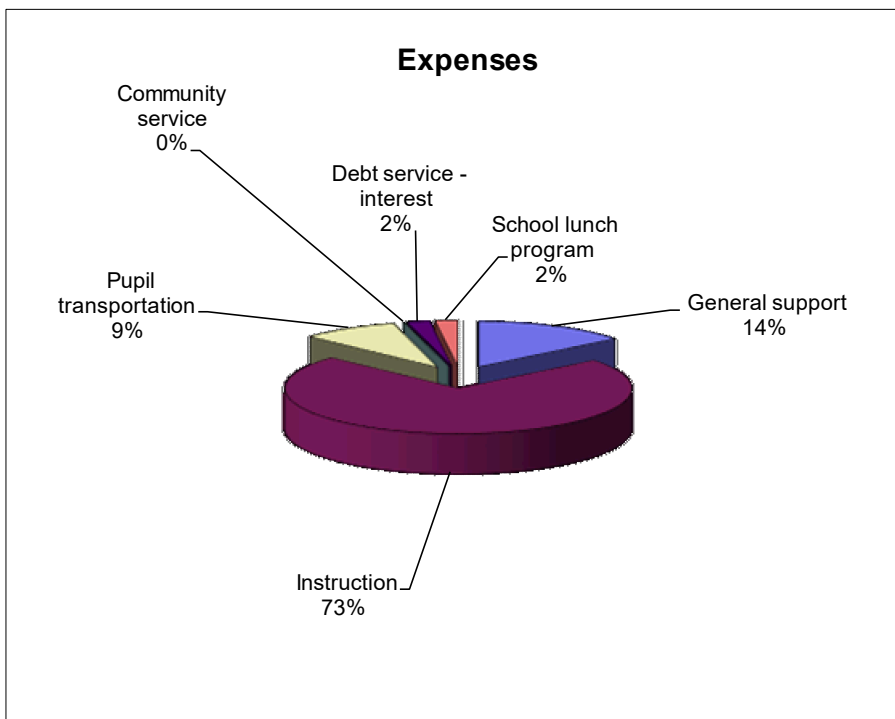
Total operating revenue increased over the prior year. Property taxes increased 2.1% and state aid increased 18.3%, respectively. The overall expenses increased by 7.2%.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Table A-5** Sources of Revenue for Fiscal Year 2024:



**Table A-6** Expenses for Fiscal Year 2024:



## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

### Governmental Activities

Revenue for the School District's governmental activities totaled \$84,212,624 a 5.7% increase from the previous fiscal year. Total expenses equaled \$80,634,103, a 7.2% increase from the previous fiscal year. The net result of the change in the School District's financial condition can be mainly attributed to accounting changes related to increases in the pension and other postemployment benefits liabilities.

Table A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

**Table A-7 Net Cost of Governmental Activities:**

Category	2024		2023	
	Total Cost	Net Cost	Total Cost	Net Cost
General support	\$ 11,525,702	\$ 11,525,702	\$ 11,078,242	\$ 11,078,242
Instruction	58,535,517	55,242,290	55,033,343	50,860,354
Pupil transportation	7,252,886	7,252,886	5,816,536	5,816,536
Community service	4,482	4,482	5,002	5,002
Debt service	1,683,603	1,683,603	1,838,687	1,838,687
School lunch	<u>1,631,913</u>	<u>287,072</u>	<u>1,412,364</u>	<u>90,139</u>
Total	<u>\$ 80,634,103</u>	<u>\$ 75,996,035</u>	<u>\$ 75,184,174</u>	<u>\$ 69,688,960</u>

- The total cost of all governmental activities this year was \$80,634,103.
- The users of the School District's programs financed \$1,751,944 of the cost.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$2,886,124.
- Most of the School District's net costs of \$75,996,035 were financed by property taxes and state aid.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT’S FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for the School District-wide financial statements. The School District’s governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds’ projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

### Governmental Funds Highlights

General Fund – Total revenue increased 8.7% overall in comparison to the prior year. Real property taxes increased 2.1% and state aid increased 18.5%. Total expenditures increased 6.6% from the prior year. \$3.5 million of fund balance was appropriated to balance the 2023-2024 school year budget.

Special Aid Fund – Title I, Title IIA, Title IV, SE611, SE619, ARP and the Summer Handicap Program Aid were the main sources of grant funding.

School Lunch Fund –During the fiscal year ended June 30, 2024, the District received Supply Chain Assistance funding which helped mitigate costs and our High School returned to the National School Lunch Program. However, the challenge to be self-sustaining in the future years remains.

Capital Projects Fund – In October 2018, a \$34 million proposition, building our 2nd Century II, has been completed. In October 2023, a \$53.9 million proposition Renewing Spaces, Inspiring Futures was voter approved. Preliminary work has been started.

### Capital Assets

At the end of 2024, the School District had an investment of \$100,761,064 in a broad range of capital assets.

**Table A-8:** Capital Assets (net of accumulated depreciation)

<u>Category</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Percent Change</u>
Land	\$ -	\$ 100,000	-
Construction in progress	-	47,084,059	-100.0%
Buildings and improvements	136,523,290	88,706,842	53.9%
Furniture and equipment	13,887,783	12,618,828	10.1%
Leased assets	2,355,646	1,477,608	59.4%
Total	152,766,719	149,987,337	1.9%
Less: Accumulated depreciation	51,110,612	48,937,156	4.4%
Less: Accumulated amortization	895,043	517,004	73.1%
Total capital assets, net	<u>\$100,761,064</u>	<u>\$100,533,177</u>	0.2%



## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

### Long-Term Liabilities

At year-end, the School District had \$88,812,870 of long-term liabilities outstanding. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

**Table A-9 Outstanding Long-Term Liabilities**

<u>Category</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
General obligation bonds	\$ 19,177,414	\$ 25,304,191
Net pension liability	5,584,739	7,982,242
Total other postemployment benefits	58,151,757	56,932,997
Compensated absences	<u>3,323,960</u>	<u>3,494,629</u>
 Total	 <u>\$ 86,237,870</u>	 <u>\$ 93,714,059</u>

### FACTORS BEARING ON THE FUTURE OF THE SCHOOL DISTRICT

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

- Legislation applicable to the 2023-2024 school year that established a cap on the amount that a school district's property tax levy can increase each year is a concern for the future. This is particularly relevant in light of recent increases in the rate of inflation that are far greater than the amount that is allowed as an increase under the tax cap legislation without the approval of a supermajority of voters. However, recent budgetary decision by the State of New York to fully fund foundation aid for the 2024-2025 school year have largely compensated for the revenue restrictions imposed by the tax levy limit in the short term. In addition, recent arrangements with a neighboring school district to provide school bus maintenance services are continuing to bring in a significant revenue stream. The district will continue to look for additional sources of revenue outside of State Aid and the local property tax levy to assist with funding district operations.
- The School District participates in an energy consortium offered through BOCES for heat and power to mitigate fluctuating costs. Fuel for pupil transportation has been purchased at prices below NYS contract through a cooperative bid with other school districts. The School District participates in a purchasing co-op with 140+ other districts to purchase supplies which results in significantly lower prices. All of the above initiatives will continue to be monitored for effectiveness along with seeking others.
- The Board of Education and District Administration engage in frequent discussions surrounding state legislative proposals that impact funding for education such as the tax cap legislation. Implications to students, staff and the core operations of the School District are closely monitored. The School District has actively started the NYS Regionalization reporting which will further explore cost effective strategies to address these challenges.
- The Board of Education develops goals that support the School District Strategic Objectives to continuously improve student learning and district infrastructure.
- The School District continues to monitor enrollment trajectories through census data, commissioned studies, and town housing permits.

## **FACTORS BEARING ON THE FUTURE OF THE SCHOOL DISTRICT (Continued)**

- The Board of Education and District Administration are actively involved in strategic long-range planning that focuses on instruction and infrastructure. The Board charged a 21st Century Instructional/Infrastructure Committee to develop a process that will guide the direction of instructional planning and budgeting for the next 10 to 15 years. Instructional staff is using the strategic framework to guide curriculum planning.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

*Assistant Superintendent for Support Services  
Burnt Hills-Ballston Lake Central School District Office  
PO Box 1389  
Ballston Lake, NY 12019*

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 10,230,411
Cash and cash equivalents - restricted	12,607,434
Accounts receivable	262,514
State and federal aid receivable	3,888,492
Inventory	<u>119,034</u>
Total current assets	<u>27,107,885</u>

NON-CURRENT ASSETS:

Capital assets, net	<u>100,761,064</u>
Total non-current assets	<u>100,761,064</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - other post employment benefits	4,480,976
Deferred outflows of resources - pensions ERS	3,252,599
Deferred outflows of resources - pensions TRS	<u>13,096,869</u>
Total deferred outflows of resources	<u>20,830,444</u>

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	2,423,219
Accrued interest	81,674
Due to Teachers' Retirement System	3,359,117
Due to Employees' Retirement System	323,979
Due to other governments	763
Unearned revenue	52,308
Bond anticipation notes	34,165,487
Total other postemployment benefits due within one year	2,473,180
Bonds payable due within one year	<u>2,575,000</u>
Total current liabilities	<u>45,454,727</u>

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	19,177,414
Total other postemployment benefits	55,678,577
Net pension liability - ERS	3,709,784
Net pension liability - TRS	1,874,955
Compensated absences payable	<u>3,323,960</u>
Total long-term liabilities	<u>83,764,690</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - other post employment benefits	18,425,847
Deferred inflows of resources - pensions ERS	1,918,509
Deferred inflows of resources - pensions TRS	999,189
Deferred inflows of resources - gain on defeasance	<u>199,969</u>
Total deferred inflows of resources	<u>21,543,514</u>

**NET POSITION**

Net investment in capital assets	47,967,230
Restricted	9,508,915
Unrestricted	<u>(59,539,683)</u>

TOTAL NET POSITION	<u>\$ (2,063,538)</u>
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**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Expenses</u>	<u>Program Revenue</u>		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 11,525,702	\$ -	\$ -	\$ (11,525,702)
Instruction	58,535,517	903,682	2,389,545	(55,242,290)
Pupil transportation	7,252,886	-	-	(7,252,886)
Community services	4,482	-	-	(4,482)
Debt service - interest	1,683,603	-	-	(1,683,603)
School lunch program	<u>1,631,913</u>	<u>848,262</u>	<u>496,579</u>	<u>(287,072)</u>
<b>TOTAL FUNCTIONS AND PROGRAMS</b>	<b><u>\$ 80,634,103</u></b>	<b><u>\$ 1,751,944</u></b>	<b><u>\$ 2,886,124</u></b>	<b><u>(75,996,035)</u></b>
GENERAL REVENUE:				
Real property taxes				41,633,011
Other tax items				3,421,044
Use of money and property				1,166,303
Sale of property and compensation for loss				58,043
Miscellaneous				1,647,196
State sources				31,351,919
Federal sources				<u>297,040</u>
<b>TOTAL GENERAL REVENUE</b>				<b><u>79,574,556</u></b>
<b>CHANGE IN NET POSITION</b>				<b>3,578,521</b>
<b>TOTAL NET POSITION - beginning of year</b>				<b><u>(5,642,059)</u></b>
<b>TOTAL NET POSITION - end of year</b>				<b><u>\$ (2,063,538)</u></b>

The accompanying notes are an integral part of these statements.

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	(Formerly Major) Special Aid	Capital Projects		
<b>ASSETS</b>					
Cash and cash equivalents - unrestricted	\$ 9,769,354	\$ -	\$ -	\$ 461,057	\$ 10,230,411
Cash and cash equivalents - restricted	7,670,128	-	3,124,067	1,813,239	12,607,434
Accounts receivable	260,823	-	-	1,691	262,514
Due from other funds	1,786,743	-	1,973,997	346,448	4,107,188
State and federal aid receivable	2,555,619	-	-	1,332,873	3,888,492
Inventory	-	-	-	119,034	119,034
<b>TOTAL ASSETS</b>	<b>\$ 22,042,667</b>	<b>\$ -</b>	<b>\$ 5,098,064</b>	<b>\$ 4,074,342</b>	<b>\$ 31,215,073</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 2,273,006	\$ -	\$ 133,083	\$ 17,130	\$ 2,423,219
Due to other funds	2,029,455	-	290,753	1,786,980	4,107,188
Due to other governments	-	-	-	763	763
Due to Teachers' Retirement System	3,359,117	-	-	-	3,359,117
Due to Employees' Retirement System	256,813	-	-	67,166	323,979
Bond anticipation notes	-	-	34,165,487	-	34,165,487
Unearned revenue	6,315	-	-	45,993	52,308
<b>TOTAL LIABILITIES</b>	<b>7,924,706</b>	<b>-</b>	<b>34,589,323</b>	<b>1,918,032</b>	<b>44,432,061</b>
<b>FUND BALANCE</b>					
Nonspendable					
Inventory	-	-	-	119,034	119,034
Total nonspendable fund balance	-	-	-	119,034	119,034
Restricted					
Workers' compensation	230,000	-	-	-	230,000
Retirement contribution	4,756,663	-	-	-	4,756,663
Unemployment	30,000	-	-	-	30,000
Debt service	-	-	-	1,357,022	1,357,022
Liability Claims	100,000	-	-	-	100,000
Tax certiorari	208,573	-	-	-	208,573
Employee benefits	2,344,892	-	-	-	2,344,892
Other - extraclassroom activity funds and scholarships	-	-	-	481,765	481,765
Total restricted fund balance	7,670,128	-	-	1,838,787	9,508,915
Assigned					
Unappropriated	181,845	-	-	-	181,845
Appropriated for subsequent year expenditures	3,000,000	-	-	-	3,000,000
Other	-	-	-	198,489	198,489
Total assigned fund balance	3,181,845	-	-	198,489	3,380,334
Unassigned	3,265,988	-	(29,491,259)	-	(26,225,271)
<b>TOTAL FUND BALANCE</b>	<b>14,117,961</b>	<b>-</b>	<b>(29,491,259)</b>	<b>2,156,310</b>	<b>(13,216,988)</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 22,042,667</b>	<b>\$ -</b>	<b>\$ 5,098,064</b>	<b>\$ 4,074,342</b>	<b>\$ 31,215,073</b>

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024**

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Total governmental fund balances per Balance Sheet - Governmental Funds	\$ (13,216,988)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	100,761,064
Pension related government wide activity	
Deferred outflows of resources	16,349,468
Net pension liabilities	(5,584,739)
Deferred inflows of resources	(2,917,698)
OPEB related government wide activity	
Deferred outflows of resources	4,480,976
Deferred inflows of resources	(18,425,847)
Total OPEB liability	(58,151,757)
Deferred outflows of resources - gain on defeasance	(199,969)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	(25,076,374)
Accrued interest payable at year end in the government-wide statements under full accrual accounting	<u>(81,674)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,063,538)</u>

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	(Formerly Major) Special Aid	Capital Projects		
REVENUE:					
Real property taxes	\$ 41,633,011	\$ -	\$ -	\$ -	\$ 41,633,011
Other tax items	3,421,044	-	-	-	3,421,044
Charges for services	903,682	-	-	-	903,682
Use of money and property	1,084,376	-	-	81,927	1,166,303
Sale of property and compensation for loss	58,043	-	-	-	58,043
Miscellaneous	707,489	-	-	237,214	944,703
State sources	31,351,919	-	-	481,068	31,832,987
Medicaid reimbursement	297,040	-	-	-	297,040
Federal sources	-	-	-	2,405,056	2,405,056
Contributions	-	-	-	411,739	411,739
Sales - School lunch	-	-	-	848,262	848,262
Total revenue	<u>79,456,604</u>	<u>-</u>	<u>-</u>	<u>4,465,266</u>	<u>83,921,870</u>
EXPENDITURES:					
General support	8,498,096	-	-	-	8,498,096
Instruction	40,022,868	-	-	2,146,536	42,169,404
Pupil services	-	-	-	53,350	53,350
Pupil transportation	6,248,850	-	-	122,907	6,371,757
Community services	4,482	-	-	-	4,482
Employee benefits	17,245,567	-	-	388,943	17,634,510
Debt service - Principal	4,420,525	-	-	-	4,420,525
Debt service - Interest	2,513,235	-	-	-	2,513,235
Cost of sales	-	-	-	1,414,462	1,414,462
Capital outlay	-	-	1,045,947	-	1,045,947
Other	-	-	-	582,978	582,978
Total expenditures	<u>78,953,623</u>	<u>-</u>	<u>1,045,947</u>	<u>4,709,176</u>	<u>84,708,746</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>502,981</u>	<u>-</u>	<u>(1,045,947)</u>	<u>(243,910)</u>	<u>(786,876)</u>
OTHER SOURCES AND (USES):					
BANs redeemed from appropriations	-	-	590,000	-	590,000
Premiums on issuance of debt	-	-	-	290,754	290,754
Proceeds on issuance of leases	1,060,525	-	-	-	1,060,525
Operating transfers in	254,655	-	800,000	103,448	1,158,103
Operating transfers (out)	(903,448)	-	-	(254,655)	(1,158,103)
Total other sources (uses)	<u>411,732</u>	<u>-</u>	<u>1,390,000</u>	<u>139,547</u>	<u>1,941,279</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	<u>914,713</u>	<u>-</u>	<u>344,053</u>	<u>(104,363)</u>	<u>1,154,403</u>
FUND BALANCE - beginning of year, previously reported	13,203,248	-	(29,835,312)	2,260,673	(14,371,391)
Adjustment - changes from major fund to nonmajor fund	-	-	-	-	-
FUND BALANCE - beginning of year, as adjusted	<u>13,203,248</u>	<u>-</u>	<u>(29,835,312)</u>	<u>2,260,673</u>	<u>(14,371,391)</u>
FUND BALANCE - end of year	<u>\$ 14,117,961</u>	<u>\$ -</u>	<u>\$ (29,491,259)</u>	<u>\$ 2,156,310</u>	<u>\$ (13,216,988)</u>

The accompanying notes are an integral part of these statements.

## BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

### RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

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Net changes in fund balance - Total governmental funds	\$ 1,154,403
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position	4,068,809
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(3,280,396)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(560,526)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	(3,057,641)
Repayments of long-term debt, including leases are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	3,360,000
Proceeds from issuance of leases are recorded as other sources in the governmental funds but are not recorded in the statement of activities	(1,060,525)
Proceeds of BANs redeemed from appropriations are recorded as other sources in the governmental funds but are not recognized as revenue in the statement of activities	(590,000)
Repayment of lease liabilities are recorded as expenditures in the governmental funds, but are not recorded in the statement of activities	1,060,525
Accrued interest expense does not require the expenditure of current resources and is therefore, not reported not reported as expenditures in the governmental funds	(8,635)
Other post employment expense resulting from GASB 75 related OPEB actuary reporting is not recorded as an expenditure in the governmental funds but is recorded as expenditures in the governmental funds	1,483,571
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	170,669
Amortization of bond premium is not recorded in the governmental funds, but is recorded in the statement of activities	781,777
Amortization of the deferred gain on refunding is not recorded in the governmental funds, but is recorded in the statement of activities	<u>56,490</u>
Change in net position - Governmental activities	<u>\$ 3,578,521</u>

The accompanying notes are an integral part of these statements.



# BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024

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### 1. NATURE OF OPERATIONS

Burnt Hills-Ballston Lake Central School District (School District) provides K-12 public education to eligible students living within its geographic borders.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### **Reporting Entity**

The Burnt Hills-Ballston Lake Central School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE has authority to make decisions, power to appoint management and accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by (GAAP). 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 School District. The School 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 description of a certain entity included in the School District's reporting entity.

#### Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The BOE 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 can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Joint Venture**

The School District is a component school district in Albany-Schoharie-Schenectady Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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 the New York State Education Law, §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

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

### **Basis of Presentation**

The School District's financial statements consist of school district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

### Government-Wide Statements

The statement of net position and the statement of activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Presentation (Continued)

#### Fund Financial Statements

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

The fund financial statements provide information about the School District's funds.

Separate statements for each governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of the School District are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types and account groups used by the School District are as follows:

#### Governmental Fund Types

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The following are the School District's major governmental fund types:

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

*Capital Projects Fund:* This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The following are the School District's nonmajor governmental funds:

*School Lunch Fund:* Used to account for transactions of the lunch and breakfast programs.

*Special Aid Fund:* Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

*Debt Service Fund:* This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

*Miscellaneous Special Revenue Fund:* This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds are included in this fund.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Presentation (Continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures 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.

#### Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The School District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty 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 leases are reported as other financing sources.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Cash and Cash Equivalents**

Cash and investments consist of funds deposited in demand deposit accounts, amounts with the New York Cooperative Liquid Assets Securities System (NYCLASS), and New York State Liquid Asset Fund (NYSLAF). The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYCLASS and NYSLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, The School District's policy provides for no credit risk on investments.

### **Accounts Receivable**

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

### **Inventory**

Inventory of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

### **Interfund Transactions**

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School 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 School District-wide financial statements, the amounts reported on the Statement of Net Assets for interfund receivables and payables represent amounts due between different fund types (governmental activities). Eliminations have been made for all interfund receivables and payables between the 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 School District's practice to settle these amounts at a net balance based upon the right of legal offset.

### **Capital Assets**

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets (Continued)**

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the School District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	N/A	N/A
Buildings and improvements	\$20,000	SL	30-50
Equipment, furniture, and land	\$ 1,000	SL	5-8

Capital assets also include lease assets with a term greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

The government has the following items that qualify for reporting in this category:

Deferred charges result from pension contributions made subsequent to the measurement date of the plan.

Deferred charges result from differences between expected and actual experience of the plan.

Deferred charges result from net differences between projected and actual earnings on pension plan investments of the plan.

These amounts are deferred and amortized and expensed against pension expense in future periods.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

The government has the following items that qualify for reporting in this category:

The net amount of the School District's balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement period between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Property Taxes**

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

Uncollected real property taxes are subsequently enforced by the Counties of Saratoga and Schenectady, in which the School District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the School District no later than the following April 1.

### **Vested Employee Benefits**

#### 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 receive a payment based on unused accumulated sick leave, based on contractual provisions.

School 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.

The liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the School District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

#### Other Benefits

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

### **Total Other Postemployment Benefits**

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Unearned Revenue**

Unearned revenue is reported when potential revenue does meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

### **Accrued Liabilities and Long-Term Obligations**

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

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the School 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 Assets.

### **Restricted Resources**

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

### **Equity Classifications**

#### District-Wide Statements

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Equity Classifications (Continued)

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.

Restricted net position consist of the following:

Workers' compensation	\$ 230,000
Retirement contribution	4,756,663
Unemployment	30,000
Liability claims	100,000
Debt service	1,357,022
Tax certiorari	208,573
Employee benefits	2,344,892
Other	481,765
Total restricted net position	<u>\$ 9,508,915</u>

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 School District.

### Governmental Fund Statements

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

**Nonspendable fund balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund.

**Restricted fund balance** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances:

#### Capital

Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. 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 under restricted fund balance.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Equity Classifications (Continued)

#### Governmental Fund Statements (Continued)

##### Repair

Repair reserve (GML §6-d) 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 (opinion of the New York State Comptroller 81-401). 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 under restricted fund balance.

##### Workers' Compensation

Workers' compensation reserve (GML §6-j) 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 under restricted fund balance.

##### Unemployment Insurance

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

##### Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Equity Classifications (Continued)

#### Governmental Fund Statements (Continued)

##### Insurance

Insurance 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). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund under restricted fund balance.

##### Liability Claims and Property Loss

Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

##### Tax Certiorari

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

##### Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

##### Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Equity Classifications (Continued)

#### Governmental Fund Statements (Continued)

##### Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other 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.

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

Assigned fund balance – 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 \$181,845. As of June 30, 2024, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	\$	139,684
Instruction		19,102
Pupil transportation		<u>23,059</u>
Total encumbrances	\$	<u>181,845</u>

Unassigned fund balance - 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 School District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance 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 Fund Balance Spending Policy

The School District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes 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.

### **3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL DISTRICT WIDE STATEMENTS**

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

#### **Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the School District's governmental funds differs 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.

#### **Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

##### **Long-Term Revenue and Expense Differences**

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

##### **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.

##### **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 assets.

##### **Pension Differences**

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

##### **OPEB Differences**

OPEB differences occur as a result of changes in the School District's total OPEB liability and differences between the School District's contributions and OPEB expense.

#### **4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **Budgets**

The School District's administration prepares a proposed budget for approval by the (BOE) for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

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

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 School 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.

## 5. CASH AND CASH EQUIVALENTS

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

The School District participates in NYCLASS and NYSLAF, multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby the School District holds a portion of the investments in cooperation with other participants. At June 30, 2024, the School District held \$1,774,510 in NYCLASS and \$1,357,028 in NYSLAF consisting of various investments in securities issued by the United States and its agencies. Both NYCLASS and NYSLAF is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with both NYCLASS and NYSLAF are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Additional information concerning NYCLASS, including the annual report, can be found on its website [www.newyorkclass.org](http://www.newyorkclass.org). Additional information concerning NYSLAF, including the annual report, can be found on its website [www.nylaf.org](http://www.nylaf.org).

As of June 30, 2024, the carrying amount of the School District's cash was exposed to custodial credit risk as follow:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 21,822,280	\$ 19,706,307
Cash equivalents	<u>3,131,538</u>	<u>3,131,538</u>
	<u>\$ 24,953,818</u>	<u>\$ 22,837,845</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	\$ 20,822,280	
Covered by FDIC insurance	<u>1,000,000</u>	
Total	<u>\$ 21,822,280</u>	

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

General Fund	<u>\$ 7,670,128</u>
Capital Projects Fund	<u>\$ 3,124,067</u>
Debt Service Fund	<u>\$ 1,320,924</u>
Miscellaneous Special Revenue Fund	
Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 492,315</u>

## 6. PARTICIPATION IN BOCES

During the year, the School District was billed \$5,760,244 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$2,650,150.

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

## 7. CAPITAL ASSETS

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

	July 1, 2023 Balance	Additions	Deletions	June 30, 2024 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 100,000	\$ -	\$ 100,000	\$ -
Construction in progress	<u>47,084,059</u>	<u>-</u>	<u>47,084,059</u>	<u>-</u>
Total nondepreciable cost	<u>47,184,059</u>	<u>-</u>	<u>47,184,059</u>	<u>-</u>
Capital assets that are depreciated:				
Buildings and improvements	88,706,842	47,816,448	-	136,523,290
Furniture and equipment	<u>12,618,828</u>	<u>1,936,597</u>	<u>667,642</u>	<u>13,887,783</u>
Total depreciable historical cost	<u>101,325,670</u>	<u>49,753,045</u>	<u>667,642</u>	<u>150,411,073</u>
Less accumulated depreciation:				
Buildings	41,202,812	2,125,684	54,118	43,274,378
Furniture and equipment	<u>7,734,344</u>	<u>1,154,712</u>	<u>1,052,822</u>	<u>7,836,234</u>
Total accumulated depreciation	<u>48,937,156</u>	<u>3,280,396</u>	<u>1,106,940</u>	<u>51,110,612</u>
Total capital assets, net	<u>99,572,573</u>	<u>46,472,649</u>	<u>46,744,761</u>	<u>99,300,461</u>
Lease assets, being amortized:				
Equipment	<u>1,477,608</u>	<u>1,060,525</u>	<u>182,487</u>	<u>2,355,646</u>
Less accumulated amortization for:				
Equipment	<u>517,004</u>	<u>560,526</u>	<u>182,487</u>	<u>895,043</u>
Total leased assets, being amortized, net	<u>960,604</u>	<u>499,999</u>	<u>-</u>	<u>1,460,603</u>
Total governmental activities, capital asset	<u>\$100,533,177</u>	<u>\$ 46,972,648</u>	<u>\$ 46,744,761</u>	<u>\$100,761,064</u>



**7. CAPITAL ASSETS (CONTINUED)**

Depreciation and amortization expense for the year ended June 30, 2024, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 492,059	\$ -
Instruction	2,558,709	560,526
Transportation	196,824	-
School lunch	32,804	-
Total	<u>\$ 3,280,396</u>	<u>\$ 560,526</u>

**8. SHORT-TERM DEBT**

The School District may issue revenue anticipation notes (RAN) or tax anticipation notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability in the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The School 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 an insufficient or no provision is 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 (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

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

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Principal Paid</u>	<u>Redeemed</u>	<u>Ending Balance</u>
6/21/2024	4.50%	\$ 30,755,487	\$ -	\$ 30,755,487	\$ -	\$ -
6/21/2025	4.50%	-	34,165,487	-	-	34,165,487
Total		<u>\$ 30,755,487</u>	<u>\$ 34,165,487</u>	<u>\$ 30,755,487</u>	<u>\$ -</u>	<u>\$ 34,165,487</u>

## 9. LONG-TERM LIABILITIES

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year	Long-term Portion
Government activities						
Bonds and notes payable:						
General obligation debt:						
Serial bonds	\$ 21,755,000	\$ -	\$ 2,770,000	\$ 18,985,000	\$ 2,575,000	\$ 16,410,000
Unamortized bond premium	<u>3,549,191</u>	<u>-</u>	<u>781,777</u>	<u>2,767,414</u>	<u>-</u>	<u>2,767,414</u>
Total bonds and notes payable	<u>25,304,191</u>	<u>-</u>	<u>3,551,777</u>	<u>21,752,414</u>	<u>2,575,000</u>	<u>19,177,414</u>
Other liabilities:						
Total other postemployment benefits	56,932,997	4,252,536	3,033,776	58,151,757	2,473,180	55,678,577
Net pension liability - ERS	4,779,315	- *	1,069,531	3,709,784	-	3,709,784
Net pension liability - TRS	3,202,927	- *	1,327,972	1,874,955	-	1,874,955
Compensated absences	<u>3,494,629</u>	<u>-</u>	<u>170,669</u> *	<u>3,323,960</u>	<u>-</u>	<u>3,323,960</u>
Total other liabilities	<u>68,409,868</u>	<u>4,252,536</u>	<u>5,601,948</u>	<u>67,060,456</u>	<u>2,473,180</u>	<u>64,587,276</u>
Total long-term liabilities	<u>\$ 93,714,059</u>	<u>\$ 4,252,536</u>	<u>\$ 9,153,725</u>	<u>\$ 88,812,870</u>	<u>\$ 5,048,180</u>	<u>\$ 83,764,690</u>

During 2023-2024 fiscal year, and in prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements.

The 2012, 2013, and 2019 serial bonds were issued at a premium, net of underwriting costs. The premium is being amortized over the life of the bonds, which mature through June 2033. At June 30, 2024, the unearned bond premium was \$2,767,414.

Issue dates, maturities, and interest rates on outstanding debt are as follows:

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2024 Balance
Capital Project Bonds Series 2012	2022	2027	2.00-5.00%	\$ 2,560,000
2019 General obligation bond	2019	2033	2.00-5.00%	<u>16,425,000</u>
Total				<u>\$ 18,985,000</u>

**9. LONG-TERM LIABILITIES (Continued)**

The following is a summary of the maturities of bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,575,000	\$ 949,250	\$ 3,524,250
2026	2,695,000	820,500	3,515,500
2027	2,575,000	685,750	3,260,750
2028	1,930,000	557,000	2,487,000
2029	2,025,000	460,500	2,485,500
2030-2033	<u>7,185,000</u>	<u>836,500</u>	<u>8,021,500</u>
Totals	18,985,000	4,309,500	23,294,500
Bond premium	<u>2,767,414</u>	-	<u>2,767,414</u>
Totals	<u>\$ 21,752,414</u>	<u>\$ 4,309,500</u>	<u>\$ 26,061,914</u>

Interest on all debt for the year was composed of:

Interest paid - bonds	\$ 1,084,600
Interest paid - BANs	1,383,997
Interest paid - leases	44,638
Amortization of bond premium	(781,777)
Amortization of gain on refunding	(56,490)
Less: interest accrued in prior year	(73,039)
Plus: interest accrued in current year	<u>81,674</u>
Total expense	<u>\$ 1,683,603</u>

**10. LEASES**

The School District had various one-time equipment leases with Capital Region BOCES which were paid in advance.

Activity of lease liabilities for the year ended June 30, 2024, is summarized as follows:

<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<u>\$ -</u>	<u>\$ 1,060,525</u>	<u>\$ 1,060,525</u>	<u>\$ -</u>

## 11. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position.

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

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditure
General fund	\$ 1,786,743	\$ 2,029,455	\$ 254,655	\$ 903,448
Special aid fund	12,583	1,411,503	103,448	-
School lunch fund	43,112	119,686	-	-
Capital fund	1,973,997	290,753	800,000	-
Debt service fund	290,753	254,655	-	254,655
Misc. special revenue fund	-	1,136	-	-
Total governmental activities	<u>\$ 4,107,188</u>	<u>\$ 4,107,188</u>	<u>\$ 1,158,103</u>	<u>\$ 1,158,103</u>

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

## 12. PENSION PLANS

### New York State Employee Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (NYSRSSL). Once an 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 School 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](http://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.

## 12. PENSION PLANS (Continued)

### New York State Employee Retirement System (Continued)

#### *Contributions*

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System (ERS) after July 27<sup>th</sup>, 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 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2024	\$	993,100
2023	\$	756,931
2022	\$	1,066,518

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

At June 30, 2024, the School District reported a liability of \$3,709,784 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportion was 0.02519540%, which was an increase of 0.0029080% from its proportion measured at June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$1,739,448. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,194,919	\$ 101,156
Changes of assumptions	1,402,586	-
Net difference between projected and actual earnings on pension plan investments	-	1,812,210
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	331,115	5,143
Contributions subsequent to the measurement date	323,979	-
	<u>\$ 3,252,599</u>	<u>\$ 1,918,509</u>

## 12. PENSION PLANS (Continued)

### New York State Employee Retirement System (Continued)

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

\$323,979 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of March 31, 2024 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Plan's Year Ended March 31:		
	2025	\$ (570,093)
	2026	783,804
	2027	1,140,541
	2028	<u>(344,141)</u>
		<u>\$ 1,010,111</u>

#### **Actuarial Assumptions**

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

The long-term expected 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 return, net of investment expenses 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 the target asset allocation percentage and by adding expected inflation.

## 12. PENSION PLANS (Continued)

### New York State Employee Retirement System (Continued)

#### **Actuarial Assumptions (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major assts class are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate or return</u>
Domestic Equity	32.0%	4.00%
International Equity	15.0%	6.65%
Private Equity	10.0%	7.25%
Real Estate	9.0%	4.60%
Opportunistic/ARS Portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real Assets	3.0%	5.79%
Fixed Income	23.0%	1.50%
Cash	1.0%	0.25%
	<u>100.0%</u>	

#### **Discount Rate**

The discount rate used to calculate the total pension liability was 5.9 percent. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (4.9%) or 1 percent higher (6.9%) than the current rate:

	<u>1% Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 11,663,941</u>	<u>\$ 3,709,784</u>	<u>\$ (2,933,587)</u>

## 12. PENSION PLANS (Continued)

### New York State Employee Retirement System (Continued)

#### **Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

	<u>Pension Plan's Fiduciary Net Position</u>
Total pension liability	\$ 240,696,851,000
Net position	<u>(225,972,801,000)</u>
Net pension liability (asset)	<u>\$ 14,724,050,000</u>
Fiduciary net position as a percentage of total pension liability	93.88%

### New York State Teacher Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

#### *Contributions*

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except for employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

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

2024	\$ 3,065,428
2023	\$ 3,112,223
2022	\$ 2,898,384



## 12. PENSION PLANS (Continued)

### New York State Teacher Retirement System (Continued)

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

At June 30, 2024, the School District reported a liability of \$1,874,955 for its proportionate share of the net pension liability. The net pension asset liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 the School District's proportion was 0.1639542%, which was a decrease of 0.0029608% of its proportion measured June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$5,297,571. At June 30, 2024 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,546,268	\$ 11,235
Changes of Assumptions	4,036,723	879,782
Net difference between projected and actual earnings on pension plan investments	958,440	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	196,321	108,172
Contributions subsequent to the measurement date	3,359,117	-
	<u>\$ 13,096,869</u>	<u>\$ 999,189</u>

\$3,359,117 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Plan's Year Ended June 30:		
2024	\$	804,066
2025		(956,721)
2026		7,542,131
2027		581,923
2028		469,983
Thereafter		297,181
		<u>\$ 8,738,563</u>

## 12. PENSION PLANS (Continued)

### New York State Teacher Retirement System (Continued)

#### **Actuarial Assumptions**

The total pension liability at the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience and were updated as of June 30, 2023.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015, to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

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

## 12. PENSION PLANS (Continued)

### New York State Teacher Retirement System (Continued)

#### **Actuarial Assumptions (Continued)**

The long-term expected real rates of return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-term expected real rate or return</u>
Domestic Equity	33.0%	6.80%
International Equity	15.0%	7.60%
Global Equity	4.0%	7.20%
Real Estate Equity	11.0%	6.30%
Private Equity	9.0%	10.10%
Domestic Fixed Income	16.0%	2.20%
Global Bonds	2.0%	1.60%
High-Yield Bonds	1.0%	4.40%
Private Debt	2.0%	6.00%
Real Estate Debt	6.0%	3.20%
Cash Equivalents	1.0%	0.30%
	<u>100.0%</u>	

#### **Discount Rate**

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 6.95% as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1 percent lower (5.95%) or 1 percent higher (7.95%) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 28,556,522</u>	<u>\$ 1,874,955</u>	<u>\$ (20,565,396)</u>

## 12. PENSION PLANS (Continued)

### New York State Teacher Retirement System (Continued)

#### **Pension Plan Fiduciary Net Position**

The components of the current-year net pension (asset) of the plan as of June 30, 2023, were as follows:

	<u>Pension Plan's Fiduciary Net Position</u>
Total pension liability	\$ 138,365,151,961
Net position	<u>(137,221,536,942)</u>
Net pension liability (asset)	<u>\$ 1,143,615,019</u>
Fiduciary net position as a percentage of total pension liability	99.17%

## 13. OTHER POSTEMPLOYMENT BENEFITS

#### **Plan Description**

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators aged 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010, age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010, must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

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

#### **Benefits Provided**

The School 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 School District offices and are available upon request.

#### **Employees Covered by Benefit Terms**

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	465
Inactive employees or beneficiaries entitled to but not yet receiving benefits	-
Active employees	<u>554</u>
Total participants	<u><u>1,019</u></u>

### 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Total OPEB Liability

The School District's total OPEB liability of \$58,151,757 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Method	Entry age normal cost method
Inflation	2.70% per year
Salary increases, including wage inflation	Varied by years of service and retirement system
Discount Rate	4.21% as of June 30, 2024
Healthcare Cost Trend Rates	6.75% for 2022 to 2023, decreasing annually to an ultimate rate of 4.14% for 2076 and later years

The discount rate was based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2021.

#### Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 56,932,997
Changes for the Year	
Service cost	1,627,437
Interest	2,370,034
Changes of benefit terms	-
Changes in assumptions or other inputs	(660,510)
Differences between expected and actual experience	255,065
Benefit payments	<u>(2,373,266)</u>
Net changes	<u>1,218,760</u>
Balance at June 30, 2024	<u>\$ 58,151,757</u>

The discount rate was 4.21% at the prior measurement date compared to 4.13% at the current measurement date.

### 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	1% Decrease <u>(3.21%)</u>	Current Discount <u>(4.21%)</u>	1% Increase <u>(5.21%)</u>
Total OPEB Liability	\$ <u>67,310,867</u>	\$ <u>58,151,757</u>	\$ <u>50,781,289</u>

#### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School 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:

	Healthcare		
	1% Decrease <u>(5.75%)</u>	Current Discount <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Total OPEB Liability	\$ <u>49,222,497</u>	\$ <u>58,151,757</u>	\$ <u>69,576,534</u>

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$889,695. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463,338	\$ 5,889,075
Changes of assumptions	<u>4,017,638</u>	<u>12,536,772</u>
	<u>\$ 4,480,976</u>	<u>\$ 18,425,847</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</u>	<u>Amount</u>
2025	\$ (2,779,415)
2026	(5,056,983)
2027	(4,355,361)
2028	(1,685,537)
2029	(67,575)
Thereafter	-
	<u>\$ (13,944,871)</u>

**14. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The School District does not purchase insurance for the risk of losses for unemployment and workers' compensation claims. Instead, the School District manages its risks for these losses internally and accounts for these in the School District's general fund, including provisions for unexpected and unusual claims.

Claims are recognized as expenditures when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated. At June 30, 2024, management estimates there are no outstanding claims liabilities.

**15. TAX ABATEMENTS**

All real property in New York State is subject to taxation unless specific legal provision grants it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The School District has three (3) real property tax abatement agreements that are entered into by the Saratoga County Industrial Development Agency (IDA) and one (1) real property tax abatement agreements entered into by Town of Ballston. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) in accordance with the IDA's Tax Exemption Policy. PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, or the improvement or expansion of an existing facility. There are also policies for recapture of PILOTs should the applicant not meet certain criteria.

<u>Agreement</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>School Tax Abated</u>
Saratoga County IDA	\$ 3,253,400	\$ 23.9413	\$ 77,891	\$ 71,881	\$ 6,009
Town of Ballston	\$ 967,000	\$ 23.9413	23,151	720	22,431
718 K&E, LLC (2021 - 2022 SY)	\$ 962,600	\$ 24.1811	23,276	3,325	19,951
718 K&E, LLC (2021 - 2023 SY)	\$ 962,600	\$ 24.9426	24,007	3,429	20,578
718 K&E, LLC (2021 - 2024 SY)	\$ 962,600	\$ 24.8212	23,892	3,413	20,479
Total			<u>\$ 172,217</u>	<u>\$ 82,768</u>	<u>\$ 89,448</u>

## **16. CONTINGENCIES AND COMMITMENTS**

### **Litigation**

The School District has been named as a defendant in several tax certiorari cases. A review by management and the School District's attorneys indicates these actions are not substantial enough to materially affect the financial position of the School District.

### **Other Contingencies**

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

### **Commitments**

The School District has various commitments with contractors for the completion of capital projects.



**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUE</b>					
LOCAL SOURCES:					
Real property taxes	\$ 41,317,786	41,603,347	\$ 41,633,011	\$ -	\$ 29,664
Other tax items	3,725,000	3,439,439	3,421,044	-	(18,395)
Charges for services	836,107	836,107	903,682	-	67,575
Use of money and property	675,000	675,000	1,084,376	-	409,376
Sale of property and compensation for loss	116,000	116,000	58,043	-	(57,957)
Miscellaneous	<u>749,283</u>	<u>749,283</u>	<u>707,489</u>	-	<u>(41,794)</u>
Total local sources	47,419,176	47,419,176	47,807,645	-	388,469
State sources	30,450,946	30,450,946	31,351,919	-	900,973
Medicaid reimbursement	<u>200,000</u>	<u>200,000</u>	<u>297,040</u>	-	<u>97,040</u>
Total revenue	78,070,122	78,070,122	79,456,604	-	1,386,482
<b>OTHER FINANCING SOURCES</b>					
Proceeds on issuance of capital leases	-	-	1,060,525	-	1,060,525
Transfers from other funds	<u>-</u>	<u>-</u>	<u>254,655</u>	-	<u>254,655</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,315,180</u>	-	<u>1,315,180</u>
Total revenue and other financing sources	<u>78,070,122</u>	<u>78,070,122</u>	<u>80,771,784</u>	-	<u>2,701,662</u>

(Continued)

See independent auditors report.

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
<b>EXPENDITURES</b>					
GENERAL SUPPORT:					
Board of education	35,627	43,969	34,974	-	8,995
Central administration	392,329	339,149	320,439	-	18,710
Finance	873,733	960,163	898,516	21,500	40,147
Staff	658,265	799,080	709,315	-	89,765
Central services	6,132,831	6,748,796	5,931,726	118,184	698,886
Special items	743,430	751,461	603,126	-	148,335
Total general support	8,836,215	9,642,618	8,498,096	139,684	1,004,838
INSTRUCTION:					
Instruction, administration, and improvement	3,269,488	3,888,054	3,742,514	369	145,171
Teaching - Regular school	19,884,165	20,871,379	20,253,127	18,517	599,735
Programs for children with handicapping conditions	10,397,349	9,895,767	9,440,047	-	455,720
Occupational education	830,092	1,312,290	1,311,626	-	664
Teaching - Special school	339,200	169,945	148,288	-	21,657
Instructional media	1,907,572	2,139,736	2,089,561	50	50,125
Pupil services	3,795,890	3,148,601	3,037,705	166	110,730
Total instruction	40,423,756	41,425,772	40,022,868	19,102	1,383,802
Pupil transportation	5,760,207	6,723,050	6,248,850	23,059	451,141
Community services	37,600	25,984	4,482	-	21,502
Employee benefits	18,718,136	17,479,968	17,245,567	-	234,401
Debt service - Principal	4,370,000	3,360,011	4,420,525	-	(1,060,514)
Debt service - Interest	2,391,708	2,468,597	2,513,235	-	(44,638)
Total expenditures	80,537,622	81,126,000	78,953,623	181,845	1,990,532
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(1,032,500)	(936,000)	(903,448)	-	32,552
Total expenditures and other financing uses	81,570,122	82,062,000	79,857,071	181,845	2,023,084
NET CHANGE IN FUND BALANCES	(3,500,000)	(3,991,878)	914,713	(181,845)	4,724,746
FUND BALANCE - beginning of year	13,203,248	13,203,248	13,203,248		
FUND BALANCE - end of year	\$ 9,703,248	\$ 9,211,370	\$ 14,117,961		

See independent auditors report.

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.02519540%	0.02228740%	0.02150830%	0.0215802%	0.0205226%	0.0204393%	0.0219079%	0.0210916%	0.0209759%
Proportionate share of the net pension liability (asset)	\$ 3,709.8	\$ 4,779.3	\$ (1,758.2)	\$ 21.5	\$ 5,434.5	\$ 1,448.2	\$ 707.1	\$ 1,981.8	\$ 3,366.7
Covered-employee payroll	\$ 8,892.2	\$ 7,989.2	\$ 6,808.0	\$ 6,808.0	\$ 6,474.7	\$ 6,226.7	\$ 6,374.7	\$ 5,910.5	\$ 5,658.2
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.72%	59.82%	-25.83%	0.32%	83.93%	23.26%	11.09%	33.53%	59.50%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.1639542%	0.1669150%	0.1664690%	0.1645560%	0.1627380%	0.1635250%	0.1673220%	0.1645600%	0.1650210%
Proportionate share of the net pension liability (asset)	\$ 1,875.0	\$ 3,202.9	\$ (28,847.5)	\$ 4,547.1	\$ (4,227.9)	\$ (2,957.0)	\$ (1,271.8)	\$ 1,762.5	\$ (17,140.4)
Covered-employee payroll	\$ 31,408.1	\$ 30,245.1	\$ 19,575.3	\$ 28,255.2	\$ 29,235.7	\$ 26,636.4	\$ 27,961.8	\$ 25,393.2	\$ 24,788.4
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.97%	10.59%	-97.54%	16.09%	-14.46%	-11.10%	-4.55%	6.94%	-69.15%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 993.1	\$ 756.9	\$ 1,066.5	\$ 1,057.8	\$ 933.5	\$ 912.4	\$ 955.1	\$ 906.4	\$ 1,117.8
Contributions in relation to the contractually required contribution	993.1	756.9	1,066.5	1,057.8	933.5	912.4	955.1	906.4	1,117.8
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 8,892.2	\$ 7,989.2	\$ 6,808.0	\$ 6,808.0	\$ 6,474.7	\$ 6,226.7	\$ 6,374.7	\$ 5,910.5	\$ 5,658.2
Contributions as a percentage of covered-employee payroll	11.17%	9.47%	15.67%	15.54%	14.42%	14.65%	14.98%	15.33%	19.76%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,065.4	\$ 3,112.2	\$ 2,898.4	\$ 2,692.7	\$ 2,474.6	\$ 2,884.8	\$ 2,610.4	\$ 3,367.1	\$ 4,345.4
Contributions in relation to the contractually required contribution	3,065.4	3,112.2	2,898.4	2,692.7	2,474.6	2,884.8	2,610.4	3,367.1	4,345.4
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 31,408.1	\$ 30,245.1	\$ 19,575.3	\$ 28,255.2	\$ 29,235.7	\$ 26,636.4	\$ 27,961.8	\$ 25,393.2	\$ 24,788.4
Contributions as a percentage of covered-employee payroll	9.76%	10.29%	14.81%	9.53%	8.46%	10.83%	9.34%	13.26%	17.53%

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total OPEB Liability</b>										
Service cost	\$ 1,627,437	\$ 1,739,056	\$ 2,512,822	\$ 3,015,761	\$ 2,015,398	\$ 1,389,830	\$ 1,443,957			
Interest	2,370,034	2,304,100	1,722,175	1,688,093	2,068,072	2,457,772	2,260,800			
Changes of benefit terms	-	290,270	-	-	-	-	-			
Differences between expected and actual experience	255,065	(6,894,146)	(103,937)	(3,723,029)	120,135	923,056	-			
Changes in assumptions	(660,510)	(2,813,617)	(15,915,030)	4,945,658	14,214,509	(8,166,202)	(3,190,835)			
Benefit payments	(2,373,266)	(2,064,428)	(2,112,217)	(2,042,999)	(1,859,307)	(1,777,686)	(1,331,725)			
<b>Total change in total OPEB liability</b>	<b>1,218,760</b>	<b>(7,438,765)</b>	<b>(13,896,187)</b>	<b>3,883,484</b>	<b>16,558,807</b>	<b>(5,173,230)</b>	<b>(817,803)</b>			
<b>Total OPEB liability - beginning</b>	<b>56,932,997</b>	<b>64,371,762</b>	<b>78,267,949</b>	<b>74,384,465</b>	<b>57,825,658</b>	<b>62,998,888</b>	<b>63,816,691</b>			
<b>Total OPEB liability - ending</b>	<b>\$ 58,151,757</b>	<b>\$ 56,932,997</b>	<b>\$ 64,371,762</b>	<b>\$ 78,267,949</b>	<b>\$ 74,384,465</b>	<b>\$ 57,825,658</b>	<b>\$ 62,998,888</b>			
<b>Covered-employee payroll</b>	<b>\$ 34,239,613</b>	<b>\$ 30,868,753</b>	<b>\$ 30,868,753</b>	<b>\$ 30,992,579</b>	<b>\$ 34,801,959</b>	<b>\$ 31,368,777</b>	<b>\$ 32,382,959</b>			
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>169.84%</b>	<b>208.53%</b>	<b>208.53%</b>	<b>252.54%</b>	<b>213.74%</b>	<b>184.34%</b>	<b>194.54%</b>			

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Notes to schedule:**

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2024	2023	2022	2021	2020	2019	2018
	4.21%	4.13%	3.54%	2.16%	2.21%	3.87%	3.58%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**SUPPLEMENTARY INFORMATION**

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	School Lunch	(Formerly Major) Special Aid	Debt Service	Misc. Special Revenue	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents - unrestricted	\$ 364,269	\$ 96,788	\$ -	\$ -	\$ 461,057
Cash and cash equivalents - restricted	-	-	1,320,924	492,315	1,813,239
Accounts receivable	1,691	-	-	-	1,691
Due from other funds	43,112	12,583	290,753	-	346,448
State and federal aid receivable	24,345	1,308,528	-	-	1,332,873
Inventory	119,034	-	-	-	119,034
<b>TOTAL ASSETS</b>	<b><u>\$ 552,451</u></b>	<b><u>\$ 1,417,899</u></b>	<b><u>\$ 1,611,677</u></b>	<b><u>\$ 492,315</u></b>	<b><u>\$ 4,074,342</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 2,002	\$ 6,396	\$ -	\$ 8,732	\$ 17,130
Due to other funds	119,686	1,411,503	254,655	1,136	1,786,980
Due to other governments	81	-	-	682	763
Due to Employees' Retirement System	67,166	-	-	-	67,166
Unearned revenue	45,993	-	-	-	45,993
<b>TOTAL LIABILITIES</b>	<b><u>234,928</u></b>	<b><u>1,417,899</u></b>	<b><u>254,655</u></b>	<b><u>10,550</u></b>	<b><u>1,918,032</u></b>
<b>FUND BALANCE</b>					
Nonspendable					
Inventory	119,034	-	-	-	119,034
<b>Total nonspendable fund balance</b>	<b><u>119,034</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>119,034</u></b>
Restricted					
Debt service	-	-	1,357,022	-	1,357,022
Other - extraclassroom activity funds and scholarships	-	-	-	481,765	481,765
<b>Total restricted fund balance</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,357,022</u></b>	<b><u>481,765</u></b>	<b><u>1,838,787</u></b>
Assigned					
Other	198,489	-	-	-	198,489
<b>Total assigned fund balance</b>	<b><u>198,489</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>198,489</u></b>
<b>TOTAL FUND BALANCE</b>	<b><u>317,523</u></b>	<b><u>-</u></b>	<b><u>1,357,022</u></b>	<b><u>481,765</u></b>	<b><u>2,156,310</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 552,451</u></b>	<b><u>\$ 1,417,899</u></b>	<b><u>\$ 1,611,677</u></b>	<b><u>\$ 492,315</u></b>	<b><u>\$ 4,074,342</u></b>



**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	School Lunch	(Formerly Major) Special Aid	Debt Service	Misc. Special Revenue	Total Nonmajor Governmental Funds
<b>REVENUE:</b>					
Use of money and property	\$ 116	\$ -	\$ 81,811	\$ -	\$ 81,927
Miscellaneous	99,879	-	-	137,335	237,214
State sources	14,133	466,935	-	-	481,068
Federal sources	482,446	1,922,610	-	-	2,405,056
Contributions	-	-	-	411,739	411,739
Sales - School lunch	848,262	-	-	-	848,262
<b>Total revenue</b>	<b>1,444,836</b>	<b>2,389,545</b>	<b>81,811</b>	<b>549,074</b>	<b>4,465,266</b>
<b>EXPENDITURES:</b>					
Instruction	-	2,146,536	-	-	2,146,536
Pupil Services	-	53,350	-	-	53,350
Pupil Transportation	-	122,907	-	-	122,907
Employee benefits	218,743	170,200	-	-	388,943
Cost of sales	1,414,462	-	-	-	1,414,462
Other	-	-	-	582,978	582,978
<b>Total expenditures</b>	<b>1,633,205</b>	<b>2,492,993</b>	<b>-</b>	<b>582,978</b>	<b>4,709,176</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(188,369)</b>	<b>(103,448)</b>	<b>81,811</b>	<b>(33,904)</b>	<b>(243,910)</b>
<b>OTHER SOURCES AND (USES):</b>					
Premiums on issuance of debt	-	-	290,754	-	290,754
Operating transfers in	-	103,448	-	-	103,448
Operating transfers (out)	-	-	(254,655)	-	(254,655)
<b>Total other sources (uses)</b>	<b>-</b>	<b>103,448</b>	<b>36,099</b>	<b>-</b>	<b>139,547</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)</b>	<b>(188,369)</b>	<b>-</b>	<b>117,910</b>	<b>(33,904)</b>	<b>(104,363)</b>
FUND BALANCE - beginning of year, previously reported	505,892	-	1,239,112	515,669	2,260,673
Adjustment - changes from major fund to nonmajor fund	-	-	-	-	-
FUND BALANCE - beginning year, as adjusted	505,892	-	1,239,112	515,669	2,260,673
FUND BALANCE - end of year	<u>\$ 317,523</u>	<u>\$ -</u>	<u>\$ 1,357,022</u>	<u>\$ 481,765</u>	<u>\$ 2,156,310</u>

**OTHER INFORMATION (UNAUDITED)**

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND  
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024 (UNAUDITED)**

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**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 81,570,122
Add: Prior year's encumbrances	<u>491,881</u>
Original budget	82,062,003
Budget revision	<u>(3)</u>
Final budget	<u><u>\$ 82,062,000</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2024-2025 voter approved expenditure budget	<u>\$ 84,923,072</u>
Maximum allowed (4% of 2024-2025 budget)	<u>\$ 3,396,923</u>
General Fund fund balance subject to Section 1318 of real Property Tax Law*:	
Unrestricted fund balance:	
Assigned fund balance	\$ 3,181,845
Unassigned fund balance	<u>3,265,988</u>
Total fund balance	<u>6,447,833</u>
Less:	
Appropriated fund balance	3,000,000
Encumbrances included in assigned fund balance	<u>181,845</u>
Total adjustments	<u>3,181,845</u>
General Fund fund balance subject to Section 1318 of Real Property Tax Law	<u>\$ 3,265,988</u>
Actual percentage	3.85%

\*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.

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance
			Prior Years	Current Year	Total	
District-wide - Renovations Oct 2003	\$ 15,995,000	\$ 16,341,832	\$ 16,341,832	\$ -	\$ 16,341,832	\$ -
District-wide - Transpiration	400,000	405,873	405,873	-	405,873	-
District-wide - Renovations EXCEL Mar '07	4,940,778	5,049,846	5,049,846	-	5,049,846	-
District-wide Renovations Trans Washbay	-	434,769	434,769	-	434,769	-
District-wide - Renovations Dec 2009	12,538,550	13,102,774	13,102,774	-	13,102,774	-
District-wide - Renovations Oct 2013	34,172,000	34,072,849	34,072,849	-	34,072,849	-
District-wide - Renovations Oct 2018	34,077,420	34,077,420	33,363,683	(233,593)	33,130,090	947,330
District-wide - Renovations Oct 2023	53,938,109	53,938,109	23,348	630,574	653,922	53,284,187
High School Paving (Capital Project Fund Transfer)	1,300,000	1,300,000	1,116,151	548,563	1,664,714	(364,714)
MS Classroom (23/24)	-	339,000	19,447	79	19,526	319,474
HS Auto Shop (23/24) - 3039	-	142,000	-	-	-	142,000
Capital Outlay Project (HS Classroom Lighting)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (Pashley Classroom Lighting)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (Middle School Classroom Lighting)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (Stevens Classroom Lighting)	-	100,000	95,596	-	95,596	4,404
Capital Outlay Project (Pashley Classroom Lighting)	-	100,000	64,387	-	64,387	35,613
Capital Outlay Project (Charlton Heights Classroom Lighting)	-	100,000	40,348	-	40,348	59,652
Capital Outlay Project (Transportation Dept)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (HS Kitchen/FACS)	-	100,000	-	91,832	91,832	8,168
Emergency Pool Project	-	-	130,000	-	130,000	(130,000)
Smart Schools Approval #1 (SSB1)	-	-	581,865	7,360	589,225	(589,225)
Smart Schools Approval #2 (SSB2)	-	-	376,689	471	377,160	(377,160)
Smart Schools Approval #4 (SSB4)	-	-	348,340	431	348,771	(348,771)
Smart Schools Approval #5 (SSB5)	-	-	170,000	-	170,000	(170,000)
Smart Schools Approval #6 (SSB6)	-	-	417,000	-	417,000	(417,000)
Smart Schools Approval #7 (SSB7)	-	-	30,080	230	30,310	(30,310)
	<u>\$ 157,361,857</u>	<u>\$ 160,004,472</u>	<u>\$ 106,584,877</u>	<u>\$ 1,045,947</u>	<u>\$ 107,630,824</u>	<u>\$ 52,373,648</u>

See independent auditors report.

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)**

**June 30, 2024**

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Capital assets, net		\$ 100,761,064
Deduct:		
Bond anticipation notes	\$ 34,165,487	
Short-term portion of bonds payable	2,575,000	
Long-term portion of bonds payable	<u>19,177,414</u>	
		<u>55,917,901</u>
Add:		
Unspent bond proceeds	3,124,067	
		<u>3,124,067</u>
Net investment in capital assets		<u><u>\$ 47,967,230</u></u>

**REQUIRED REPORTS UNDER UNIFORM GUIDANCE**

**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**

October 8, 2024

The Board of Education of  
Burnt Hills Ballston Lake Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burnt Hills Ballston Lake Central School District (School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 8, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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(Continued)

**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**

(Continued)

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

October 8, 2024

To the Board of Education of  
Burnt Hills Ballston Lake Central School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Burnt Hills Ballston Lake Central School District's (School District) compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

(Continued)

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

(Continued)

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Reports on Internal Control Over Compliance***

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

(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM  
GUIDANCE**

(Continued)

***Reports on Internal Control Over Compliance (Continued)***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing	Agency or Pass-through Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster:			
National School Lunch Program (noncash food donations)	10.555	N/A	\$ 43,571 *
<u>Pass-Through New York State Dept. of Education</u>			
School Breakfast Program	10.553	N/A	31,601
National School Lunch Program	10.555	N/A	310,562 *
National School Lunch Program- Supply Chain Assistance	10.555	N/A	96,712 *
Total Child Nutrition Cluster			<u>482,446</u>
Total U.S. Department of Agriculture			<u>482,446</u>
<u>Pass-Through New York State Dept. of Education</u>			
Title 1 Grants to Local Educational Agencies	84.010	0021-23-2670	15,857
Title 1 Grants to Local Educational Agencies	84.010	0021-24-2670	111,466
Title 1 Grants to Local Educational Agencies	84.010	0016-24-2670	67,377
Total Title 1 Grants to Local Educational Agencies			<u>194,700</u>
Special Education Cluster:			
IDEA, Part B Section 611	84.027	0032-24-0805	801,801
IDEA, Part B Section 619	84.173	0033-24-0805	37,327
Total Special Education Cluster			<u>839,128</u>
ESEA - Title II Part A - Improving Teacher Quality State Grant	84.367	0147-24-2670	<u>47,362</u>
Student Support and Academic Enrichment Program	84.424	0204-24-2670	<u>10,000</u>
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP UPK) Fund	84.425U	5870-24-9025	102,312
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Summer Enrichment) Fund	84.425U	5882-21-2670	28,148
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-2670	264,535
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Comprehensive After School Program) Fund	84.425U	5883-21-2670	16,654
COVID-19 - Education Stabilization Fund (ESF): American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Summer Learning Loss) Fund	84.425U	5882-21-2670	419,771
Total COVID-19 Education Stabilization Fund			<u>831,420</u>
Total U.S. Department of Education			<u>1,922,610</u>
Total Expenditures of Federal Awards			<u>\$ 2,405,056</u>
* Subtotal Assistance Listing Number 10.555			<u>\$ 450,845</u>

# BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR YEAR ENDED JUNE 30, 2024

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### 1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Burnt Hills Ballston Lake Central School District (School District), under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the School District's general ledger.

### 3. PASS-THROUGH PROGRAMS

Where the School District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the School District's financial management system. The School District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

### 4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The School District did not elect to use the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

### 5. MATCHING COSTS

Matching costs, i.e., the School District's share of certain program costs, are not included in the reported expenditures.

### 6. NON-CASH FEDERAL ASSISTANCE

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed non-cash assistance. During the year ended June 30, 2024, the School District received food commodities, the fair value of which amounted to \$43,571 is presented in the Schedule as National School Lunch Program (Division of Donated Foods, Assistance Listing #10.555).

# BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

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### Section I—Summary of Auditor’s Results

#### Financial Statements

Type of auditor's report issued on whether the District's financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified not considered to be material weaknesses?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

Internal control over major program compliance:

Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified not considered to be material weaknesses?

Yes  None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2024**

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**Section I—Summary of Auditor’s Results (Continued)**

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA, Part B Section 611
84.173	IDEA, Part B Section 619

Dollar threshold used to distinguish between Type A and \$ 750,000  
Type B programs:

Auditee qualified as low-risk auditee? X Yes \_\_\_ No

**BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2024**

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**Section II—Financial Statement Findings**

None.

**Section III—Federal Award Findings and Questioned Costs**

None.