

CLINTON CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2024

**CLINTON CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Clinton Central School District

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller 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 Clinton Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clinton Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clinton Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clinton Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024, on our consideration of the Clinton Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clinton Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clinton Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

September 24, 2024

Rome, New York

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

The Clinton Central School District’s discussion and analysis of financial performance provides an overall review of the District’s financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

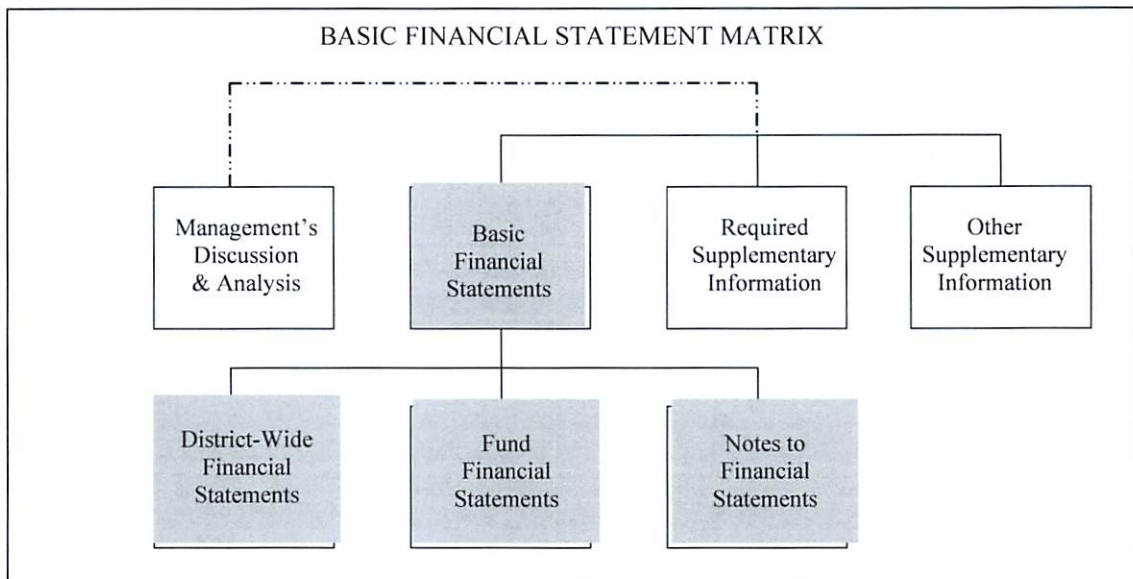
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024, are as follows:

- The District’s total liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year by \$24,716,762 (total Net Position (Deficit)). This represents an increase of \$5,101,083 from the prior year’s Net Position.
- The District’s expenses for the year, as reflected in the District-wide financial statements, totaled \$27,888,385. Of this amount, \$9,283 was offset by program charges for services, and \$1,304,361 was offset by operating grants, respectively. General revenues of \$31,675,824 amount to 96.0% of total revenues.
- The General Fund’s total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$1,170,919 to \$13,615,503. This was due to an excess of revenues over expenditures based on the modified accrual basis of accounting.
- State and federal revenue decreased by \$86,845 to \$12,594,711 in 2024 from \$12,681,556 in 2023. The decrease was primarily due to increases in the District’s basic state aid.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management’s Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of District-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

A. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds, General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased \$5,101,083 between fiscal year 2024 and 2023. A summary of the District's Statement of Net Position for June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 18,263,800	\$ 17,810,844	\$ 452,956	2.5%
Leased and Subscription Assets, Net	316,697	552,717	(236,020)	(42.7%)
Capital Assets, Net	<u>47,684,721</u>	<u>48,189,038</u>	<u>(504,317)</u>	(1.0%)
Total Assets	<u>66,265,218</u>	<u>66,552,599</u>	<u>(287,381)</u>	(0.4%)
Deferred Outflows of Resources	<u>9,375,618</u>	<u>8,421,938</u>	<u>953,680</u>	11.3%
Current and Other Liabilities	1,789,982	1,562,014	227,968	14.6%
Net Pension Liability - Proportionate Share	1,346,207	2,167,953	(821,746)	(37.9%)
Non-Current Liabilities	<u>75,005,908</u>	<u>73,519,634</u>	<u>1,486,274</u>	2.0%
Total Liabilities	<u>78,142,097</u>	<u>77,249,601</u>	<u>892,496</u>	1.2%
Deferred Inflows of Resources	<u>22,215,501</u>	<u>27,542,781</u>	<u>(5,327,280)</u>	(19.3%)
Net Position				
Net Investment in Capital Assets	35,956,181	35,781,853	174,328	0.5%
Restricted	14,352,917	14,140,627	212,290	1.5%
Unrestricted (Deficit)	<u>(75,025,860)</u>	<u>(79,740,325)</u>	<u>4,714,465</u>	5.9%
Total Net Position (Deficit)	<u>\$ (24,716,762)</u>	<u>\$ (29,817,845)</u>	<u>\$ 5,101,083</u>	17.1%

Current and other assets increased by \$452,956, as compared to the prior year. The increase is primarily due to increases in cash offset by decreases in amounts due to other governments.

Leased and subscription assets decreased by \$236,020, as compared to the prior year. The decrease is primarily due to amortization exceeding additions in the current year. Notes 7 and 8 to the Financial Statements provides additional information.

Capital assets decreased by \$504,317, as compared to the prior year. This decrease is primarily due to depreciation expense exceeding capital outlays in the current year. Note 8 to the Financial Statements provides additional information.

Deferred outflows of resources, provided by the retirement systems and OPEB, increased by \$953,680, as compared to the prior year based on changes included in the actuary reports.

Current and other liabilities increased by \$227,968, as compared to the prior year primarily due to increases in accounts payable and accrued liabilities at year end due to the timing of payments.

The District's net pension liability – proportionate share decreased by \$821,746 as compared to the prior year, as reported to the District by the NYS Employees' and Teachers' Retirement Systems.

Non-Current liabilities increased by \$1,486,274, as compared to the prior year. This is primarily the result of the net increase in the liability for other postemployment benefits in the amount of \$3,469,659, offset by the principal payments on the serial bonds payable and energy performance contract obligation totaling \$1,898,921.

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Deferred inflows of resources relating to pensions and OPEB decreased by \$5,327,280, as compared to the prior year. The decrease is primarily due to the decreases in the deferred inflows of resources relating to OPEB of \$5,404,736, as a result of changes in actuarial assumptions used.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction and leases from the total cost of all asset acquisitions, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct, lease, and improve buildings and purchase and/or lease vehicles, equipment and furniture to support District operations.

The restricted portion of the net position at June 30, 2024 was \$14,352,917 which represents the amount of the District's restricted funds in the General, Miscellaneous Special Revenue, Capital, and Debt Service Funds. See the chart on page 9 for additional details.

The unrestricted (deficit) portion of the net position at June 30, 2024, was \$75,025,860, and represents the amount by which the District's total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources, excluding restricted assets, capital assets, right to use leased assets, and debt related to capital construction. This deficit is primarily a result of the requirement to accrue other postemployment benefits. The accumulated accrued liability for the obligation was \$60,869,732 at June 30, 2024.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows:

Revenues	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	\$ 9,283	\$ 16,068	\$ (6,785)	(42.2%)
Operating Grants	1,304,361	1,903,418	(599,057)	(31.5%)
General Revenues				
Property Taxes and STAR	16,759,082	16,395,667	363,415	2.2%
State and Federal Sources	12,594,711	12,681,556	(86,845)	(0.7%)
Other	<u>2,322,031</u>	<u>1,829,556</u>	<u>492,475</u>	26.9%
Total Revenues	<u>32,989,468</u>	<u>32,826,265</u>	<u>163,203</u>	0.5%
Expenses				
General Support	3,201,067	3,234,412	(33,345)	(1.0%)
Instruction	22,869,416	20,362,242	2,507,174	12.3%
Pupil Transportation	1,393,021	1,228,349	164,672	13.4%
Debt Service-Unallocated Interest	356,363	393,498	(37,135)	(9.4%)
Food Service Program	<u>68,518</u>	<u>70,757</u>	<u>(2,239)</u>	(3.2%)
Total Expenses	<u>27,888,385</u>	<u>25,289,258</u>	<u>2,599,127</u>	10.3%
Total Change in Net Position	<u>\$ 5,101,083</u>	<u>\$ 7,537,007</u>	<u>\$ (2,435,924)</u>	

The District's revenues increased by \$163,203 in 2024, or 0.5%. The major factors that contributed to the increase were as follows:

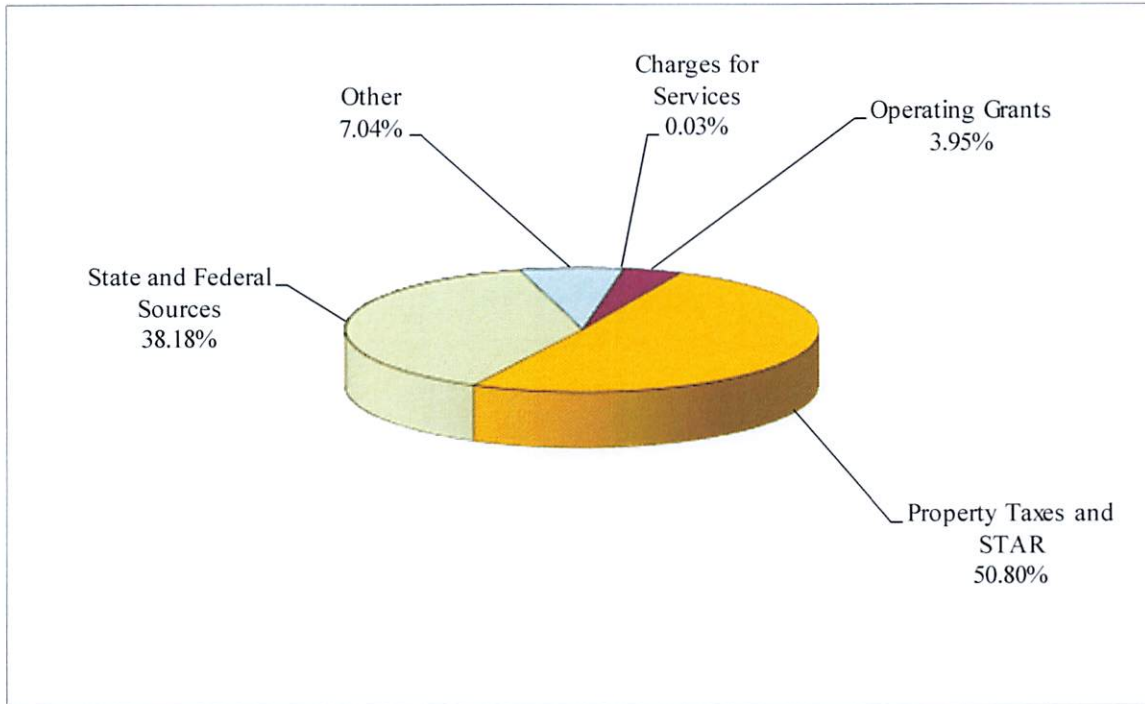
- The 2023-2024 tax levy increased by 2.2%, resulting in a \$363,415 increase in property taxes and STAR.
- Other revenues increased by \$492,475, primarily due increases in interest and earnings over the prior year due to higher interest rates during 2023-2024.
- Operating grants decreased by \$599,057, primarily due to decreases in the COVID-19 stimulus funding in the current year.

The District's expenses for the year increased by \$2,599,127, or 10.3%. This increase reflects the increase in employee benefits expense caused by the recording the increase in the District's OPEB liability.

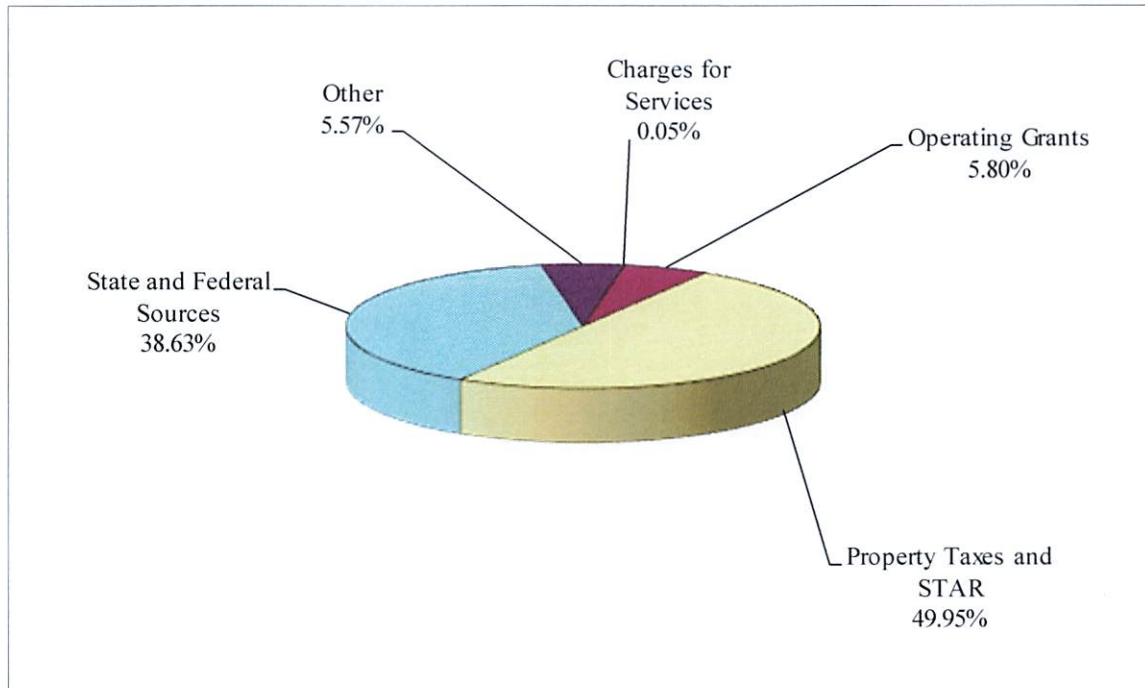
**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2024



For the Year Ended June 30, 2023

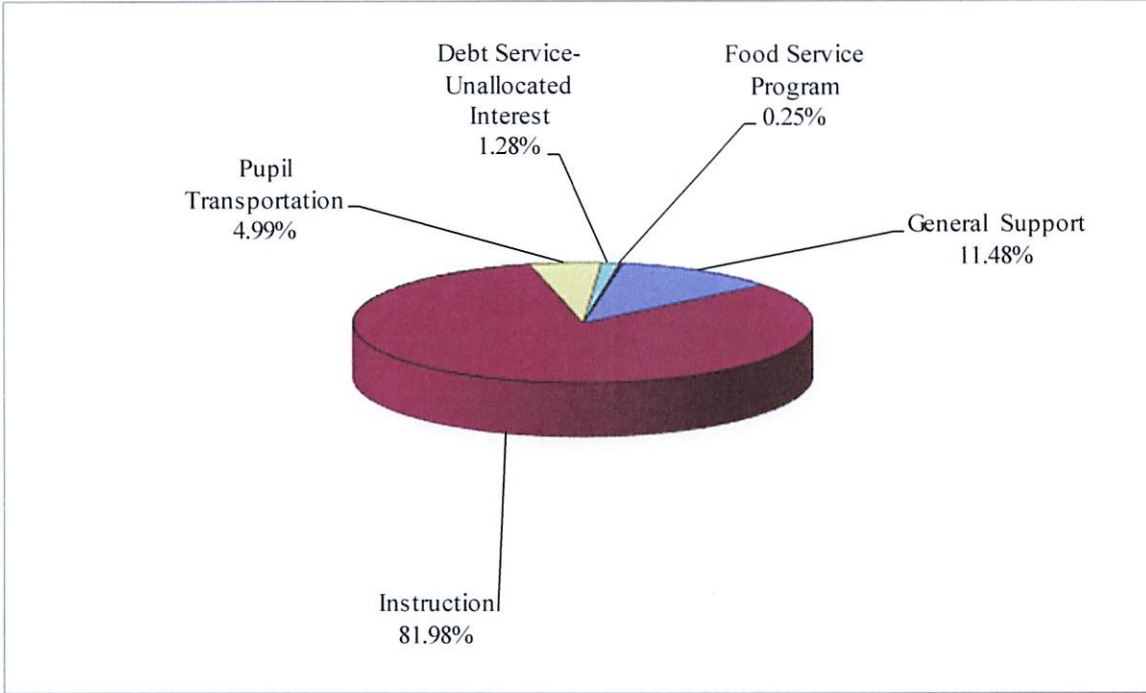


See Independent Auditor's Report.

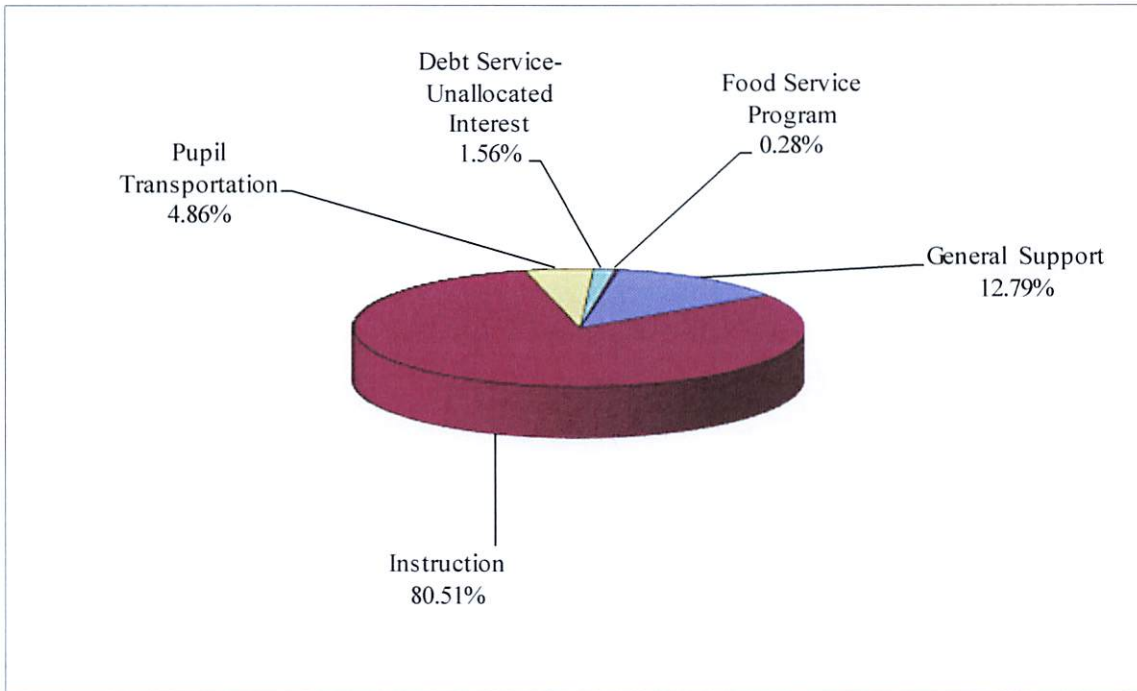
**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2024



For the Year Ended June 30, 2023



See Independent Auditor's Report.

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2024, the District's governmental funds reported a combined fund balance of \$16,505,330 which is an increase of \$288,928 from the prior year. This increase is due to an excess of revenues over expenditures for the year. A summary of the change in fund balance by fund is as follows:

	2024	2023	Increase (Decrease)
General Fund			
Restricted			
Unemployment Insurance Reserve	\$ 55,694	\$ 53,048	\$ 2,646
Retirement Contribution			
Employee Retirement System	1,286,492	1,225,377	61,115
Teacher's Retirement System	1,058,779	1,027,460	31,319
Capital	8,985,191	7,625,357	1,359,834
Tax Certiorari Reserve		240,178	(240,178)
Employee Benefit Accrued Liability	238,753	275,643	(36,890)
Total Restricted	11,624,909	10,447,063	1,177,846
Assigned			
General Support	59,696	114,872	(55,176)
Instruction	30,005	74,204	(44,199)
Pupil Transportation	85		85
Appropriated for Subsequent Year's Budget	650,000	550,000	100,000
Total Assigned	739,786	739,076	710
Unassigned	1,250,808	1,258,445	(7,637)
Total General Fund	13,615,503	12,444,584	1,170,919
 School Lunch Fund			
Assigned	161,819	78,254	83,565
Total School Lunch Fund	161,819	78,254	83,565
 Miscellaneous Special Revenue Fund			
Restricted	148,833	140,891	7,942
Total Miscellaneous Special Revenue	148,833	140,891	7,942
 Debt Service Fund			
Restricted	689,214	583,848	105,366
Total Debt Service Fund	689,214	583,848	105,366
 Capital Projects Fund			
Restricted	1,889,961	2,968,825	(1,078,864)
Total Capital Projects Fund	1,889,961	2,968,825	(1,078,864)
 Total Fund Balance - All Funds	\$ 16,505,330	\$ 16,216,402	\$ 288,928

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's General Fund adopted budget for the year ended June 30, 2024, was \$30,777,153. This is an increase of \$976,203 from the prior year's adopted budget.

The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was \$16,747,939 in estimated property taxes and STAR, and State Aid in the amount of \$12,439,780.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance." The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 1,258,445
Appropriated Reserves	(250,000)
Revenues over Budget	1,253,896
Expenditures and Encumbrances under Budget	816,313
Net Increase to Restricted Funds	(1,177,846)
Appropriated for June 30, 2025 Budget	<u>(650,000)</u>
Closing, Unassigned Fund Balance	<u>\$ 1,250,808</u>

Opening, Unassigned Fund Balance

The \$1,258,445 shown in the table is the portion of the District's June 30, 2023, fund balance that was retained as unassigned. This was approximately 4.09% of the District's 2023-2024 approved operating budget.

Appropriated Reserves

During 2023-2024, the School District appropriated \$250,000 of reserves to use towards the budget.

Revenues Over Budget

The 2023-2024 final budget for revenues and transfers was \$30,170,475. The actual revenues and transfers received for the year were \$31,424,371. The actual revenue over estimated or budgeted revenue was \$1,253,896. This variance contributes directly to the change to the unassigned portion of the General Fund, fund balance from June 30, 2023 to June 30, 2024.

Expenditures and Encumbrances Under Budget

The 2023-2024 amended budget for expenditures and other uses was \$31,159,551. The actual expenditures and other uses, and encumbrances were \$30,343,238. The final budget was under expended by \$816,313, after encumbrances. This under expenditure contributes to the change to the unassigned portion of the General Fund, fund balance from June 30, 2023 to June 30, 2024.

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

Net Increase to Restricted Funds

During 2023-2024, the School District increased its General Fund reserves by \$1,177,846. This increase was due to an increase in the Unemployment Insurance Reserve of \$2,646, Reserve for Retirement Contributions – ERS of \$61,115, Reserve for Retirement Contributions – TRS of \$31,319, and an increase in the Capital reserve of \$1,359,834. In addition, the District decreased its Employee Benefit Accrued Liability Reserve by \$36,890, and dissolved its Reserve for Tax Certiorari in the current year causing a decrease of \$240,178.

Appropriated Fund Balance

The District has chosen to use \$650,000 of its available June 30, 2024 fund balance to partially fund its 2024-2025 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2024-2025 fiscal year with an unassigned fund balance of \$1,250,808 in the General Fund. This is an increase of \$7,637 from the unassigned balance from the prior year. This was 4.02% of the District's 2024-2025 approved operating budget.

5. CAPITAL AND RIGHT TO USE ASSETS AND DEBT ADMINISTRATION

A. Capital and Right to Use Assets

At June 30, 2024, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and improvements and equipment. The net decrease in capital assets is due to depreciation expense exceeding capital additions for the year ended June 30, 2024. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)
Land	\$ 114,500	\$ 114,500	\$
Construction in Progress	1,110,039	238,941	871,098
Buildings and Improvements	44,043,845	45,270,367	(1,226,522)
Furniture, Equipment, and Vehicles	2,416,337	2,565,230	(148,893)
Capital Assets, Net	<u>\$ 47,684,721</u>	<u>\$ 48,189,038</u>	<u>\$ (504,317)</u>

At June 30, 2024, the District had intangible right to use leased assets, net of accumulated amortization, as follows:

	2024	2023	Increase (Decrease)
Leased Equipment, Net	<u>\$ 259,982</u>	<u>\$ 467,908</u>	<u>\$ (207,926)</u>

**CLINTON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

B. Debt Administration

At June 30, 2024, the District had total bonds payable of \$12,705,000 and an Energy Performance Contract of \$829,821. A summary of the outstanding debt at June 30, 2024 and 2023, is as follows:

Issue Date	Interest Rate	2024	2023	Increase (Decrease)
Serial Bonds				
2010	3.25% - 4.20%	\$ 190,000	\$ 375,000	\$ (185,000)
2015	2.00% - 3.00%	3,285,000	3,780,000	(495,000)
2020	2.00%	<u>9,230,000</u>	<u>10,200,000</u>	<u>(970,000)</u>
		<u>\$ 12,705,000</u>	<u>\$ 14,355,000</u>	<u>\$ (1,650,000)</u>
Energy Performance Contract				
2011	0.88%	<u>\$ 829,821</u>	<u>\$ 1,078,742</u>	<u>\$ (248,921)</u>

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the 2024-2025 budget year, the District delivered a budget focused on enhancing our educational programming for our students. Despite a decrease in foundation aid of -0.5% and the end of Covid-19 relief funds, the district balanced the budget through right sizing efforts and efficiencies that include decreased expenditures within elementary teacher salaries through attrition, student tuition, insurance, and miscellaneous supplies. Overall the 2024 – 2025 budget increased spending from the prior year by \$978,071 or 3.18%.

For the past ten years, the New York State Tax Cap has determined, to a large degree, the amount of revenue that can be requested from taxpayers. It is a complex, eight step calculation process based on several local economic factors including the local Consumer Price Index and a tax base growth factor. For 2024 – 2025 Clinton's calculated tax levy was \$17,054,198 which was an increase of \$368,921 or 2.21% compared to prior year. The tax levy calculation met the requirements of the tax levy cap law and required a "simple majority" of voters to approve.

On May 14, 2024, the Clinton Central School District Board of Education adopted a proposed 2024 – 2025 school budget of \$31,755,223. On May 21, 2024 the voters approved the budget by a margin of 387 (yes) – 57 (no).

During the fiscal year the Board of Education revised their long-range financial plan and reserve plan. At the end of the fiscal year the District was able to increase the Teachers Retirement Contribution and the 2019 Capital Reserve.

The \$18,045,000 capital project approved in 2022 is underway and focusing on addressing roof repair, elementary cafeteria reconstruction, library upgrades, installation of a multipurpose turf field, and infrastructure upgrades. This project will have no additional impact on local taxes due to estimated 83.6% state building aid, utilization of \$3,000,000 from a capital reserve fund and the retiring of an existing debt service payment. It is anticipated that the capital project will be completed by December 31, 2025.

7. CONTACTING THE DISTRICT

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, contact the Business Office, at Clinton Central School District, 75 Chenango Ave., Clinton, NY 13323.

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

Assets	
Cash and Cash Equivalents	\$ 2,172,327
Restricted Cash and Cash Equivalents	14,381,363
Investments - Restricted	22,733
Receivables	
Other Governments	1,560,559
Other Receivables	126,818
Right to Use Leased Assets, Net of Amortization	259,982
Software Subscription Assets, Net of Amortization	56,715
Capital Assets (Net of Accumulated Depreciation)	<u>47,684,721</u>
Total Assets	<u>66,265,218</u>
Deferred Outflows of Resources	
Pensions	5,020,140
Other Postemployment Benefits	<u>4,355,478</u>
Total Deferred Outflows of Resources	<u>9,375,618</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 75,640,836</u>
Liabilities	
Accounts Payable	\$ 435,143
Accrued Liabilities	146,435
Retained Percentages Payable	19,850
Due To	
Other Governments	75
Teachers' Retirement System	1,104,903
Employees' Retirement System	66,076
Unearned Revenue	17,500
Net Pension Liability - Proportionate Share	1,346,207
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	1,525,000
Bond Premium	12,820
Energy Performance Contract	262,290
Lease Liability	107,265
Due in More Than One Year	
Bonds Payable	11,180,000
Bond Premium	128,200
Energy Performance Contract	567,531
Lease Liability	95,377
Other Postemployment Benefits	60,869,732
Compensated Absences	<u>257,693</u>
Total Liabilities	<u>78,142,097</u>
Deferred Inflows of Resources	
Leases	
Pensions	766,497
Other Postemployment Benefits	<u>21,449,004</u>
Total Deferred Inflows of Resources	<u>22,215,501</u>
Total Liabilities and Deferred Inflows of Resources	<u>100,357,598</u>
Net Position	
Net Investment in Capital Assets	35,956,181
Restricted	14,352,917
Unrestricted (Deficit)	<u>(75,025,860)</u>
Total Net Position (Deficit)	<u>(24,716,762)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 75,640,836</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	\$ 3,201,067	\$	\$	\$ (3,201,067)
Instruction	22,869,416	9,283	1,265,791	(21,594,342)
Pupil Transportation	1,393,021			(1,393,021)
Debt Service - Unallocated Interest	356,363			(356,363)
Food Service	<u>68,518</u>		<u>38,570</u>	<u>(29,948)</u>
Total Functions/Programs	<u>\$ 27,888,385</u>	<u>\$ 9,283</u>	<u>\$ 1,304,361</u>	<u>(26,574,741)</u>
General Revenues				
Real Property Taxes				15,262,682
STAR and Other Real Property Tax Items				1,496,400
Use of Money and Property				1,073,766
Sales of Property and Compensation for Loss				86,524
State and Federal Sources				12,594,711
Miscellaneous				<u>1,161,741</u>
Total General Revenues				<u>31,675,824</u>
Change in Net Position				5,101,083
Net Position (Deficit), Beginning of Year				<u>(29,817,845)</u>
Net Position (Deficit), End of Year				<u>\$ (24,716,762)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

CLINTON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	Special Revenue						Total
	General	School Lunch	Special Aid	Miscellaneous	Debt Service	Capital	
Assets							
Cash and Cash Equivalents	\$ 2,138,256	\$ 7,935	\$ 26,136	\$	\$	\$	\$ 2,172,327
Restricted Cash and Cash Equivalents	11,624,909			126,550	563,959	2,065,945	14,381,363
Investments - Restricted				22,733			22,733
Receivables							
Other Governments	1,021,205		539,354				1,560,559
Due from Other Funds	563,373	40,371			125,255		728,999
Other Receivables	13,305	113,513					126,818
Total Assets	<u>\$ 15,361,048</u>	<u>\$ 161,819</u>	<u>\$ 565,490</u>	<u>\$ 149,283</u>	<u>\$ 689,214</u>	<u>\$ 2,065,945</u>	<u>\$ 18,992,799</u>
Liabilities							
Payables							
Accounts Payable	\$ 382,347		\$ 1,617	\$ 450		\$ 50,729	\$ 435,143
Accrued Liabilities	134,273		500				134,773
Due To							
Other Governments	75						75
Other Funds	40,371		563,373			125,255	728,999
Teachers' Retirement System	1,104,903						1,104,903
Employees' Retirement System	66,076						66,076
Unearned Revenue	17,500						17,500
Total Liabilities	<u>1,745,545</u>		<u>565,490</u>	<u>450</u>		<u>175,984</u>	<u>2,487,469</u>
Fund Balance							
Restricted	11,624,909			148,833	689,214	1,889,961	14,352,917
Assigned	739,786	161,819					901,605
Unassigned	1,250,808						1,250,808
Total Fund Balance	<u>13,615,503</u>	<u>161,819</u>		<u>148,833</u>	<u>689,214</u>	<u>1,889,961</u>	<u>16,505,330</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 15,361,048</u>	<u>\$ 161,819</u>	<u>\$ 565,490</u>	<u>\$ 149,283</u>	<u>\$ 689,214</u>	<u>\$ 2,065,945</u>	<u>\$ 18,992,799</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**CLINTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION**

June 30, 2024

Total Governmental Fund Balances \$ 16,505,330

Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, equipment) and information technology subscription-based software financed from the 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 and right to use assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.

Original Cost of Right to Use Assets	1,395,863
Accumulated Amortization	(1,135,881)
Original Cost of Software Subscription Assets	159,629
Accumulated Amortization	(102,914)
Original Cost of Capital Assets	72,079,706
Accumulated Depreciation	<u>(24,394,985)</u>
	<u>48,001,418</u>

The District's proportion of the collective net pension liability is reported as a liability on the Statement of Net Position, but is not reported on the fund statements as the amount is not available for use in the current period. The difference between the District's contributions and its proportionate share of the net pension liability is recorded on the District-wide Statement of Net Position as a deferred outflow.

Deferred Outflows - Pensions	5,020,140
Net Pension Liability - Proportionate Share	(1,346,207)
Deferred Inflows - Pensions	<u>(766,497)</u>
	<u>2,907,436</u>

Long-term liabilities, including bonds payable and the related deferred outflows and inflows, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Retainage Payable	(19,850)
Bonds Payable	(12,705,000)
Energy Performance Contract	(829,821)
Bond Premium	(141,020)
Accrued Interest Payable	(11,662)
Lease Liability	(202,642)
Other Postemployment Benefits	(60,869,732)
Deferred Inflows - Other Post Employment Benefits	(21,449,004)
Deferred Outflows - Other Post Employment Benefits	4,355,478
Compensated Absences Payable	<u>(257,693)</u>
	<u>(92,130,946)</u>

Total Net Position (Deficit) \$ (24,716,762)

The Accompanying Notes are an Integral Part of These Financial Statements.

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Special Revenue						Total
	General	School Lunch	Special Aid	Miscellaneous	Debt Service	Capital	
Revenues							
Real Property Taxes	\$ 15,262,682						\$ 15,262,682
Other Real Property Tax Items	1,496,400						1,496,400
Charges for Services	9,283						9,283
Use of Money and Property	937,425			11,686	125,366		1,074,477
Sale of Property and Compensation for Loss	86,524						86,524
Forfeitures							
Miscellaneous	1,017,346	113,513		30,882			1,161,741
Interfund Revenues							
State Aid	12,577,627	38,570	163,435				12,779,632
Federal Aid	17,084		1,102,356				1,119,440
Total Revenues	<u>31,404,371</u>	<u>152,083</u>	<u>1,265,791</u>	<u>42,568</u>	<u>125,366</u>		<u>32,990,179</u>
Expenditures							
General Support	3,068,900					390,442	3,459,342
Instruction	15,664,225		1,136,717	34,626		802,123	17,637,691
Pupil Transportation	1,498,887						1,498,887
Food Service Program		68,518					68,518
Employee Benefits	7,553,317		160,161				7,713,478
Debt Service - Principal	2,066,316						2,066,316
Debt Service - Interest	370,720						370,720
Total Expenditures	<u>30,222,365</u>	<u>68,518</u>	<u>1,296,878</u>	<u>34,626</u>		<u>1,192,565</u>	<u>32,814,952</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,182,006</u>	<u>83,565</u>	<u>(31,087)</u>	<u>7,942</u>	<u>125,366</u>	<u>(1,192,565)</u>	<u>175,227</u>
Other Financing Sources (Uses)							
Proceeds of Leases						113,701	113,701
Transfers from Other Funds	20,000		31,087				51,087
Transfers to Other Funds	(31,087)				(20,000)		(51,087)
Total Other Financing Sources (Uses)	<u>(11,087)</u>		<u>31,087</u>		<u>(20,000)</u>	<u>113,701</u>	<u>113,701</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	<u>1,170,919</u>	<u>83,565</u>		<u>7,942</u>	<u>105,366</u>	<u>(1,078,864)</u>	<u>288,928</u>
Fund Balance, Beginning of Year	<u>12,444,584</u>	<u>78,254</u>		<u>140,891</u>	<u>583,848</u>	<u>2,968,825</u>	<u>16,216,402</u>
Fund Balance, End of Year	<u>\$ 13,615,503</u>	<u>\$ 161,819</u>		<u>\$ 148,833</u>	<u>\$ 689,214</u>	<u>\$ 1,889,961</u>	<u>\$ 16,505,330</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**CLINTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

Net Changes in Fund Balance - Total Governmental Funds \$ 288,928

Capital Outlays to purchase, build, or lease capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation or amortization expense in the statement of activities. This is the amount by which the depreciation and amortization expenses exceeded capital outlays in the period.

	Right to Use Leased Asset Additions	93,851	
	Loss on Disposal	(711)	
	Amortization Expense	(349,721)	
	Depreciation Expense	(1,843,541)	
	Capital Outlays	<u>1,359,785</u>	(740,337)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net amount of repayments in the period.

	Bond Premium	12,820	
	Repayment Energy Performance Contract	248,921	
	Repayment Bond Principal	<u>1,650,000</u>	1,911,741

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	Repayment Lease Principal	167,395	
	Proceeds of Leases	(113,701)	
	Change In Accrued Interest on Debt	1,537	
	Retainage Payable	(19,850)	
	Change In Compensated Absences	17,950	
	Change In Other Postemployment Benefits (including Deferred Inflows and Outflows)	<u>4,475,353</u>	4,528,684

Changes in the proportionate share of the net pension 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	(798,561)	
	Employees' Retirement System	<u>(89,372)</u>	<u>(887,933)</u>

Change in Net Position Governmental Activities \$ 5,101,083

The Accompanying Notes are an Integral Part of These Financial Statements.

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

	<u>Custodial Fund</u>
Assets	
Cash and Cash Equivalents - Restricted	\$ <u>77,156</u>
Net Position	
Restricted for Extraclassroom Activities	\$ <u>77,156</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

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

	<u>Custodial Fund</u>
Additions	
Charges for Services, Sale of Property, and Miscellaneous	\$ 103,198
Taxes Collected for Other Governments	337,905
Total Additions	441,103
Deductions	
Club Activities	106,881
Taxes Distributed to Other Governments	337,905
Total Deductions	444,786
Change in Net Position	(3,683)
Net Position, Beginning of Year	80,839
Net Position, End of Year	\$ 77,156

The Accompanying Notes are an Integral Part of These Financial Statements.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education 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 School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

(a) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the 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. The School District accounts for assets held as an agent for various student organizations in a Fiduciary Custodial Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's administrative offices.

Joint Venture

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

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

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

During the year ended June 30, 2024, the District was billed \$5,051,885 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,516,961. Financial statements for the BOCES are available from the OHM BOCES' office at 4747 Middle Settlement Road, New Hartford, NY 13413.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Basis of Presentation

(a) *District-Wide Statements*

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits and depreciation expense for the year, are allocated to functional areas in proportion to the payroll expended and total expenditures, respectively, for those areas. 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.

(b) *Fund Financial Statements*

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

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

School Lunch Fund: This fund is used to account for and report transactions of the School District's food service operations.

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the School District's scholarship funds. The District has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition, lease, or construction of capital facilities and other capital assets.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditures for principal and interest. Debt Service funds should be used to report resources if legally mandated.

(c) *Fiduciary Funds*

This fund is used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the School District and are not available to be used. There is one class of fiduciary funds:

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups and tax collections for the independent library within the District.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Measurement Focus and Basis of Accounting

The District-wide 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 School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund 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 School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by the county of Oneida. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions at year end is shown in Note 13 to the financial statements.

Estimates

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

Cash and Cash Equivalents

The School 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 School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (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.

CLINTON CENTRAL SCHOOL DISTRICT
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Receivables

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 allowance would not be material.

Investments

Investments held by the School District are stated at fair value. Changes in the fair value of the investments and interest in dividends are reported as investment income.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2003. For assets acquired prior to June 30, 2003, estimated historical costs are based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of \$1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts). The School District uses the straight-line method of depreciation over the following estimated useful lives of capital assets reported in the District-wide statements:

Land Improvements	20 Years
Buildings and Improvements	50 Years
Furniture, Equipment, and Vehicles	5-15 Years

Software Subscription Assets

The District has recorded intangible software subscription assets as a result of implementing GASB 96- *Subscription-Based Information Technology Arrangements*. The subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any payments made to the vendor at commencement of the term and any capitalizable implementation costs, less any vendor incentives received at the commencement of the term. The software subscription assets are amortized on a straight-line basis over the term of the subscription.

Right to Use Leased Assets

The District has recorded right to use leased assets as a result of implementing GASB 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two item that qualifies for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset and the difference during the measurement period between the District's contributions and its proportionate share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

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

Vested Employee Benefits - Compensated Absences

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

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

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

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are 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 postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 12).

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability 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. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years. The third item is related to a rental agreement in which the District acts as a lessor and is deferring the lease receivable over the term of the lease.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Equity classifications

(a) District-wide Financial Statements

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

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

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

Unrestricted Net Position – reports the balance of the Net Position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category typically consists of the inventories in the School Lunch Fund and prepaids in the General Fund. The School District did not have any non-spendable fund balance at June 30, 2024.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

• ***Reserve for Unemployment Insurance***

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

• ***Reserve for Retirement Contributions***

The Retirement Contribution Reserve (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. The Board of Education adopted a resolution in April 2019 to establish a sub-fund for the District. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.

CLINTON CENTRAL SCHOOL DISTRICT
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- ***Reserve for Employee Benefit Accrued Liability***

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

- ***Capital Reserve***

The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of 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 Section 3651 of Education Law. This reserve is accounted for in the General Fund.

- In May 2019, the Board and voters established a capital reserve fund to reserve up to \$10 million for the purpose of capital improvements. The reserve was established with a probable term of ten years. The fund can be used to offset the local share of future capital project work. This proposition only establishes the capital reserve fund and does not obligate the district to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2024, the District has funded \$8,823,982 into this reserve.

- ***Miscellaneous Special Revenue Fund***

This fund is used to account for various endowment and scholarship awards.

- ***Capital Projects Fund***

This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

- ***Debt Service Fund***

This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds. This reserve is accounted for in the Debt Service Fund.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- ***Committed*** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2024.
- ***Assigned*** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General Fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund resources that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(c) *Restricted for Extraclassroom Activities*

This reserve is used to account for various student groups or extraclassroom activities. This reserve is accounted for in the Custodial Fund.

(d) *Order of Use of Fund Balance*

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

Future Changes in Accounting Standards

- GASB Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

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

2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

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

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six 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 or lease of capital or right to use assets in the governmental fund statements and depreciation and amortization 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.

**CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

(e) 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.

(f) OPEB Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

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. At June 30, 2024, the District's unassigned fund balance was 3.94% of the 2024-2025 budget, which is in compliance with the state regulation.

Statutory Debt Limit

At June 30, 2024, the School District was in compliance with the statutory debt limit.

Budgetary Procedures and Budgetary Accounting

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved 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 were not determined at the time the budget was adopted.

Change from Adopted Budget to Revised Budget

Adopted Budget		\$ 30,777,153
Add: Prior Year's Encumbrances		189,076
Original Budget		30,966,229
Add: Donations		93,322
Additional Appropriations from Tax Certiorari Reserve		100,000
Final Budget		<u>\$ 31,159,551</u>

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.

**CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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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.

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2023-2024 school year was in compliance with the NYS Tax Cap Limit.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District’s investment policies, as discussed previously in these notes. GASB requires deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- 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.

As of June 30, 2024, the School District’s bank balances totaling \$18,031,787, were fully collateralized by securities held by the pledging financial institution in the School District’s name, and FDIC insurance and were not exposed to custodial credit risk.

Restricted Cash and Cash Equivalents

Restricted cash of \$11,618,444 in the General Fund represents amounts in the following reserves: \$55,694 for the Unemployment Insurance Reserve, \$238,753 for the Employee Benefit Accrued Liability, \$1,286,492 for the ERS Retirement Contribution Reserve, \$1,058,779 for the TRS Retirement Contribution Reserve, and \$8,985,191 for the Capital Reserve.

Restricted cash of \$126,550 in the Miscellaneous Special Revenue Fund represents reserves for scholarships and endowments. Investments in the amount of \$22,733 are also restricted.

Restricted cash of \$563,959 in the Debt Service Fund represents reserves for future debt service. Amounts due from other funds in the amount of \$125,255 are also restricted.

Restricted cash of \$2,065,945 in the Capital Fund represents reserves for capital projects.

Restricted cash of \$77,156 in the Custodial fund represent funds restricted for Extraclassroom activities.

5. INVESTMENTS – RESTRICTED

The District has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District’s investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value including the common stock held in the Miscellaneous Special Revenue Fund that were donated to the District.

Investments at June 30, 2024 are comprised of the following:

<u>Corporate Equity Securities</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
General Electric Company Common Stock, 1,159 shares	\$ 0	\$ 22,733	\$ 22,733

CLINTON CENTRAL SCHOOL DISTRICT
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For the Year Ended June 30, 2024

Investments are stated at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Corporate Equity Securities: Fair values of securities traded on a national securities exchange are based on the last reported sales price on the last business day of the year.

All assets have been valued using a market approach, unless otherwise noted.

The following tables sets forth by level, within the fair value hierarchy, the District’s assets measured at fair value on a recurring basis as of June 30, 2024:

	Fair Value Measurements at Reporting Date Using the Above Criteria			
Investments	Total	Level 1	Level 2	Level 3
Corporate Equity Securities	\$ 22,733	\$ 22,733	\$	\$

6. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2024 in the general fund consisted of:

General Fund	
New York State –Basic and Excess Cost Aid	\$ 318,637
BOCES Aid	702,568
Total General Fund	1,021,205
Special Aid Fund	
Grants	539,354
Total Due from Other Governments	\$ 1,560,559

7. SOFTWARE SUBSCRIPTION ASSETS

As of June 30, 2024, the District has entered into subscription-based information technology arrangements (SBITA) with various vendors for instructional software subscriptions. The District made lump sum payments at the beginning of each of the subscription arrangements and thus the District has recorded software subscription assets with a net book value of \$56,715 at June 30, 2024 with no corresponding subscription liability. The following is a summary of the District’s software subscription arrangements as of June 30, 2024:

<u>Description</u>	<u>Commencement Date</u>	<u>Term (Years)</u>	<u>Net Asset Value</u>
Reading 6-12 Instructional Software Subscription	7/1/2021	5	\$ 18,400
Math K-5 Instructional Software Subscription	7/1/2021	7	38,315
			\$ 56,715

Software subscription activity for the year ended June 30, 2024, is as follows:

CLINTON CENTRAL SCHOOL DISTRICT
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	Beginning Balance	Additions	Deletions	Ending Balance
Software Subscription Assets				
Instructional Software	\$ 159,629	\$	\$	\$ 159,629
Accumulated Amortization				
Instructional Software	74,820	28,094		102,914
Net Software Subscription Assets	\$ 84,809	\$ (28,094)	\$	\$ 56,715

8. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 114,500	\$	\$	\$ 114,500
Construction in Progress	238,941	871,098		1,110,039
Total	353,441	871,098		1,224,539
Capital Assets Being Depreciated				
Buildings and Improvements	64,838,697			64,838,697
Furniture, Equipment and Vehicles	6,450,416	468,837	902,783	6,016,470
Total	71,289,113	468,837	902,783	70,855,167
Accumulated Depreciation				
Buildings and Improvements	19,568,330	1,226,522		20,794,852
Furniture, Equipment and Vehicles	3,885,186	617,019	902,072	3,600,133
Total	23,453,516	1,843,541	902,072	24,394,985
Net Capital Assets Being Depreciated	47,835,597	(1,374,704)	711	46,460,182
Net Capital Assets	\$ 48,189,038	\$ (503,606)	\$ 711	\$ 47,684,721

Depreciation expense was allocated based on estimated usage by function and is charged as follows:

Function/Program	
General Support	\$ 277,559
Instruction	1,430,419
Pupil Transportation	135,563
Total Depreciation	\$ 1,843,541

Right to use leased asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	\$ 1,420,524	\$ 113,701	\$ 138,362	\$ 1,395,863
Total	1,420,524	113,701	138,362	1,395,863
Accumulated Amortization				
Leased Equipment	952,616	321,627	138,362	1,135,881
Total	952,616	321,627	138,362	1,135,881
Net Right to Use Leased Assets	\$ 467,908	\$ (207,926)	\$	\$ 259,982

Amortization expense of \$291,871 was charged to Instruction.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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9. LESSOR AGREEMENTS

The District has entered into an agreement with Clinton Early Learning Center to lease classroom space from the District. The lease agreement qualifies as an other than short-term leases under GASB 87 and, therefore, has been recorded as a receivable at the present value of the future minimum lease payments as of the date of the inception of the agreement. The lease agreement commenced on July 1, 2019 and is for a term of five years, ending on June 30, 2024. For the year ended June 30, 2024, the District recognized \$51,262 in lease revenue and \$1,538 in lease interest revenue.

10. NON-CURRENT LIABILITIES

Non-current liabilities balances and activity are as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds	\$ 14,355,000		\$ (1,650,000)	\$ 12,705,000	\$ 1,525,000
Premium on Bond	153,840		(12,820)	141,020	12,820
Energy Performance Contract	1,078,742		(248,921)	829,821	262,290
Lease Liability	256,336	113,701	(167,395)	202,642	107,265
Other Postemployment Benefits	57,400,073	8,137,033	(4,667,374)	60,869,732	
Compensated Absences	275,643		(17,950)	257,693	
Total Non-Current Liabilities	<u>\$ 73,519,634</u>	<u>\$ 8,250,734</u>	<u>\$ (6,764,460)</u>	<u>\$ 75,005,908</u>	<u>\$ 1,907,375</u>

Compensated Absences represents vacation and sick time that has been earned by the School District employees but not used as of June 30, 2024.

The following is a statement of the School District's serial bonds and energy performance contract with corresponding maturity schedules:

Payable From/Description	Original Issue	Original Amount	Final Maturity	Interest Rate (%)	Outstanding Amount
2020 Serial Bonds	06/20	\$ 13,190,000	12/35	2.00	\$ 9,230,000
2010 Serial Bonds	04/10	\$ 2,256,866	06/25	3.25 - 4.20	190,000
2015 Serial Bonds	06/15	\$ 7,395,000	06/30	2.00 - 3.00	3,285,000
Total					<u>\$ 12,705,000</u>
Energy Performance Contract	06/11	\$ 3,563,025	06/27	0.88	<u>\$ 829,821</u>

Principal and interest payments due on serial bonds debt and the energy performance contract are as follows:

Fiscal Year Ending June 30,	Serial Bonds			Energy Performance Contract		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,525,000	\$ 279,899	\$ 1,804,899	\$ 262,290	\$ 36,791	\$ 299,081
2026	1,355,000	243,944	1,598,944	276,204	22,877	299,081
2027	1,300,000	214,219	1,514,219	291,327	8,225	299,081
2028	1,335,000	185,519	1,520,519			
2029	1,375,000	155,350	1,530,350			
2030-2034	4,905,000	371,350	5,276,350			
2035	910,000	18,200	928,200			
Total	<u>\$ 12,705,000</u>	<u>\$ 1,468,481</u>	<u>\$ 14,173,481</u>	<u>\$ 829,821</u>	<u>\$ 67,893</u>	<u>\$ 897,714</u>

Other Debt – Energy Performance Contract

The Clinton Central School District entered into an energy performance contract during the year ended June 30, 2012. The contract is defined in Section 9-102(4) of the New York State Energy Law as: “an agreement for the provision of energy

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services, including but not limited to electricity, heating, ventilation, cooling, steam, or hot water, in which a person agrees to install, maintain, or manage energy systems or equipment to improve the energy efficiency of, or produce energy in connection with a building or facility in exchange for a portion of the energy savings or revenues.” The contract is accounted for as a capital lease. The total net present value of the lease at June 30, 2024, is \$829,821.

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. In the event of a default in the payment of the principal and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Unamortized Premium

The original issue premium on the 2020 serial bond of \$192,300 has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premium is being amortized using the straight-line method over 15 years, the remaining time to maturity of the respective bond issue. The current year amortization is \$12,820 and is included as a reduction to interest expense on the statement of activities. The unamortized premium at June 30, 2024 is \$141,020.

Total interest for the year was as follows:

Interest Paid	\$	370,720
Less: Interest Accrued in the Prior Year		(13,199)
Plus: Interest Accrued in the Current Year		11,662
Less: Amortization of Bond Premium		<u>(12,820)</u>
Total Interest Expense on Long-Term Debt	\$	<u>356,363</u>

Lease Liability

The District has entered into agreements with BOCES to lease certain equipment such as printers, instructional, and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from August 15, 2018 to July 7, 2023 and are for a term of 4-5 years. Annual lease payments for these agreements range from \$25,225 to \$40,157. The lease liability is measured using discount rates ranging from .46% to 4.18%. As a result of these leases, the District has recorded a right to use asset with a net book value of \$259,982 at June 30, 2024.

Future lease payments are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2025	107,265	3,231	110,496
2026	47,783	3,210	50,993
2027	23,310	1,989	25,299
2028	<u>24,284</u>	<u>1,015</u>	<u>25,299</u>
Total	<u>\$ 202,642</u>	<u>\$ 9,445</u>	<u>\$ 212,087</u>

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11. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee 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. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but before April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2024, were paid. The required contributions for the current year and two preceding years were:

	Amount
2022	\$ 233,899
2023	\$ 184,330
2024	\$ 215,470

(c) Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$690,625 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 and 2023, the District's proportion was .0046905% and .0049199% respectively.

For the year ended June 30, 2024, the District recognized a pension expense of \$89,372. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 222,450	\$ 18,832
Change of Assumptions	261,110	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		337,367
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	67,684	25,064
Contributions Subsequent to the Measurement Date	66,076	
Total	\$ 617,320	\$ 381,263

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows, for the year ended June 30:

2025	\$ (112,309)
2026	\$ 145,370
2027	\$ 209,385
2028	\$ (72,465)

(d) Actuarial Assumptions

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

Significant actuarial assumptions used in the April 1, 2023 valuation were as follows:

Investment Rate of Return (Net of Investment Expense, Including Inflation)	5.90%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience
Salary Scale	4.40%
Inflation Rate	2.90%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed income	23.00%	1.50%
Cash	1.00%	0.25%
	100.00%	

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

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

(f) Sensitivity of the Proportionate Share of the Net Pension (Asset) Liability to the Discount Rate Assumption

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

	1% Decrease <u>(4.9%)</u>	Current Discount <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ 2,171,397	\$ 690,625	\$ (546,126)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The District has recorded an amount due to ERS in amount of \$66,076 at June 30, 2024. This amount represents the three months of the District's fiscal year that will be covered in the ERS 2024-2025 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

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The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor’s approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System’s financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	Amount
2022	\$ 1,006,911
2023	\$ 1,089,483
2024	\$ 1,033,760

(c) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$655,582 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District's proportion was .0573270%, which was a decrease of .000672% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized a pension expense of \$798,561. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,589,613	\$ 3,929
Changes of assumptions	1,411,449	307,618
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	335,121	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	32,876	73,687
Contributions Subsequent to the Measurement Date	1,033,760	
Total	\$ 4,402,819	\$ 385,234

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$	250,616
2025	\$	(352,411)
2026	\$	2,628,222
2027	\$	194,760
2028	\$	160,812
Thereafter	\$	101,827

(d) Actuarial Assumptions

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

Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.
Salary Scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% Compounded Annually.
Inflation Rate	2.4%

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

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2015 and June 30, 2021.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP

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No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2023 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.8%
International equity	15.0%	7.6%
Global equity	4.0%	7.2%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.1%
Domestic fixed income	16.0%	2.2%
Global bonds	2.0%	1.6%
Private debt	2.0%	6.0%
Real estate debt	6.0%	3.2%
High-yield bonds	1.0%	4.4%
Cash equivalents	1.0%	0.3%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2023.

(e) Discount Rate

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

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

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

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Proportionate Share of the Net Pension (Asset)	\$ 9,984,852	\$ 655,582	\$ (7,190,737)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The District has recorded an amount due to TRS in amount of \$1,033,760 (excluding employees' share) in the General Fund at June 30, 2024. This amount represents contribution for the 2023-2024 fiscal year that will be made in 2024-2025 and has been accrued as an expenditure in the current year.

CLINTON CENTRAL SCHOOL DISTRICT
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12. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District provides postretirement medical and Medicare Part B benefits to retired employees and their spouses for the lifetime of the retired employee in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements.

The School District acquires health insurance through a consortium known as the Oneida, Herkimer, and Madison BOCES Health Consortium. Benefits provided by the OHM Consortium are administered by BlueCross Blue Shield and Pharmacare. The OHM Health Plan covers medical and pharmaceutical costs. Refer to the plan documents for specifics and limitations of the coverage offered to retirees.

The Plan does not issue a standalone publicly available financial report since no assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

All employees must have at least 10 years of continuous service and have reached age 55 to be eligible for postemployment benefits. Depending on the employee group, contributions range from 2%-6% for individual coverage and are 50% for family coverage.

(c) Employees Covered by Benefit Terms

	Total
Inactive employees currently receiving benefit payments	251
Active employees	184
Total	435

(d) Total OPEB Liability

The District's total OPEB liability of \$60,869,732 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

(e) Changes in the Net OPEB Liability

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

	Total OPEB Liability
Balances, June 30, 2023	\$ 57,400,073
Changes recognized for the year:	
Service cost	1,875,189
Interest on Total OPEB Liability	2,123,252
Effect of demographic gains and losses	4,138,592
Effect of assumption changes or inputs	(2,439,474)
Benefit payments	(2,227,900)
Net changes	3,469,659
Balances, June 30, 2024	\$ 60,869,732

(f) 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 (2.93 percent) or 1 percentage point higher (4.93 percent) than the current discount rate:

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	1% Decrease (2.93%)	Current Assumption (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 70,301,255	\$ 60,869,732	\$ 53,233,068

(g) 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 (4.1 declining to 3.1 percent) or 1 percentage point higher (6.1 declining to 5.1 percent) than the current healthcare cost trend rate:

	1% Decrease (4.1%-3.1%)	Current Assumption (5.1% to 4.1%)	1% Increase (6.1%-5.1%)
Total OPEB liability	\$ 52,794,771	\$ 60,869,732	\$ 71,127,857

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$4,475,353. At June 30, 2024, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,412,523	\$ 14,157,250
Changes of assumptions or other inputs	942,955	7,291,754
Total	\$ 4,355,478	\$ 21,449,004

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2025	\$ (5,723,661)
2026	\$ (6,472,815)
2027	\$ (5,266,641)
2028	\$ 160,928
2029	\$ 208,663

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

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Actuarial Assumptions

Valuation Date	July 1, 2023
Measurement Date	June 30, 2024
Reporting Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal - Level Percentage of Salary
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Healthcare Cost Trend Rates	5.1% in 2023, decreasing to 4.1% over 51 years
Discount Rate	3.93%
Rate of Compensation Increase	2.40%

The following changes in actuarial assumptions have been made since the prior measurement date:

- Changes of assumptions and other inputs reflect a change in the discount rate from 3.65 % for the June 30, 2023 reporting date to 3.93% percent for the June 30, 2024 reporting date.

13. INTERFUND TRANSACTIONS

Fund	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 563,373	\$ 40,371	\$ 20,000	\$ 31,087
School Lunch	40,371			
Special Aid		563,373	31,087	
Debt Service	125,255			20,000
Capital Fund		125,255		
Total	<u>\$ 728,999</u>	<u>\$ 728,999</u>	<u>\$ 51,087</u>	<u>\$ 51,087</u>

- The District made a transfer of \$31,087 from the General Fund to the Special Aid Fund, which represents the local share of tuition and transportation of the Summer School Program.
- The District transferred \$20,000 from Debt Service to the General Fund to pay the principal on bond payments.
- Interfund receivables and payables are typically liquidated within 1 year.

14. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2024:

Restricted	Beginning Balance	Additions	Deductions	Ending Balance
General Fund				
Unemployment Insurance	\$ 53,048	\$ 2,646	\$	\$ 55,694
Employee Benefit Accrued Liability	275,643	13,475	(50,365)	238,753
Retirement Contribution - ERS	1,225,377	61,115		1,286,492
Retirement Contribution - TRS	1,027,460	51,245	(19,926)	1,058,779
Tax Certiorari	240,178		(240,178)	
Capital	7,625,357	1,359,834		8,985,191
Total	<u>\$ 10,447,063</u>	<u>\$ 1,488,315</u>	<u>\$ (310,469)</u>	<u>\$ 11,624,909</u>

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

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	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Restricted							
Unemployment Insurance	\$ 55,694						\$ 55,694
Employee Benefit Accrued Liability	238,753						238,753
Retirement Contribution - ERS	1,286,492						1,286,492
Retirement Contribution - TRS	1,058,779						1,058,779
Capital	8,985,191						8,985,191
Scholarships				148,833			148,833
Debt Service - Principal and Interest					689,214		689,214
Capital Project						1,889,961	1,889,961
Total Restricted	<u>11,624,909</u>			<u>148,833</u>	<u>689,214</u>	<u>1,889,961</u>	<u>14,352,917</u>
Assigned							
Encumbrances	89,786						89,786
Food Service Program		161,819					161,819
Appropriated for Subsequent Year's Budget	650,000						650,000
Total Assigned	<u>739,786</u>	<u>161,819</u>					<u>901,605</u>
Unassigned	<u>1,250,808</u>						<u>1,250,808</u>
Total Fund Balance (Deficit)	<u>\$ 13,615,503</u>	<u>\$ 161,819</u>	<u>\$</u>	<u>\$ 148,833</u>	<u>\$ 689,214</u>	<u>\$ 1,889,961</u>	<u>\$ 16,505,330</u>

15. RISK MANAGEMENT

General Information

Clinton Central School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, errors and omissions, natural disasters, etc. 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.

Health Insurance

The District participates in OHM BOCES Consortium Health Plan, a non-risk retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 13 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$1,000,000 limit, and the District has essentially transferred all related risk to the pool.

Workers' Compensation Insurance

The District participates with 11 other school districts and BOCES in the Central New York Workers' Compensation Consortium administered by the Oneida-Herkimer-Madison BOCES for its workers' compensation insurance coverage. Voluntary withdrawal from the Plan is effective only once annually on the last day of the Plan year. Notice of intent to withdraw must be submitted in writing no later than March 30 of the plan year. Additional members may be admitted by a majority vote of the Plan's Board of Directors. Membership is effective on the first day of the month following the Board's resolution to accept a new participant. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The Plan insures against catastrophic losses for amounts over \$600,000 up to \$1,000,000 for claims during the lifetime of an eligible member. The Plan does not insure amounts in excess of \$1,000,000 per lifetime. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for the District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the current year, the School District paid \$68,103 in net fees.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

16. COMMITMENTS AND CONTINGENCIES

Potential Grantor Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Construction Commitments

At June 30, 2024, the School District had an ongoing capital project. The total voter and Board of Education authorizations for this project is \$18,045,000. The School District has entered into various construction contracts for the project amount. At June 30, 2024, the School District has expensed \$1,110,039 (including incidental costs) of the authorizations.

17. NET POSITION DEFICIT- DISTRICT-WIDE

The District-wide Net Position had an unrestricted deficit at June 30, 2024 of \$75,025,860 and a total net position deficit of \$24,716,762. The deficit is primarily the result of the recognition of an unfunded liability of \$60,869,732 at June 30, 2024, required by GASB Statement 75. Since New York State Laws provide no mechanism for funding the liability, any additional subsequent accruals are expected to increase the deficit.

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	\$ 16,685,277	\$ 15,263,094	\$ 15,262,682		\$ (412)
Other Real Property Tax Items	62,662	1,484,845	1,496,400		11,555
Charges for Services	11,400	11,400	9,283		(2,117)
Use of Money and Property	200,800	200,800	937,425		736,625
Sale of Property and Compensation for Loss			86,524		86,524
Miscellaneous	642,234	735,556	1,017,346		281,790
State Aid	12,439,780	12,439,780	12,577,627		137,847
Federal Aid	15,000	15,000	17,084		2,084
Total Revenues	<u>30,057,153</u>	<u>30,150,475</u>	<u>31,404,371</u>		<u>1,253,896</u>
Other Financing Sources					
Transfers from Other Funds	20,000	20,000	20,000		
Appropriated Reserves	150,000	250,000			(250,000)
Appropriated Fund Balance	739,076	739,076			(739,076)
Total Revenues and Other Financing Sources	<u>\$ 30,966,229</u>	<u>\$ 31,159,551</u>	<u>31,424,371</u>		<u>\$ 264,820</u>
Expenditures					
General Support					
Board of Education	\$ 30,978	\$ 32,681	30,754		\$ 1,927
Central Administration	243,396	246,493	244,885	408	1,200
Finance	545,025	531,425	464,183		67,242
Staff	115,719	249,819	243,184		6,635
Central Services	1,653,620	1,687,321	1,599,896	59,288	28,137
Special Items	479,787	489,187	485,998		3,189
Total General Support	<u>3,068,525</u>	<u>3,236,926</u>	<u>3,068,900</u>	<u>59,696</u>	<u>108,330</u>
Instruction					
Instruction, Administration, and Improvement	963,243	932,713	910,714		21,999
Teaching - Regular School	9,015,976	8,971,979	8,800,584	14,607	156,788
Programs for Children With Special Needs	3,127,289	3,129,089	3,065,566		63,523
Occupational Education	522,242	522,242	469,496		52,746
Instructional Media	759,724	868,571	676,766	15,398	176,407
Pupil Services	1,690,527	1,790,187	1,741,099		49,088
Total Instruction	<u>16,079,001</u>	<u>16,214,781</u>	<u>15,664,225</u>	<u>30,005</u>	<u>520,551</u>
Pupil Transportation	1,358,410	1,511,176	1,498,887	85	12,204
Employee Benefits	8,159,309	7,895,684	7,553,317		342,367
Debt Service - Principal	1,899,100	1,899,100	2,066,316		(167,216)
Debt Service - Interest	366,884	367,184	370,720		(3,536)
Total Expenditures	<u>30,931,229</u>	<u>31,124,851</u>	<u>30,222,365</u>	<u>89,786</u>	<u>812,700</u>
Other Financing Uses					
Transfers to Other Funds	35,000	34,700	31,087		3,613
Total Expenditures and Other Financing Uses	<u>\$ 30,966,229</u>	<u>\$ 31,159,551</u>	<u>30,253,452</u>	<u>\$ 89,786</u>	<u>\$ 816,313</u>
Net Change in Fund Balance			1,170,919		
Fund Balance - Beginning of Year			12,444,584		
Fund Balance - End of Year			<u>\$ 13,615,503</u>		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2024

Measurement Date	2024	2023	2022	2021*	2020*	2019*	2018*
Total OPEB Liability							
Service cost	\$ 1,875,189	\$ 1,884,243	\$ 2,338,241	\$ 3,196,017	\$ 2,619,327	\$ 2,824,424	\$ 2,742,159
Interest on Total OPEB Liability	2,123,252	2,077,862	2,023,186	2,003,590	2,899,769	2,603,410	2,514,994
Change in assumptions and other inputs	(2,439,474)	(2,423,203)	(7,812,333)	777,820	4,384,948	(6,819,145)	
Effect of demographic gains and losses	4,138,592		(29,217,231)				
Differences between expected and actual experience in the measurement of the total OPEB liability					(314,296)		(145,459)
Benefit payments	(2,227,900)	(1,886,120)	(1,815,036)	(2,409,149)	(2,297,852)	(2,371,130)	(2,124,148)
Net change in total OPEB Liability	3,469,659	(347,218)	(34,483,173)	3,568,278	7,291,896	(3,762,441)	2,987,546
Total OPEB Liability - Beginning	57,400,073	57,747,291	92,230,464	88,662,186	81,370,290	85,132,731	82,145,185
Total OPEB Liability - Ending	<u>\$ 60,869,732</u>	<u>\$ 57,400,073</u>	<u>\$ 57,747,291</u>	<u>\$ 92,230,464</u>	<u>\$ 88,662,186</u>	<u>\$ 81,370,290</u>	<u>\$ 85,132,731</u>
Covered payroll	\$ 11,411,257	\$ 10,882,129	\$ 10,882,129	\$ 9,975,648	\$ 9,975,648	\$ 9,581,106	\$ 9,581,106
Total OPEB Liability as a percentage of covered payroll	533%	527%	531%	925%	889%	849%	889%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

The District does not currently maintain assets in an OPEB trust.

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 10 to the financial statements.

Changes to Assumptions

The discount rate changed from 3.65% to 3.93%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

**CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2024**

ERS Pension Plan Last 10 Fiscal Years										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 215,470	\$ 184,330	\$ 233,899	\$ 220,183	\$ 220,382	\$ 230,775	\$ 231,323	\$ 226,804	\$ 230,959	\$ 272,559
Contributions in Relation to the Contractually Required Contribution	<u>215,470</u>	<u>184,330</u>	<u>233,899</u>	<u>220,183</u>	<u>220,382</u>	<u>230,775</u>	<u>231,323</u>	<u>226,804</u>	<u>230,959</u>	<u>272,559</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-ERS Employee Payroll	\$ 1,802,678	\$ 1,706,635	\$ 1,562,222	\$ 1,587,359	\$ 1,556,330	\$ 1,609,510	\$ 1,597,355	\$ 1,554,942	\$ 1,393,910	\$ 1,451,704
Contributions as a Percentage of Covered-Employee Payroll	11.95%	10.80%	14.97%	13.87%	14.16%	14.34%	14.48%	14.59%	16.57%	18.78%

TRS Pension Plan Last 10 Fiscal Years										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 1,033,760	\$ 1,089,483	\$ 1,006,911	\$ 934,072	\$ 849,609	\$ 983,804	\$ 1,016,180	\$ 1,082,555	\$ 1,393,730	\$ 1,450,875
Contributions in Relation to the Contractually Required Contribution	<u>1,033,760</u>	<u>1,089,483</u>	<u>1,006,911</u>	<u>934,072</u>	<u>849,609</u>	<u>983,804</u>	<u>1,016,180</u>	<u>1,082,555</u>	<u>1,393,730</u>	<u>1,450,875</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-TRS Employee Payroll	\$ 10,740,437	\$ 10,587,784	\$ 10,274,602	\$ 9,801,385	\$ 9,546,169	\$ 9,263,691	\$ 10,369,184	\$ 9,236,817	\$ 10,510,784	\$ 8,276,523
Contributions as a Percentage of Covered-Employee Payroll	9.62%	10.29%	9.80%	9.53%	8.90%	10.62%	9.80%	11.72%	13.26%	17.53%

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2024

ERS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.0046905%	0.0049199%	0.0045661%	0.0046252%	0.0048564%	0.0050646%	0.0049325%	0.0051453%	0.0054835%	0.0052518%
District's Proportionate Share of the Net Pension (Asset) Liability	\$ 690,625	\$ 1,055,024	\$ (373,258)	\$ 4,605	\$ 1,285,990	\$ 358,842	\$ 159,194	\$ 483,461	\$ 880,118	\$ 177,418
District's Covered-Employee Payroll	\$ 1,802,678	\$ 1,706,635	\$ 1,562,222	\$ 1,587,359	\$ 1,556,330	\$ 1,609,510	\$ 1,597,355	\$ 1,554,942	\$ 1,393,910	\$ 1,451,704
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	38.31%	61.82%	23.89%	0.29%	82.63%	22.30%	9.97%	31.09%	63.14%	12.22%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	93.88%	90.78%	103.65%	99.95%	86.40%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS Pension Plan

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension (Asset)/Liability	0.0573270%	0.0579990%	0.0577460%	0.0558770%	0.0554990%	0.0549640%	0.0547150%	0.0529070%	0.0529280%	0.0539720%
District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 655,582	\$ 1,112,929	\$ (10,006,863)	\$ 1,544,024	\$ (1,441,869)	\$ (993,889)	\$ (415,886)	\$ 566,655	\$ (5,497,559)	\$ (6,012,182)
District's Covered-Employee Payroll	\$ 10,587,784	\$ 10,274,602	\$ 9,801,385	\$ 9,546,169	\$ 9,263,691	\$ 10,369,184	\$ 9,236,817	\$ 10,510,784	\$ 8,276,523	\$ 8,315,287
District's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of its Covered-Employee Payroll	06.19%	10.83%	102.10%	16.17%	15.56%	09.59%	04.50%	05.39%	66.42%	72.30%
Plan Fiduciary Net Position as a percentage of Total Pension (Asset)/Liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2024

Change from Adopted Budget to Final Budget

Adopted Budget	\$ 30,777,153
Add: Prior Year's Encumbrances	<u>189,076</u>
Original Budget	30,966,229
Add: Donations and Gifts	93,322
Additional Appropriations from Tax Certiorari Reserve	<u>100,000</u>
Final Budget	<u>\$ 31,159,551</u>

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget	<u>\$ 31,755,223</u>
Maximum allowed (4% of 2024-25 budget)	<u>\$ 1,270,209</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :	
Unrestricted fund balance:	
Assigned fund balance	\$ 739,786
Unassigned fund balance	<u>1,250,808</u>
Total unrestricted fund balance	<u>1,990,594</u>
Less:	
Appropriated fund balance	650,000
Encumbrances included in committed and assigned fund balance	<u>89,786</u>
Total adjustments	<u>739,786</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,250,808</u>
Actual Percentage	3.94%

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

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2024	
			Prior Years	Current Year	Total		Proceeds of Obligations	Federal and State Aid	Local Sources		Total
2025 Capital Project	\$ 18,045,000	\$ 18,045,000	\$ 31,175	\$ 1,078,864	\$ 1,110,039	\$ 16,934,961	\$	\$	\$ 3,000,000	\$ 3,000,000	\$ 1,889,961

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2024

Capital Assets, Net	\$ 47,684,721
Add:	
Unspent Monies in Capital Fund	1,889,961
Right to Use Leased Asset, Net of Amortization	<u>259,982</u>
Total Additions	<u>2,149,943</u>
Deduct:	
Premium on Bonds Payable	141,020
Serial Bonds Payable	12,705,000
Energy Performance Contract	829,821
Lease Liability	<u>202,642</u>
Total Deductions	<u>13,878,483</u>
Net Investment in Capital Assets	<u>\$ 35,956,181</u>

See Independent Auditor's Report.

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

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

Board of Education
Clinton 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 aggregate remaining fund information of Clinton Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Clinton Central School District's basic financial statements, and have issued our report thereon dated September 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clinton Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Clinton 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 school district's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinton 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the school district'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 school district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

September 24, 2024

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Board of Education
Clinton Central School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clinton Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Clinton Central School District's major federal programs for the year ended June 30, 2024. Clinton Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

D'Arcangelo + Co., LLP

September 24, 2024

Rome, New York

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Current Year Expenditures	Subrecipient
<u>U.S. Department of Education</u>				
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 420701060000)				
Title I School Improvement Grant	84.010A	0011-23-3028	\$ 18,929	\$
Title I Grants to Local Educational Agencies	84.010A	0021-24-2010	<u>184,702</u>	<u> </u>
Total			<u>203,631</u>	<u> </u>
Special Education Cluster				
Special Education - Grants to States	84.027A	0032-24-0618	333,470	
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-24-0618	<u>10,763</u>	<u> </u>
Total Special Education Cluster			<u>344,233</u>	<u> </u>
Title IV- SSAE Allocation	84.424A	0204-24-2010	<u>14,709</u>	<u> </u>
Title IIA Improving Teacher Quality State Grants	84.367A	0147-24-2010	<u>8,911</u>	<u> </u>
Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act				
COVID 19 American Rescue Plan - Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	5219-21-2010	705	
COVID 19 American Rescue Plan - Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	5218-21-2010	1,931	
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5880-21-2010	<u>528,236</u>	<u> </u>
Total			<u>530,872</u>	<u> </u>
Total U.S. Department of Education			<u>1,102,356</u>	<u> </u>
<u>Total Federal Financial Assistance</u>			<u>\$ 1,102,356</u>	<u>\$</u>

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Clinton Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

Cluster Programs

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Education

Special Education Cluster

AL #84.027A	Special Education - Grants to States (IDEA, Part B)
AL #84.173A	Special Education - Preschool Grants (IDEA Preschool)

Indirect Cost Rate

The School District has not elected to use the 10% de minimis indirect cost rate.

Donated Personal Protective Equipment (Unaudited)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of donated PPE, but such amounts are not included in the Schedule of Expenditures of Federal Awards. The School District did not receive any donated PPE during the reporting year.

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Summary of Auditor's Results

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major Federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies reported for major Federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR Section 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	<u>U.S. Department of Education</u> COVID 19 Education Stabilization Fund: AL #84.425U American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) AL #84.425W American Rescue Plan - Elementary and Secondary School Emergency Relief – Homeless Children and Youth
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

(Continued)

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

(Continued)

Findings – Financial Statement Audit

No findings noted in the current year.

Findings and Questioned Costs – Major Federal Award Program Audit

No findings noted in the current year.

**CLINTON CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024**

Findings – Financial Statement Audit

No findings were noted in the prior year.

Findings and Questioned Costs – Major Federal Award Program Audit

No findings were noted in the prior year.