LAKE GEORGE
CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2026

LAKE GEORGE CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Lake George Central School District as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Lake George Central School District's basic financial statements as listed in the table of contents.

Opinions

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary funds of the Lake George Central School District, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of changes in the total OPEB liability, the District's proportionate share of the net pension asset/liability, and District contributions on pages M1-M11 and 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of

preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2026 on our consideration of the Lake George Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lake George Central School District's internal control over financial reporting and compliance.

Raymond G. Preusser, CPA, P.C.

Claverack, New York
September 16, 2026

Lake George Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2026

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2026. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

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

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

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

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

DISTRICT-WIDE STATEMENTS

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

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

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

- To assess the School District's overall health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

    - The Town of Fort Ann continues to maintain a 100% equalization due to the annual reassessment minimum of 4% on all properties. The Town of Queensbury's equalization rate was 90%. The Town of Lake George equalization rate was 68% and

Bolton's equalization rate was 68% for the September 2025 tax rolls. Apportionment of taxes to the municipalities within the District are determined in part by the equalization rate.

- The Building Condition Survey, an in-depth review of District facilities, is scheduled to be conducted in the upcoming year. Utilizing this information, the District will update the Facilities Master Plan, and will fine-tune project and financing schedules for the foreseeable future. This plan is updated on an annual basis.

- The Strategic Plan, Facilities Plan and Long-Range Financial Projection are utilized by District Officials to guide the development of the annual budget and capital projects.

- In the district-wide financial statements, District activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

- Approximately every five to seven years, the New York State Office of the State Comptroller (OSC) conducts financial audits of school districts and municipalities. These audits are comprehensive and include a thorough review of financial policies, procedures, internal controls, and records for a selected period. This year, the District was selected for an OSC audit. Following an initial comprehensive review, the auditors narrowed their area of focus to the calculation and collection of employee and retiree health insurance contributions. While the District has not yet received the final audit report, based on the audit process and preliminary feedback received, we do not anticipate any significant findings or areas of concern.

FUND FINANCIAL STATEMENTS

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

- Some funds are required by State law and by bond covenants.

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

The District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this

information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL SUMMARY

DISTRICT-WIDE FINANCIAL ANALYSIS
Lake George Central School District's Net Position
June 30, 2026 and 2025

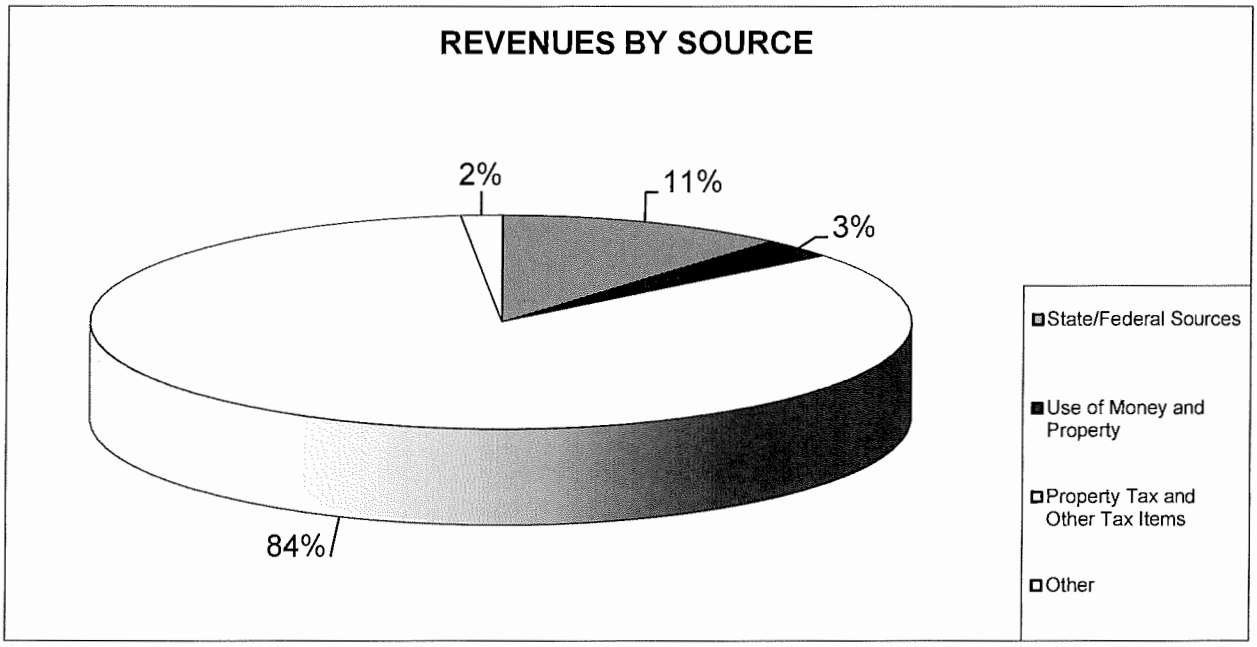
	Governmental Activities		
	2026	2025	Variance Increase (Decrease)
Current Assets	$ 14,689,327	$ 11,985,767	$ 2,703,560
Capital Assets	25,523,671	18,690,651	6,833,020
Net Pension Asset	2,542,457	1,336,157	1,206,300
Total Assets	42,755,455	32,012,575	10,742,880
Deferred Outflows of Resources	7,072,477	6,852,773	219,704
Total Assets and Outflows of Resources	49,827,932	38,865,348	10,962,584
Current Liabilities	10,050,033	3,108,528	6,941,505
Long-Term Liabilities	4,162,274	4,791,445	(629,171)
OPEB Obligation	52,220,818	61,867,307	(9,646,489)
Net Pension Liability	297,325	1,015,530	(718,205)
Total Liabilities	66,730,450	70,782,810	(4,052,360)
Deferred Inflows of Resources	16,796,802	11,479,477	5,317,325
Total Liabilities and Inflows of Resources	83,527,252	82,262,287	1,264,965
Net Position:			
Investment in capital assets, net of related debt	15,693,761	14,283,756	1,410,005
Restricted	11,032,808	15,608,724	(4,575,916)
Unrestricted (deficit)	(60,425,889)	(73,289,419)	12,863,530
Total Net Position	$ (33,699,320)	$ (43,396,939)	$ 9,697,619

Lake George Central School District's
Changes in Net Position
For the Years Ended June 30, 2026 and 2025

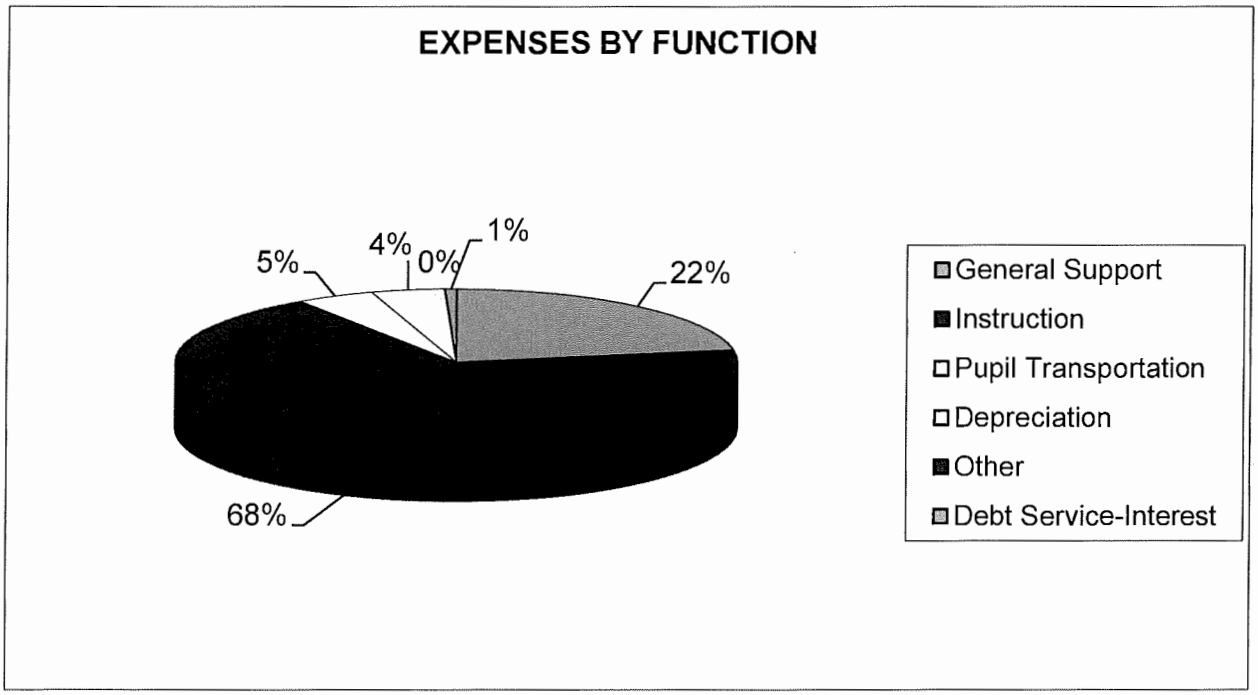
	Governmental Activities		
	2026	2025	Variance Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	$ 221,438	$ 127,051	$ 94,387
Operating Grants and Contributions	960,431	1,061,359	(100,928)
Total Program Revenues	$ 1,181,869	$ 1,188,410	$ (6,541)
General Revenues:			
Real Property Taxes	$ 22,246,858	$ 21,746,967	$ 499,891
Other Tax Items	384,787	392,003	(7,216)
Use of Money and Property	806,498	738,407	68,091
Sale of Property and Compensation for Loss	76,014	102,922	(26,908)
Miscellaneous	299,968	288,070	11,898
State Sources	3,021,022	2,957,675	63,347
Federal Sources	43,731	49,446	(5,715)
Premium on Obligations	60,187	-	60,187
Total General Revenues	26,939,065	26,275,490	663,575
Expenses (Net of Program Revenues):			
Instruction	11,778,465	16,782,307	(5,003,842)
Support Services:			
General Support	3,849,038	3,918,269	(69,231)
Pupil Transportation	779,059	1,027,935	(248,876)
Debt Service-Interest	115,644	141,749	(26,105)
Depreciation	721,793	759,706	(37,913)
School Lunch	(2,553)	50,914	(53,467)
Total Expenses	17,241,446	22,680,880	(5,439,434)
Change in Net Position	$ 9,697,619	$ 3,594,610	$ 6,103,009

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

District-wide Revenues by Source
For the Year Ended June 30, 2026



District-wide Expenses by Function
For the Year Ended June 30, 2026



DETAILED ANALYSIS

GOVERNMENTAL ACTIVITIES

Revenue for the School District's governmental general fund activities totaled $26,985,603 while total expenses were $24,357,455. Accordingly, the overall fund balance increased by $2,628,148. The continuation of the School District's solid fiscal health is dependent upon:

- *Effective leadership by the Board of Education and Administration.* The Board of Education and Superintendent continue to work together to improve district operations and outcomes. Working closely with administration, the Superintendent and Board of Education, based on the outcomes from the strategic planning process, are focusing on pre-k-12 curricular alignment, increasing transparency and improving communication systems, along with other goals of the Board and District.

- *Community support/approval of the School District's annual budget.* For the 2025-26 budget, the district held separate budget workshops and other informational sessions to communicate with the public about the budget. In addition, traditional newsletters and electronic communications were utilized to enhance community education regarding budget items. This process was successful, and a respectable voter turnout overwhelmingly approved the 2025-26 school budget community education was again the focus, and administrators and managers of the major areas presented information at several different public meetings. The webpage was again utilized to provide information in addition to the traditional budget meetings and newsletters. The budget passed with a substantial majority. In addition, the purchase of two new buses were overwhelmingly approved.

- *Continued state and federal aid.* For several years the reliability of state and federal aid has been questionable. For the past few years state and federal aid has become more reliable, and the elimination of the GEA take-back has provided some relief to taxpayers. State aid as a percent of revenue has remained the same at approximately 10%. Estimating state and federal aid continues to be challenging, especially in light of the ongoing pandemic and its economic effects on New York State. District Officials continue to use a conservative approach when estimating this revenue.

- *Strategic use of services from BOCES.* The District is a member of the 31 District WSHWE BOCES. Leadership from member districts, including Superintendents and Business Officials, meet on a regular basis. The meetings provide pertinent information to the districts, and are often the first place where a potential BOCES service is discussed. District attendance at these meetings ensures LGCSD utilizes BOCES services whenever analysis indicates that it is the best service provider for the best price. In addition to the savings realized through group purchasing, LGCSD received state aid on many services provided by BOCES.

- *Tax Levy Limit and CPI.* Since the inception of the tax levy limit in 2014, the District has not only stayed within the allowable levy limit requiring a simple majority vote for passage of the budget. The 2024-25 levy increase was 2.69%, and for 2025-2026 the increase was 2.16%. As a financial strategic strategy, the district will raise Capital

Expenditures each year to offset PILOT receivables, which will maintain a steady allowable tax cap.

- *Capital Projects and Reserves.* On May 17, 2022, voters approved a proposition authorizing the creation of a capital reserve fund of up to $10 million with a maximum term of 10 years. The reserve was established to provide funding for future capital projects, including the new transportation facility. As of June 30, 2026, Capital Reserve 2 has been funded in the amount of $7,484,362. In 2022-23, the District passed a voter referendum authorizing: (1) the construction of a new transportation facility, including infrastructure and site work improvements, acquisition of original furnishings, equipment, machinery, and related apparatus, as well as incidental costs, at a total cost not to exceed $13,500,000; (2) the expenditure of such funds for this purpose; and (3) the allocation of $4,000,000 from the Capital Reserve. Construction began in March 2025, with anticipated completion and a Certificate of Occupancy scheduled for September 1, 2026. The District utilized Capital Reserve Funds to initiate the project and have secured a serial bond in the amount of $6,500,000 for expenses needed up to this point for the project.

- The District completed a capital outlay project approved in the amount of $100,000. The job scope included reconstruction of the cupola at the Jr./Sr. High School. The project was completed by June 30, 2026 and finished under budget totaling $87,534.

FUND FINANCIAL ANALYSIS (DISTRICT'S FUNDS)

The District's governmental funds (as presented on the balance sheet) reported a combined Fund Balance of $4.7 million, which is lower than last year's total. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2026 and 2025.

	Fund Balance 2026	Fund Balance 2025	Variance Increase (Decrease)
General	$ 10,773,672	$ 8,145,524	$ 2,628,148
School Lunch	32,553	(11,730)	44,283
Special Aid	-	-	-
Capital	(6,739,336)	232,414	(6,971,750)
Debt Service	632,185	578,771	53,414
Totals	$ 4,699,074	$ 8,944,979	$ (4,245,905)

General Fund

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

Revenues:	2026	2025	Variance Increase (Decrease)
Taxes and Other Tax Items	$ 22,631,645	$ 22,138,970	$ 492,675
Use of Money and Property	781,977	716,778	65,199
State/Federal Sources	3,064,753	3,007,121	57,632
Other	507,228	429,106	78,122
Totals	$ 26,985,603	$ 26,291,975	$ 693,628

Expenses:	2026	2025	Variance Increase (Decrease)
General Support	$ 3,941,647	$ 3,331,753	$ 609,894
Instruction	11,377,016	11,641,641	(264,625)
Pupil Transportation	680,721	834,262	(153,541)
Employee Benefits	7,224,334	7,184,960	39,374
Other	1,133,737	1,167,815	(34,078)
Totals	$ 24,357,455	$ 24,160,431	$ 197,024

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

CAPITAL ASSETS

The District's capital assets (net of accumulated depreciation) as of June 30, 2026 are as follows:

Asset Description	Amount
Land	$ 875,000
Construction in Progress	11,736,541
Buildings and Improvements	11,197,900
Machinery and Equipment	992,557
Vehicles	721,673
Total	$25,523,671

The total increase in the District's capital assets (net of accumulated depreciation) for the current fiscal year was $6,833,020. The increase to capital assets was attributable to the expenses from the construction of the new Transportation Facility and the capital outlay project, purchases of equipment and vehicles less depreciation of the capital assets.

LONG-TERM FINANCING ACTIVITY

The District had total long-term debt including serial bonds outstanding, compensated absences, net pension liability-proportionate share, and the OPEB obligations in the amount of $56,680,517 as of June 30, 2026, a decrease over the previous year of $10,993,765. The debt outstanding for the year ended June 30, 2026 is summarized as follows:

Debt Description	**Outstanding Balance**
Bonds	$ 3,360,000
Compensated Absences	802,274
Net Pension Liability-Proportionate Share	52,220,918
OPEB Obligations	297,325
Total	$56,680,517

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the total full value of real property. At June 30, 2026, the District's general obligation debt was significantly lower than its total debt limit.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

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

Every year new Article 7 claims are filed by property owners looking to lower the assessed values of properties within the District. Each year that the claim goes unsettled the liability to the District increases. As of June 30, 2026, the potential liability from outstanding claims is $444,229. To mitigate financial damage from these claims, the District has a Tax Certiorari Reserve Fund that is funded at $286,760.

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2026

ASSETS		
Unrestricted cash	$ 4,873,271	
Restricted cash	9,122,937	
Other receivables, net	12,726	
State and federal aid receivable	394,156	
Due from other governments	263,641	
Inventories	22,596	
Net pension asset-proportionate share	2,542,457	
Capital assets, net	25,523,671	
Total Assets		$ 42,755,455
DEFERRED OUTFLOW OF RESOURCES		
Pensions	$ 3,866,291	
OPEB-GASB 75	3,206,186	
Total Deferred Outflows of Resources		$ 7,072,477
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 920,754	
Accrued liabilities	165,953	
Bond anticipation notes payable	7,867,408	
Due to fiduciary funds	-	
Due to other governments	432	
Due to teachers' retirement system	877,124	
Due to employees' retirement system	105,605	
Other liabilities	76,453	
Overpayments and collections	23,445	
Unearned revenue	12,859	
Long-Term Liabilities:		
Due and payable within one year		
Bonds payable	380,000	
Due and payable after one year		
Bonds payable	2,980,000	
Compensated absences payable	802,274	
Other postemployment benefits payable	52,220,818	
Net pension liability- proportionate share	297,325	
Total Liabilities		$ 66,730,450
DEFERRED INFLOWS OF RESOURCES		
Pensions	2,667,851	
OPEB-GASB 75	14,128,951	
Total Deferred Inflows of Resources		$ 16,796,802
NET POSITION		
Net Investment in Capital Assets	15,693,761	
Restricted	11,032,808	
Unrestricted (deficit)	(60,425,889)	
Total Net Position		$ (33,699,320)

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For Year Ended June 30, 2026

	Expenses	Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General support	$ 3,638,686	$ 210,352	$ -	$ -	$ (3,849,038)
Instruction	12,043,605	442,272	131,246	576,166	(11,778,465)
Pupil transportation	699,030	98,338	-	18,309	(779,059)
Employee benefits	768,483	(768,483)	-	-	-
Debt service-interest	115,644	-	-	-	(115,644)
Depreciation	721,793	-	-	-	(721,793)
School lunch program	436,074	17,521	90,192	365,956	2,553
Total Functions and Programs	$ 18,423,315	$ -	$ 221,438	$ 960,431	(17,241,446)
GENERAL REVENUES					
Real property taxes					22,246,858
Other tax items					384,787
Use of money and property					806,498
Sale of property and compensation for loss					76,014
Miscellaneous					299,968
State sources					3,021,022
Federal sources					43,731
Premium on obligations					60,187
Total General Revenues					26,939,065
Change in Net Position					9,697,619
Total Net Position - Beginning of year					(43,396,939)
Total Net Position - End of year					$ (33,699,320)

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
June 30, 2026

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted cash	$ 4,873,271	$ -	$ -	$ 4,873,271
Restricted cash	9,122,937	-	-	9,122,937
Other receivables, net	12,726	-	-	12,726
Due from other funds	452,634	-	(452,634)	-
Due from other governments	263,641	-	-	263,641
State and federal aid receivable	394,156	-	-	394,156
Inventories	22,596	-	-	22,596
Capital assets, (net)	-	25,523,671	-	25,523,671
Net pension asset	-	2,542,457	-	2,542,457
Total Assets	$ 15,141,961	$ 28,066,128	$ (452,634)	$ 42,755,455
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	$ -	$ 3,866,291	$ -	$ 3,866,291
OPEB-GASB 75	-	3,206,186	-	3,206,186
Total Deferred Outflows of Resources	$ -	$ 7,072,477	$ -	$ 7,072,477
LIABILITIES				
Accounts payable	$ 920,754	$ -	$ -	$ 920,754
Accrued liabilities	106,173	59,780	-	165,953
Bond anticipation notes payable	7,867,408	-	-	7,867,408
Bonds payable	-	3,360,000	-	3,360,000
Due to other funds	452,634	-	(452,634)	-
Due to fiduciary funds	-	-		-
Due to other governments	432	-	-	432
Due to teachers' retirement system	877,124	-	-	877,124
Due to employees' retirement system	105,605	-	-	105,605
Other postemployment benefits payable	-	52,220,818	-	52,220,818
Compensated absences	-	802,274	-	802,274
Overpayments and collections	23,445	-	-	23,445
Unearned revenues	12,859	-	-	12,859
Net pension liability- proportionate share	-	297,325	-	297,325
Other liabilities	76,453	-	-	76,453
Total Liabilities	$ 10,442,887	$ 56,740,197	$ (452,634)	$ 66,730,450
DEFERRED INFLOWS OF RESOURCES				
Pensions	$ -	$ 2,667,851	$ -	$ 2,667,851
OPEB-GASB 75	-	14,128,951	-	14,128,951
Total Deferred Inflows of Resources	$ -	$ 16,796,802	$ -	$ 16,796,802
FUND BALANCE\NET POSITION				
Total Fund Balance\Net Position	$ 4,699,074	$ (38,398,394)	$ -	$ (33,699,320)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 15,141,961	$ 35,138,605	$ (452,634)	$ 49,827,932

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For Year Ended June 30, 2026

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	$ 22,246,858	$ -	$ -	$ -	$ 22,246,858
Other tax items	384,787	-	-	-	384,787
Charges for services	131,246	-	-	-	131,246
Use of money and property	806,498	-	-	-	806,498
Sale of property and compensation for loss	76,014	-	-	-	76,014
Miscellaneous	299,968	-	-	-	299,968
State sources	3,424,987	-	-	-	3,424,987
Federal sources	600,197	-	-	-	600,197
Sales - school lunch	90,192	-	-	-	90,192
Total Revenues	28,060,747	-	-	-	28,060,747
EXPENDITURES\EXPENSES					
General support	3,941,647	-	(302,961)	-	3,638,686
Instruction	11,978,996	75,829	(11,220)	-	12,043,605
Pupil transportation	699,030	-	-	-	699,030
Employee benefits	7,241,855	(6,473,372)	-	-	768,483
Debt service- Principal	886,348	-	-	(886,348)	-
-Interest	123,605	(7,961)	-	-	115,644
Cost of sales	436,074	-	-	-	436,074
Depreciation	-	-	721,793	-	721,793
Capital outlay	7,240,632	-	(7,240,632)	-	-
Total Expenditures	32,548,187	(6,405,504)	(6,833,020)	(886,348)	18,423,315
Excess (Deficiency) of Revenues Over Expenditures	(4,487,440)	6,405,504	6,833,020	886,348	9,637,432
OTHER SOURCES AND USES					
Bond anticipation notes redeemed	181,348	-	-	(181,348)	-
Premium on obligations	60,187	-	-	-	60,187
Operating transfers in	1,133,737	(1,133,737)	-	-	-
Operating transfers (out)	(1,133,737)	1,133,737	-	-	-
Total Other Sources (Uses)	241,535	-	-	(181,348)	60,187
Net Change for the Year	$ (4,245,905)	$ 6,405,504	$ 6,833,020	$ 705,000	$ 9,697,619

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
BALANCE SHEET- GOVERNMENTAL FUNDS
June 30, 2026

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Unrestricted cash	$ 3,286,803	$ 164,390	$ 9,514	$ -	$ 1,412,564	$ 4,873,271
Restricted cash	8,490,752	-	-	632,185	-	9,122,937
Other receivables, net	660	-	12,066	-	-	12,726
Due from other funds	452,634	-	-	-	-	452,634
State and federal aid receivable	119,606	223,380	51,170	-	-	394,156
Due from other governments	263,641	-	-	-	-	263,641
Inventories	-	-	22,596	-	-	22,596
Total Assets	$ 12,614,096	$ 387,770	$ 95,346	$ 632,185	$ 1,412,564	$ 15,141,961
LIABILITIES						
Accounts payable	$ 719,015	$ 83	$ -	$ -	$ 201,656	$ 920,754
Accrued liabilities	103,782	-	2,391	-	-	106,173
Bond anticipation notes payable	-	-	-	-	7,867,408	7,867,408
Due to other funds	-	386,908	47,890	-	17,836	452,634
Due to other governments	-	-	432	-	-	432
Due to teachers' retirement system	877,124	-	-	-	-	877,124
Due to employees' retirement system	105,605	-	-	-	-	105,605
Unearned revenues	-	779	12,080	-	-	12,859
Overpayments and collections	23,445	-	-	-	-	23,445
Other liabilities	11,453	-	-	-	65,000	76,453
Total Liabilities	1,840,424	387,770	62,793	-	8,151,900	10,442,887
FUND BALANCES						
Non-spendable	-	-	22,596	-	-	22,596
Restricted	8,490,752	-	-	632,185	1,909,871	11,032,808
Assigned	1,214,562	-	-	-	-	1,214,562
Unassigned (Deficit)	1,068,358	-	9,957	-	(8,649,207)	(7,570,892)
Total Fund Balances	10,773,672	-	32,553	632,185	(6,739,336)	4,699,074
Total Liabilities and Fund Balances	$ 12,614,096	$ 387,770	$ 95,346	$ 632,185	$ 1,412,564	$ 15,141,961

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
For Year Ended June 30, 2026

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	$ 22,246,858	$ -	$ -	$ -	$ -	$ 22,246,858
Other tax items	384,787	-	-	-	-	384,787
Charges for services	131,246	-	-	-	-	131,246
Use of money and property	781,977	-	-	24,521	-	806,498
Sale of property and compensation for loss	76,014	-	-	-	-	76,014
Miscellaneous	299,968	-	-	-	-	299,968
State sources	3,021,022	221,144	182,821	-	-	3,424,987
Federal sources	43,731	373,331	183,135	-	-	600,197
Sales	-	-	90,192	-	-	90,192
Total Revenues	26,985,603	594,475	456,148	24,521	-	28,060,747
EXPENDITURES						
General support	3,941,647	-	-	-	-	3,941,647
Instruction	11,377,016	601,980	-	-	-	11,978,996
Pupil transportation	680,721	18,309	-	-	-	699,030
Employee benefits	7,224,334	-	17,521	-	-	7,241,855
Debt service						
Principal	-	-	-	886,348	-	886,348
Interest	-	-	-	123,605	-	123,605
Cost of sales	-	-	436,074	-	-	436,074
Capital outlay	-	-	-	-	7,240,632	7,240,632
Total Expenditures	23,223,718	620,289	453,595	1,009,953	7,240,632	32,548,187
Excess (Deficiency) of Revenues Over Expenditures	3,761,885	(25,814)	2,553	(985,432)	(7,240,632)	(4,487,440)
OTHER SOURCES AND USES						
Bond anticipation notes redeemed	-	-	-	-	181,348	181,348
Premium on obligations	-	-	-	60,187	-	60,187
Operating transfers in	-	25,814	41,730	978,659	87,534	1,133,737
Operating transfers (out)	(1,133,737)	-	-	-	-	(1,133,737)
Total Other Sources (Uses)	(1,133,737)	25,814	41,730	1,038,846	268,882	241,535
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	2,628,148	-	44,283	53,414	(6,971,750)	(4,245,905)
Fund Balance- Beginning of year	8,145,524	-	(11,730)	578,771	232,414	8,944,979
Fund Balance(Deficit) - End of year	$ 10,773,672	$ -	$ 32,553	$ 632,185	$(6,739,336)	$ 4,699,074

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

	Custodial Funds
ASSETS	
Cash	$ 92,076
Due from governmental funds	-
Total Assets	$ 92,076
LIABILITIES	
Other liabilities	$ -
Due to governmental funds	-
Total Liabilities	-
NET POSITION	
Reserved for scholarships	$ -
Individuals, Organizations and Other governments	92,076
Total Net Position	$ 92,076

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For Year Ended June 30, 2026

	Custodial Funds
ADDITIONS	
Gifts and donations	$ -
Interest	-
Unclassified	104,129
Total Additions	104,129
DEDUCTIONS	
Scholarships and awards	-
Other custodial activities	100,720
Total Deductions	100,720
Net Increase (Decrease) in Fiduciary Net Position	3,409
Net Position - Beginning of year	88,667
Net Position - End of year	$ 92,076

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

I. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the School District's reporting entity:

The Extraclassroom Activity Funds

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

I. Summary of Significant Accounting Policies (Continued)

B. Joint Venture

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

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

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

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

During the year ended June 30, 2026, the Lake George Central School District was billed $2,247,260 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $528,290. Financial statements for BOCES Aid are available from the BOCES administrative office.

C. Basis of Presentation

1. Districtwide Statements

The Districtwide Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes,

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

1. Districtwide Statements (Continued)

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

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

2. Fund Financial Statements

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

The District reports the following funds:

a. Major Governmental Funds

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

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

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

2. Fund Financial Statements (Continued)

a. **Major Governmental Funds (Continued)**

(3) School Lunch Fund – Used to account for transactions of the District's lunch and breakfast programs.

(4) Debt Service Fund – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

(5) Capital Projects Fund – This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities and other capital and intangible assets.

b. **Fiduciary Funds**

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

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

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

I. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Cash and Investments

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

I. Summary of Significant Accounting Policies (Continued)

F. Property Taxes

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

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

G. Restricted Resources

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

H. Interfund Transactions

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

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

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

Refer to Note IV for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

I. Summary of Significant Accounting Policies (Continued)

I. Estimates

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

J. Receivables

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

K. Inventories and Prepaid Items

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

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

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

L. Other Assets/Restricted Assets

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

I. Summary of Significant Accounting Policies (Continued)

L. Other Assets/Restricted Assets (Continued)

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

M. Capital Assets

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

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

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

N. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

In the districtwide financial statements, the District recognizes a liability for compensated absences, including vacation and sick time, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's approved rate, including payments such as social security and medicare taxes.

I. Summary of Significant Accounting Policies (Continued)

N. Compensated Absences (Continued)

During the year ended June 30, 2026, the District implemented the provisions of GASB Statement No. 101, Compensated Absences. This Statement establishes recognition and measurement guidance for compensated absences, requiring governments to recognize a liability for leave when (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash/other forms of compensation.

O. Accrued Liabilities and Long-Term Obligations

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

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

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

P. Deferred Outflows of Resources

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

I. Summary of Significant Accounting Policies (Continued)

Q. Deferred Inflows of Resources

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

R. Unearned Revenue

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

S. Other Benefits

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

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

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

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

I. Summary of Significant Accounting Policies (Continued)

T. Short-Term Debt

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

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

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

U. Equity Classifications

1. Districtwide Statements

In the districtwide statements there are three classes of net position:

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

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

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

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of $22,596.

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

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

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

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

3. Employee Benefit Accrued Liability
This reserve is used to set aside funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

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

5. Employee Retirement Contributions
This reserve is used for future employee's retirement and teacher's retirement obligations. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

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

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

7. Repair

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

8. Capital

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

9. Workers' Compensation

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

10. Property Loss

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

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Restricted fund balance includes the following:

General Fund:		
Repair	$	376,779
Employee Benefit Accrued Liability		768,354
Property Loss		29,488
Insurance		4,095
Capital		5,849,003
Unemployment Insurance		12,836
Employee Retirement Contributions		798,836
Teacher's Retirement Contributions		340,698
Workers' Compensation		23,903
Tax Certiorari		286,760
Capital Fund		1,909,871
Debt Service Fund		632,185
Total restricted funds	$	11,032,808

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making, the Board of Education. The School District has no committed fund balances as of June 30, 2026.

Assigned – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as **Assigned Fund Balance** in the General Fund. Encumbrances reported in the General Fund amounted to $774,562 and the assigned fund balance amounted to $440,000.

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

I. Summary of Significant Accounting Policies (Continued)

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

Order of Use of Fund Balance:

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

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. On June 30, 2026, the District implemented the following new standards issued by GASB:

GASB has issued Statement 103, Financial Reporting Model Improvements, effective for the year ending June 30, 2026. This statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability.

GASB has issued Statement 104, Disclosure of Certain Capital Assets, effective for the year ending June 30, 2026. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible lease assets, and assets held for sale.

V. Future Changes in Accounting Standards

GASB has issued Statement 105, Accounting and Financial Reporting for Subsequent Events, effective for the year ending June 30, 2027. This statement requires certain events to be recognized after year end and disclosed in the financial statements.

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

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

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

1. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

   Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets.

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

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

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

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

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

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

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

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

   e. OPEB differences:
   OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby and expenditure is recognized for health insurance premiums and OPEB costs as they mature, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

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

Original cost of capital assets	$42,020,621
Accumulated depreciation	16,496,950
Capital assets, net	$25,523,671

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

Bond and notes payable	$ 3,360,000
Compensated absences	$ 802,274
OPEB obligations	$52,220,818
Net pension liability-proportionate share	$ 297,325

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

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

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation of $721,793 was less than capital expenditures of $7,554,813 in the current year.

Repayment of bond principal of $705,000 is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Interest on long-term debt and short-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest reported in the Statement of Activities decreased by $7,961.

III. Cash and Investments

A. Deposits

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

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are: obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

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

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

III. Cash and Investments (Continued)

A. Deposits (Continued)

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

B. Investment Pool

The School District participates in two multi-municipal cooperation investment pool agreements pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. On June 30, 2026, the School District held $13,914,442 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents. The investment pool is categorically exempt from the New York State collateralization requirements.

IV. Interfund Transaction

Interfund balances on June 30, 2026, are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 452,634	$ -	$ -	$ 1,133,737
Special Aid Fund	-	386,908	25,814	-
School Lunch Fund	-	47,890	41,730	-
Capital Fund	-	17,836	87,534	-
Debt Service Fund	-	-	978,659	-
Total governmental activities	452,634	452,634	$ 1,133,737	$ 1,133,737
Custodial Fund	-	-		
Totals	$ 452,634	$ 452,634		

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

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

V. Capital Assets

A summary of changes in general fixed assets follows:

	Balance 7/1/2025	Additions	Deletions	Balance 6/30/2026
Capital assets-not depreciated:				
Land	$ 875,000	$ -	$ -	$ 875,000
Construction in progress	9,600,963	7,240,632	5,105,054	11,736,541
Total capital assets-not depreciated:	10,475,963	7,240,632	5,105,054	12,611,541
Other capital assets:				
Buildings and improvements	17,691,174	5,105,054	-	22,796,228
Machinery and equipment	4,517,826	234,017	42,102	4,709,741
Vehicles	1,847,573	80,164	24,626	1,903,111
Total other capital assets:	24,056,573	5,419,235	66,728	29,409,080
Less accumulated depreciation:				
Buildings and improvements	11,163,699	434,629	-	11,598,328
Machinery and equipment	3,658,580	100,706	42,102	3,717,184
Vehicles	1,019,606	186,458	24,626	1,181,438
Total accumulated depreciation	15,841,885	721,793	66,728	16,496,950
Other capital assets, net	8,214,688	4,697,442	-	12,912,130
Total	$ 18,690,651	$ 11,938,074	$ 5,105,054	$ 25,523,671

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

VI. Pension Plans

1. General Information

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

2. Plan Descriptions and Benefits Provided

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

Employees' Retirement System (ERS)
The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

VI. Pension Plans (Continued)

Funding Policies:

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

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

Contributions

	ERS	TRS
2026	$359,536	$925,658
2025	$336,291	$908,994
2024	$275,106	$945,584

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

On June 30, 2026, the District reported the following asset/liability for its proportionate share of the net pension asset /liability for each of the Systems. The net pension asset/liability was measured as of March 31, 2026, for ERS and June 30, 2025, for TRS. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation. The District's proportion of the net pension asset/liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	1-Apr-26	30-Jun-25
Net pension liability/(asset)	$297,325	($2,542,457)
District's portion of the Plan's total net pension liability/asset	.0052701%	.042939%
Change in proportion since the prior measurement date	(.0006528%)	(.001844%)

VI. Pension Plans (Continued)

For the year ended June 30, 2026, the District's recognized pension expense of $330,889 for ERS and ($54,471) for TRS. On June 30, 2026, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resource		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$170,147	$1,332,814	$0	$0
Changes of assumptions	51,038	1,006,480	0	27,412
Net difference between projected and actual earnings on pension plan investments	0	0	533,120	1,985,652
Changes in proportion and differences between the District's contributions and proportionate share of contributions	105,789	306,368	97,828	23,839
District's contributions subsequent to the measurement date	105,605	788,050	0	0
Total	$432,579	$3,433,712	$630,948	$2,036,903

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2026	$ -	$ 1,361,733
2027	$122,798	(462,007)
2028	($193,200)	(501,743)
2029	($113,249)	(80,530)
2030	($120,324)	240,125
2031	$ -	
Thereafter	$ -	51,181

VI. Pension Plans (Continued)

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Interest rate	5.9%	6.95%
Salary scale	5.20%	2.04%-5.80%
Decrement tables	April 1, 2016 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.9%	2.50%
COLA's	1.5%	1.40%

For ERS, annuitant mortality rates are based on April 1, 2016 – March 31, 2020, System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020, System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2025, valuation are based on the results of an actuarial experience study for the period April 1, 2020 – March 31, 2025. For TRS, the actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2024.

VI. Pension Plans (Continued)

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

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Asset Type	%	%
Domestic Equities	3.29%	6.70%
International Equities	5.85%	7.40%
Global equities	0.00%	7.00%
Private Equity	7.00%	9.80%
Real Estate Equity	5.20%	6.50%
Opportunistic/ARS portfolio	5.13%	0.00%
Credit	5.10%	0.00%
Domestic fixed income securities	0.00%	2.60%
Global bonds	0.00%	2.40%
Private debt	0.00%	6.10%
Absolute return strategies	5.38%	0.00%
Real estate debt	0.00%	3.80%
Cash Equivalents	0.25%	60.00%
High yield fixed income securities	1.75%	4.70%
Real assets	5.54%	0.00%

5. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95 % for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VI. Pension Plans (Continued)

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

The following presents the District's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% or ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate :

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share Of the net pension (asset) liability	$2,030,648	$297,325	($1,151,810)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share Of the net pension (asset) liability	$4,885,363	($2,542,457)	($8,792,581)

7. Pension Plan Fiduciary Net Position

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

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Employers' total pension liability	$ 253,773,040	$ 148,272,068,016
Plan Fiduciary Net Position	248,131,290	154,193,125,241
Employers' net pension liability/(asset)	5,641,750	(5,921,057,223)
Plan fiduciary net position as a percentage of total pension (asset)/liability	97.7800%	104.0000%

VI. Pension Plans (Continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026, represent the projected employer contribution for the period of April 1, 2026, through June 30, 2026, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026, amounted to $105,605.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026, are paid to the System in September, October and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026, represent employee and employer contributions for the fiscal year ended June 30, 2026, based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2026, amounted to $877,124.

VII. Short-Term Debt Obligations

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

	Maturity	Interest Rate	Balance 7/1/2025	Issued	Redeemed	Balance 6/30/26
BAN	2025	4.15%	$ 548,756	$ -	$ 548,756	$ 0
BAN	2026	4.00%	-	7,867,408	-	7,867,408
			$ 548,756	$7,867,408	$ 548,756	$7,867,408

VII. Short-Term Debt Obligations (Continued)

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

Interest paid	$22,773
Less interest accrued in the prior year	(25,578)
Plus, interest accrued in the current year	24,521
Total expense	$21,716

VIII. Long-Term Debt Obligations

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

1. Long-Term Debt Interest

Interest paid	$100,831
Less interest accrued in the prior year	(42,162)
Plus, interest accrued in the current year	35,259
Total expense	$ 93,928

2. Changes

	Balance 7/1/2025	Additions	Deletions	Balance 6/30/2026	Due Within One Year
Serial Bonds	$ 4,065,000	$ -	$ 705,000	$ 3,360,000	$ 380,000
Compensated Absences	726,445	75,829	-	802,274	
OPEB Obligations	61,867,307	-	9,646,389	52,220,918	
Net Pension Liability-Proportionate Share	1,015,530	-	718,205	297,325	
Totals	$ 67,674,282	$ 75,829	$ 11,069,594	$ 56,680,517	

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

VIII. Long-Term Debt Obligations (Continued)

3. Maturity

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

Purpose	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2026
Serial Bonds:				
Construction	2020	2035	2-4%	$ 2,505,000
Construction	2016	2031	1.5-2.5%	855,000
Total				$ 3,360,000

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

	Year	Principal	Interest	Total
Serial Bonds:	2027	$ 380,000	$ 82,850	$ 462,850
	2028	390,000	70,750	460,750
	2029	405,000	58,250	463,250
	2030	420,000	45,038	465,038
	2031	430,000	33,700	463,700
	2032 and thereafter	1,335,000	81,400	1,416,400
	Total	$ 3,360,000	$ 371,988	$ 3,731,988

IX. Postemployment (Health Insurance) Benefits

A. General Information about the OPEB Plan

Plan Description- The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms- On June 30, 2026, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	162
Inactive members entitled to but not yet receiving benefit payments	-
Active plan members	137
Total membership	299

B. Total OPEB Liability

The District's total OPEB liability of $52,220,818 was measured as of July 1, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs- The total OPEB liability in June 30, 2026, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

IX. Postemployment (Health Insurance) Benefits (Continued)

B. Total OPEB Liability (Continued)

Inflation	2.60%
Salary Increases	3.0%, average, including inflation
Discount Rate	5.20%
Healthcare Cost Trend Rates	6.6% for 2026, decreasing to an ultimate rate of 5% for 2030 and beyond

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

Mortality rates were based on the RP-2014 Mortality Table with mortality projected to the current year using Scale MP-2024 to account for mortality improvement.

The actuarial assumptions used in June 30, 2026, valuation were based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

C. Changes in the Total OPEB Liability

Balance on June 30, 2025	$ 61,867,307
Changes for the Year	
Service cost	699,175
Interest	2,406,598
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(9,863,806)
Benefit payments	(2,888,456)
Net Changes	(9,646,488)
Balance on June 30, 2026	$52,220,818

IX. Postemployment (Health Insurance) Benefits (Continued)

C. Changes in the Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect no change in the discount rate from 3.96% in 2025 to 5.20% in 2026.

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

	(4.20%) 1% Decrease	Current Discount Rate (5.20%)	(6.20%) 1% Increase
Total OPEB Liability	$ 60,077,947	$ 52,220,818	$ 45,453,429

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 45,476,711	$ 52,220,818	$ 59,893,665

IX. Postemployment (Health Insurance) Benefits (Continued)

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

For the year ended June 30, 2026, the District recognized an OPEB expense of ($5,586,118). On June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 3,206,186	$ -
Differences between expected and actual experience	-	(1,765,901)
Changes of assumptions or other inputs	-	(12,363,049)
Total	$ 3,206,186	$ (14,128,951)

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

Fiscal Year Ending June 30	Amount
2026	$ (5,485,704)
2027	$ (5,611,242)
2028	$ (3,366,448)
2029	$ (3,178,497)
2030	$ (1,972,761)

X. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

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

2. Health Insurance

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

3. Grants

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

4. Litigation

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

XI. Other Disclosures

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

Total governmental fund balance	$	4,699,074
Capital assets (net)		25,523,671
Net pension asset		2,542,457
Deferred outflows of resources		7,072,477
Bonds payable		(3,360,000)
Accrued interest payable		(59,780)
Deferred inflows of resources		(16,796,802)
Net pension liability- proportionate share		(297,325)
Compensated absences		(802,274)
OPEB obligations		(52,220,818)
Total net position	$	(33,699,320)

XI. Other Disclosures (Continued)

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

Net changes in fund balance-total governmental funds	$	(4,245,905)
Capital outlays are expenditures in governmental funds, but are capitalized in the Statement of Net Position		7,554,814
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the Statement of Activities		(721,793)
Repayments of Long-Term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the Statement of Net Position		886,348
Interest is recognized as an expense in governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. The increase in accrued interest during 2025/26 results in more expense.		7,961
Proceeds from debt ar recognized as revenue in the Governmental Funds, but not in the Statement of Activities.		(181,348)
(Increases)/Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as revenues or expenditures in the governmental funds:		
Teachers' Retirement System		847,067
Employee's Retirement System		40,188
Certain expenses in the Statement of Activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:		
OPEB obligations		5,586,116
Compensated absences		(75,829)
Change in Net Position-Governmental Activities	$	9,697,619

XII. Stewardship, Compliance and Accountability

A. Budgetary Procedures and Budgetary Accounting

1. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line-item level.

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

The General Fund budget was increased to reflect carryover encumbrances in the amount of $451,745, and additional state aid of $487,259.

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

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

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

XII. Stewardship, Compliance and Accountability (Continued)

A. Budgetary Procedures and Budgetary Accounting (Continued)

2. Encumbrances

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

3. The Capital Fund had a deficit fund balance of $6,739,336 at June 30, 2026. The District obtained permanent financing that will eliminate the deficit in the 2026-2027 school year.

XIII. Subsequent Events

On July 16, 2026, the District issued a Bond Anticipation Note in the amount of $551,209 to be used for the purchase of buses.

On July 16, 2026, the District issued a Serial Bond in the amount of $6,500,000 to finance the construction of the Transportation Facility.

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES COMPARED TO BUDGET- GENERAL FUND
For Year Ended June 30, 2026

	Original Budget	Final Budget	Original vs. Final Budget Variance Over/(Under)	Actual	Actual vs. Final Budget Variance Over/(Under)
REVENUES					
Local Sources					
Real property taxes	$ 22,505,000	$ 22,505,000	$ -	$ 22,246,858	$ (258,142)
Other tax items	118,000	118,000	-	384,787	266,787
Charges for services	6,500	6,500	-	131,246	124,746
Use of money and property	170,000	170,000	-	781,977	611,977
Sale of property and compensation for loss	3,500	3,500	-	76,014	72,514
Miscellaneous	105,000	105,000	-	299,968	194,968
Total Local Sources	22,908,000	22,908,000	-	23,920,850	1,012,850
State sources	2,507,922	2,995,181	487,259	3,021,022	25,841
Federal sources	10,000	10,000	-	43,731	33,731
Total Revenues	25,425,922	25,913,181	487,259	26,985,603	$ 1,072,422
Appropriated Reserves	150,000	601,745	451,745		
Appropriated Fund Balance	460,000	460,000	-		
Total Revenues, Appropriated Fund Balance and Reserves	$ 26,035,922	$ 26,974,926	$ 939,004		

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES, OTHER USES AND ENCUMBRANCES COMPARED TO BUDGET-
GENERAL FUND
For Year Ended June 30, 2026

	Original Budget	Final Budget	Variance Original Budget-over (under) Final Budget	Actual	Encumbrances	Variance Final Budget Over/(Under) Actual
EXPENDITURES						
General Support						
Board of education	$ 66,675	$ 66,675	$ -	$ 61,120	$ 92	$ 5,463
Central administration	259,323	259,323	-	257,741	-	1,582
Finance	417,911	432,361	14,450	405,639	16,968	9,754
Staff	236,273	243,958	7,685	158,170	1,883	83,905
Central services	2,205,039	3,428,579	1,223,540	2,758,964	614,484	55,131
Special items	302,633	325,883	23,250	300,013	1	25,869
Total General Support	3,487,854	4,756,779	1,268,925	3,941,647	633,428	181,704
Instructional						
Instruction, administration and improvement	665,256	633,290	(31,966)	540,402	741	92,147
Teaching - regular school	5,422,566	5,227,433	(195,133)	4,987,333	6,815	233,285
Programs for children with handicapping conditions	2,437,597	2,267,751	(169,846)	1,944,180	15,046	308,525
Teaching - special school	30,000	27,500	(2,500)	25,717	-	1,783
Occupational education	769,660	769,564	(96)	703,415	-	66,149
Instructional media	1,601,740	1,863,977	262,237	1,751,594	40,858	71,525
Pupil services	1,515,278	1,558,568	43,290	1,424,375	627	133,566
Total Instructional	12,442,097	12,348,083	(94,014)	11,377,016	64,087	906,980
Pupil transportation	887,424	943,017	55,593	680,721	66,897	195,399
Employee benefits	8,079,888	7,776,658	(303,230)	7,224,334	10,150	542,174
Total Expenditures	24,897,263	25,824,537	927,274	23,223,718	774,562	1,826,257
OTHER FINANCING USES						
Operating transfers out	1,138,659	1,150,389	11,730	1,133,737	-	16,652
Total Expenditures and Other Uses	$ 26,035,922	$ 26,974,926	$ 939,004	24,357,455	$ 774,562	$ 1,842,909
Net change in fund balance				2,628,148		
Fund balance- Beginning				8,145,524		
Fund balance- Ending				$10,773,672		

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
For Year Ended June 30, 2026

	2026	2025	2024	2023	2022
Total OPEB Liability					
Service Cost at end of year	$ 699,175	$ 1,530,564	$ 1,457,680	$ 1,960,279	$ 1,866,932
Interest	2,406,598	2,407,828	2,317,041	1,629,374	1,618,010
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(3,359,252)	-	1,248,251	-
Changes of assumptions or other inputs	(9,863,806)	(2,669,432)	(939,756)	(12,472,222)	627,693
Benefit payments	(2,888,456)	(2,490,048)	(2,223,257)	(1,967,128)	(1,909,833)
Net change in Total OPEB Liability	(9,646,488)	(4,580,339)	611,709	(9,601,447)	2,202,802
Total OPEB Liability- beginning	61,867,307	66,447,646	65,835,937	75,437,384	73,234,582
Total OPEB Liability- ending	$ 52,220,818	$ 61,867,307	$ 66,447,646	$ 65,835,937	$ 75,437,384
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
June 30, 2026

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021
District 's proportion of the net pension asset/liability	.042939%	.044783%	.045968%	.048920%	.053609%	.051241%
District's proportionate share of the net pension (asset)/liability	$ (2,542,457)	$ (1,336,157)	$ 525,682	$ 938,719	$ (9,289,865)	$ 1,415,926
District's covered-employee payroll	$ 8,212,900	$ 8,431,119	$ 8,550,707	$ 8,282,356	$ 8,726,520	$ 9,085,561
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	30.95%	15.84%	6.14%	11.33%	106.56%	15.58%
Plan fiduciary net position as a percentage of the total pension liability	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%

Employees' Retirement System

	2026	2025	2024	2023	2022	2021
District 's proportion of the net pension liability	.0052701%	.0059229%	.0064612%	.0064991%	.0063460%	.0066703%
District's proportionate share of the net pension liability/(asset)	$ 297,325	$ 1,015,530	$ 951,352	$ 1,393,676	$ (518,760)	$ 6,642
District's covered-employee payroll	$ 2,307,493	$ 2,332,829	$ 2,377,789	$ 2,246,847	$ 2,156,317	$ 2,250,413
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.88%	43.53%	40.00%	62.03%	24.06%	0.30%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
June 30, 2026

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021
Contractually required contribution	$ 787,617	$ 852,386	$ 834,702	$ 882,925	$ 855,199	$ 865,854
Contributions in relation to the contractually required contribution	787,617	852,386	834,702	882,925	855,199	865,854
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 8,212,900	$ 8,431,119	$ 8,550,707	$ 8,282,356	$ 8,726,520	$ 9,085,561
Contributions as a percentage of covered employee payroll	9.59%	10.10%	9.76%	10.66%	9.80%	9.53%

Employees' Retirement System

	2026	2025	2024	2023	2022	2021
Contractually required contribution	$ 383,217	$ 359,536	$ 275,106	$ 248,630	$ 328,554	$ 308,930
Contributions in relation to the contractually required contribution	383,217	359,536	275,106	248,630	328,554	308,930
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 2,307,493	$ 2,332,829	$ 2,377,789	$ 2,246,847	$ 2,156,317	$ 2,250,413
Contributions as a percentage of covered employee payroll	16.6%	15.4%	11.6%	11.1%	15.2%	13.7%

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND
THE REAL PROPERTY TAX LIMIT
For Year Ended June 30, 2026

CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET

Original Budget	$	26,035,922
Additions:		
Prior year's encumbrances		451,745
Additional state aid		487,259
Final Budget	$	26,974,926

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026-27 Voter-approved Expenditure Budget		$ 26,708,960
Maximum allowed (4% of 2026-2027 Budget)		$ 1,068,358

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

Unrestricted fund balance:		
Committed fund balance	$	-
Assigned fund balance		1,214,562
Unassigned fund balance		1,068,358
Total unrestricted fund balance	$	2,282,920
Less:		
Appropriated fund balance		440,000
Encumbrances included in committed and assigned fund balance		774,562
Total adjustments	$	1,214,562
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 1,068,358
Actual percentage		4.00%

* 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.

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
For Year Ended June 30, 2026

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2026
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total	
Districtwide renovations-2015	$ 2,821,776	$ 2,821,776	$ 2,780,493	$ -	$ 2,780,493	$ 41,283	$ 2,305,000	$ -	$ 516,842	$ 2,821,842	$ 41,349
Buses-16/17	224,958	224,958	224,674	-	224,674	284	-	-	224,957	224,957	283
Buses-17/18	168,577	168,577	123,487	-	123,487	45,090	-	-	123,486	123,486	(1)
Buses-18/19	108,205	108,205	108,205	-	108,205	-	-	-	108,205	108,205	-
Buses-19/20	222,297	222,297	222,014	-	222,014	283	-	-	222,297	222,297	283
Buses-20/21	231,452	231,452	231,452	-	231,452	-	-	-	231,452	231,452	-
Buses-21/22	110,000	110,000	109,594	-	109,594	406	-	-	88,000	88,000	(21,594)
Buses-22/23	116,000	116,000	115,506	-	115,506	494	-	-	69,600	69,600	(45,906)
Buses-23/24	302,092	302,092	302,090	-	302,090	2	-	-	120,836	120,836	(181,254)
Buses-24/25	147,190	147,190	147,151	-	147,151	39	-	-	29,438	29,438	(117,713)
Smart Schools	229,532	229,532	230,308	-	230,308	(776)	-	197,294	-	197,294	(33,014)
Capital Outlay-24/25	100,000	100,000	100,000	-	100,000	-	-	-	100,000	100,000	-
Capital Outlay-25/26	100,000	100,000	-	87,534	87,534	12,466	-	-	87,534	87,534	-
Transportation Facility-2022	13,500,000	13,500,000	2,460,617	7,153,098	9,613,715	3,886,285	-	-	3,067,000	3,067,000	(6,546,715)
Districtwide renovations-2018	5,272,191	5,272,191	4,905,054	-	4,905,054	367,137	3,415,000	-	1,655,000	5,070,000	164,946
	$ 23,654,270	$ 23,654,270	$ 12,060,645	$ 7,240,632	$ 19,301,277	$ 4,352,993	$ 5,720,000	$ 197,294	$ 6,644,647	$ 12,561,941	$ (6,739,336)

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

LAKE GEORGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2026

Capital assets, net		$ 25,523,671
Deduct:		
Bond anticipation notes payable	$ 7,867,408	
Short-term portion of bonds payable	380,000	
Long-term portion of bonds payable	2,980,000	
less: unspent bond proceeds	(1,397,498)	9,829,910
Net investment in capital assets		$ 15,693,761

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary funds of the Lake George Central School District as of and for the year ended June 30, 2026, and the related notes to the financial statements which collectively comprise the District's basic financial statements and have issued our report thereon dated September 16, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Raymond G. Prenosser, CPA, P.C.

Claverack, New York
September 16, 2026