CLINTON CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2026

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, 2026, 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, 2026, 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 financials 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 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 22, 2026, 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 22, 2026

Rome, New York

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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, 2026, 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 22, 2026.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

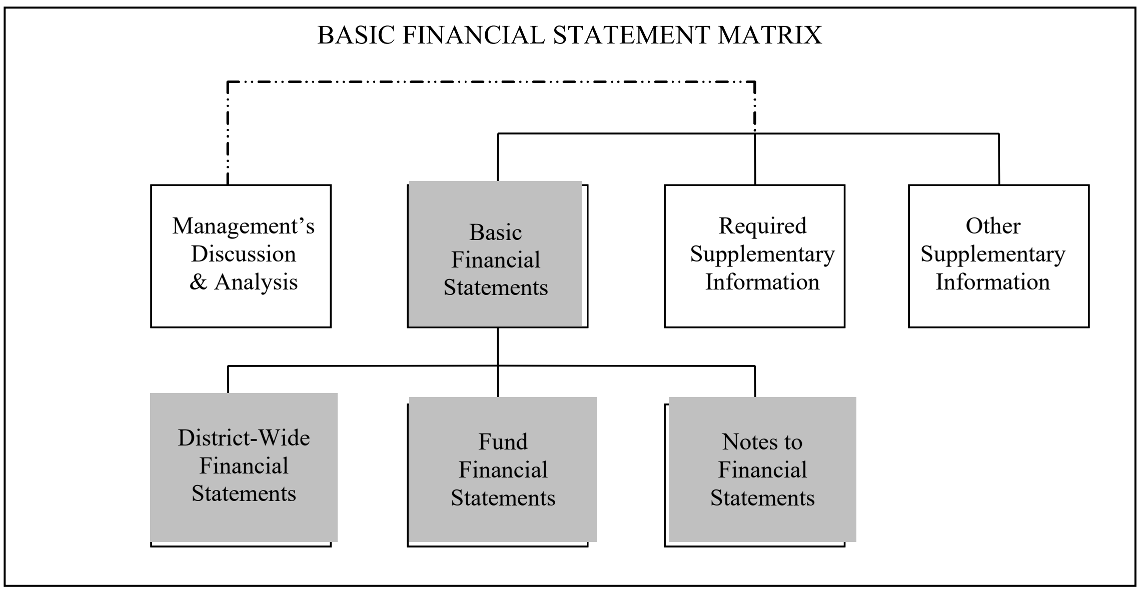
September 22, 2026

Rome, New York

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, 2026 and 2025. 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. 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:



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.

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, Special Aid Fund, and Capital Projects Fund are reported as major government funds and are presented separately in the governmental fund statements. School Lunch Fund, Miscellaneous Special Revenue Fund, and Debt Service Fund are reported collectively as non-major governmental funds.

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.

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased $9,528,825 between fiscal year 2026 and 2025. A summary of the District's Statement of Net Position for June 30, 2026 and 2025, is as follows:

	2026	2025	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 18,746,495	$ 23,099,437	$ (4,352,942)	(18.8%)
Net Pension Asset - Proportionate Share	3,169,688	1,655,104	1,514,584	91.5%
Leased and Subscription Assets, Net	407,315	498,332	(91,017)	(18.3%)
Capital Assets, Net	61,634,819	57,691,931	3,942,888	6.8%
Total Assets	83,958,317	82,944,804	1,013,513	1.2%
Deferred Outflows of Resources	10,713,828	7,146,604	3,567,224	49.9%
Current and Other Liabilities	1,710,699	17,106,878	(15,396,179)	(90.0%)
Net Pension Liability - Proportionate Share	254,833	813,672	(558,839)	(68.7%)
Non-Current Liabilities	85,475,104	66,282,247	19,192,857	29.0%
Total Liabilities	87,440,636	84,202,797	3,237,839	3.8%
Deferred Inflows of Resources	15,837,948	24,023,875	(8,185,927)	(34.1%)
Net Position				
Net Investment in Capital Assets	37,543,998	37,964,244	(420,246)	(1.1%)
Restricted	14,626,288	13,313,784	1,312,504	9.9%
Unrestricted (Deficit)	(60,776,725)	(69,413,292)	8,636,567	12.4%
Total Net Position (Deficit)	$ (8,606,439)	$ (18,135,264)	$ 9,528,825	52.5%

Current and other assets decreased by $4.4 million, as compared to the prior year. The decrease is primarily attributable to the use of $6.5 million in restricted cash in the Capital Projects Fund for capital project expenditures during the year. This decrease was offset by an increase of $1.2 million in amounts due from other governments.

The District's net pension asset – proportionate share increased by $1.5 million as compared to the prior year, as reported to the District by the NYS Teachers' Retirement System.

Leased and subscription assets decreased by $91,000, as compared to the prior year. The decrease is primarily due to current year amortization exceeding additions of leased and subscription assets during the year. Notes 7 and 8 to the Financial Statements provide additional information.

Capital assets increased by $3.9 million, as compared to the prior year. This increase is primarily due to capital outlays exceeding depreciation expense in the current year. Note 8 to the Financial Statements provides additional information.

Deferred outflows of resources increased by $3.6 million as compared to the prior year. The change relates to amounts reported in connection with the District's pension and other postemployment benefit obligations based on information provided by the New York State retirement systems and the District's OPEB actuarial valuation.

Current and other liabilities decreased by $15.4 million, as compared to the prior year primarily due to the repayment of the $14.8 million bond anticipation note that was outstanding at June 30, 2025 that had been used to provide interim financing for the District's capital project.

The District's net pension liability – proportionate share decreased by $559,000 as compared to the prior year, as reported to the District by the NYS Employees' Retirement Systems.

Non-Current liabilities increased by $19.2 million, compared to the prior year. The increase reflects the issuance of $13.0 million of serial bonds through the Dormitory Authority of the State of New York, together with the related bond premium, of $1.3 million to provide permanent financing for the District's capital project, as well as the $6.7 million increase in the District's other postemployment benefit obligation.'

Deferred inflows of resources decreased by $8.2 million as compared to the prior year. The change relates to amounts reported in connection with the District's pension and other postemployment benefit obligations based on information provided by the New York State retirement systems and the District's OPEB actuarial valuation.

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, 2026 was $14.6 million which represents the amount of the District's restricted funds in the General, Capital, Miscellaneous Special Revenue, and Debt Service Funds. See the chart on page 10 for additional details.

The unrestricted (deficit) portion of the net position at June 30, 2026, was $60.8 million, 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 $59.8 million at June 30, 2026.

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, 2026 and 2025 is as follows:

Revenues	2026	2025	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 4,284	$ 12,310	$ (8,026)	(65.2%)
Operating Grants	1,072,771	1,095,585	(22,814)	(2.1%)
General Revenues				
Property Taxes and STAR	17,584,893	17,114,015	470,878	2.8%
State and Federal Sources	13,958,580	12,654,486	1,304,094	10.3%
Other	2,081,546	2,513,762	(432,216)	(17.2%)
Total Revenues	34,702,074	33,390,158	1,311,916	3.9%
Expenses				
General Support	7,634,871	11,235,984	(3,601,113)	(32.0%)
Instruction	15,481,500	13,069,718	2,411,782	18.5%
Pupil Transportation	995,634	1,424,158	(428,524)	(30.1%)
Debt Service-Unallocated Interest	934,776	473,050	461,726	97.6%
Food Service Program	126,468	106,120	20,348	19.2%
Total Expenses	25,173,249	26,309,030	(1,135,781)	(4.3%)
Total Change in Net Position	$ 9,528,825	$ 7,081,128	$ 2,447,697	

The District's revenues increased by $1.3 million in 2026, or 3.9%. The major factors that contributed to the increase were as follows:

- Property taxes and STAR revenues increased by $471,000, or 2.8%.
- State and federal sources increased by $1.3 million, or 10.3%, from the prior year, primarily attributable to an increase in Basic Formula State Aid of $976,000, as well as increases in Mobile Sports Wagering Aid of $219,000 and BOCES Aid of $155,000.

The District's expenses for the year decreased by $1.1 million, or 4.3%. The decrease was primarily attributable to a reduction in capital project expenditures, which declined from approximately $11.7 million in the prior year to $5.5 million in the current year as the District's capital project progressed. This decrease was partially offset by an increase in employee benefit expense resulting from changes in pension and other postemployment benefit amounts recognized in the District-wide financial statements.

3. FINANCIAL ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

The District reports three major governmental funds separately in the governmental fund financial statements: the General Fund, Special Aid Fund, and Capital Fund. Much of the governmental activities discussion also applies to these funds. However, certain factors affecting the District's current financial position are more clearly shown in the fund financial statements than in the District-wide financial statements.

A summary of the major funds for the years ended June 30, 2026 and 2025 is as follows:

	Major Funds					
	General Fund		Special Aid Fund		Capital Fund	
	2026	2025	2026	2025	2026	2025
Revenues						
Total Revenue	$ 33,254,249	$ 31,815,088	$ 1,029,884	$ 1,064,597	$	$
Expenditures						
Total Expenditures	32,507,690	30,948,548	1,080,178	1,101,443	5,532,877	11,726,450
Excess (Deficit) Revenues Over Expenditures	746,559	866,540	(50,294)	(36,846)	(5,532,877)	(11,726,450)
Other Financing Sources (Uses)						
Proceeds of Debt					12,970,000	
Premium on Debt					1,293,804	
Proceeds of Leases					101,362	364,641
BANs Redeemed from Appropriations					835,000	165,000
Transfers from Other Funds	159,813	20,000	50,294	36,846		
Transfers to Other Funds	(50,294)	(36,846)				
Total Other Financing Sources (Uses)	109,519	(16,846)	50,294	36,846	15,200,166	529,641
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	856,078	849,694			9,667,289	(11,196,809)
Fund Balances (Deficit), Beginning of Year	14,465,197	13,615,503			(9,306,848)	1,889,961
Fund Balances (Deficit), End of Year	$ 15,321,275	$ 14,465,197	$	$	$ 360,441	$ (9,306,848)

General Fund

The General Fund is the primary operating fund of the District. General Fund revenues increased by $1.4 million, or 4.5%, from $31.8 million in 2025 to $33.3 million in 2026. The increase was primarily attributable to increases in State aid and property tax revenues. The District's 2025-26 property tax levy was approximately $16.6 million, representing a budgeted increase of 2.63%, or approximately $425,000, over the prior year. State aid also increased, primarily due to higher Basic Formula State Aid in the current year of $976,000. General Fund expenditures increased by $1.6 million, or 5.0%, from $30.9 million in 2025 to $32.5 million in 2026. The increase was primarily attributable to approximately $900,000 in higher debt service expenditures associated with the District's capital project financing. Other significant increases included $215,000 in equipment expenditures, $160,000 in fuel and energy costs, primarily related to building and transportation fuel; and approximately $100,000 in BOCES services, primarily related to special education services. After net other financing sources of $110,000, the General Fund reported an increase in fund balance of $856,000.

Special Aid Fund

The Special Aid Fund is used to account for various Federal and State grant programs. The decrease in revenues and expenses in the Special Aid Fund year over year relates to changes in the timing and level of expenditures under the District's State and federally funded programs, including the expiration of approximately $113,000 of ARP Homeless funding, partially offset by an increase of approximately $100,000 in Universal Prekindergarten (UPK) grant funding. Expenditures exceeded revenues by approximately $50,000 during 2026, with the difference funded by a transfer from the General Fund.

Capital Fund

Capital Project expenditures decreased by approximately $6.2 million, from $11.7 million in 2025 to $5.5 million in 2026, reflecting the timing and progression of the District's ongoing capital project. During 2026, the District issued approximately $13.0 million of serial bonds through DASNY to permanently finance the project and repay the outstanding bond anticipation note. As a result of the timing of project expenditures and related financing, fund balance increased by approximately $9.7 million, from a deficit of $9.3 million at June 30, 2025 to approximately $360,000 at June 30, 2026.

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

A summary of the change in fund balance by fund is as follows:

General Fund	2026	2025	Increase (Decrease)
Restricted			
Unemployment Insurance Reserve	$ 60,308	$ 58,175	$ 2,133
Retirement Contribution			
Employee Retirement System	1,393,068	1,343,795	49,273
Teacher's Retirement System	1,086,999	1,105,939	(18,940)
Capital	10,302,380	9,386,369	916,011
Employee Benefit Accrued Liability	303,313	292,585	10,728
Total Restricted	13,146,068	12,186,863	959,205
Assigned			
General Support	84,521	68,266	16,255
Instruction	61,277	186,536	(125,259)
Pupil Transportation		302	(302)
Appropriated for Subsequent Year's Budget	650,000	650,000	
Total Assigned	795,798	905,104	(109,306)
Unassigned	1,379,409	1,373,230	6,179
Total General Fund	15,321,275	14,465,197	856,078
Capital Projects Fund			
Assigned		498,220	(498,220)
Restricted	360,441		360,441
Unassigned (Deficit)		(9,805,068)	9,805,068
Total Capital Projects Fund	360,441	(9,306,848)	9,667,289
Non-Major Funds			
School Lunch Fund	286,010	215,673	70,337
Miscellaneous Special Revenue Fund	210,731	171,843	38,888
Debt Service Fund	909,048	955,078	(46,030)
Total Non-Major Funds	1,405,789	1,342,594	63,195
Total Fund Balance - All Funds	$ 17,087,505	$ 6,500,943	$ 10,586,562

At June 30, 2026, the District's governmental funds reported a combined fund balance of $17.1 million, which is an increase of $10.6 million from the prior year. This increase is due to an excess of revenues over expenditures for the year, primarily attributable to the Capital Fund, which increased by approximately $9.7 million as a result of the timing of capital project expenditures and related permanent financing. General Fund balance increased by approximately $855,000 to $15.3 million at June 30, 2026. Restricted fund balance increased by approximately $960,000, primarily due to an increase of approximately $915,000 in the capital reserve. Assigned fund balance decreased by approximately $110,000, primarily due to a decrease in outstanding encumbrances, while unassigned fund balance remained relatively consistent at approximately $1.4 million. At June 30, 2026, the District's unassigned General Fund balance represented 4.0% of the 2026-27 budget. Note 14 to the Financial Statements provides additional information on the Reserves.

5. SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

During 2026, the District continued work on its ongoing capital project, incurring approximately $5.2 million in capital project costs during the year. As a result of current-year capital additions, partially offset by depreciation, net capital assets increased by approximately $3.9 million, from $57.7 million at June 30, 2025 to $61.6 million at June 30, 2026.

During 2026, the District transitioned from interim financing of the capital project to permanent financing. The District repaid its outstanding $14.8 million bond anticipation note and issued approximately $13.0 million of serial bonds through the Dormitory Authority of the State of New York. The bonds were issued at a premium of approximately $1.3 million. At June 30, 2026, the District had approximately $22.8 million of serial bonds outstanding.

Additional information regarding the District's capital assets and long-term liabilities can be found in the notes to the financial statements.

6. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

In the 2026-2027 budget year, the District delivered a budget that continues to focus on maintaining and enhancing educational programming for students. Despite a foundation aid increase of 2.0%, the district balanced the budget through right-sizing efforts and efficiencies that included decreasing expenditures within administrative, teaching, and facilities salaries through attrition. In parallel, these decisions helped lessen the impact of accelerating employee benefit costs, primarily within medical and dental insurance expenses. As a result, the overall budget increase for 2026-2027 was kept to $613,417 or 1.81%.

For more than 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 the tax base growth factor. For 2026 – 2027, Clinton's calculated tax levy was $18,001,177, which was an increase of $498,850 or 2.85% compared to the 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 12, 2026, the Clinton Central School District Board of Education adopted a proposed 2026 – 2027 school budget of $34,485,229. On May 19, 2026, the voters approved the budget by a margin of 462 (yes) – 82 (no).

During the fiscal year, the Board of Education revised its long-range financial plan and reserve plan. At the end of the fiscal year, the District was able to increase the 2025 Capital Reserve. The $18,045,000 capital project approved in 2022 is nearing completion and is addressing or has addressed roof repair, elementary cafeteria reconstruction, library upgrades, installation of a multipurpose turf field, and infrastructure upgrades. In addition, District voters approved a new $5,255,000 "Strong Foundations" capital project in December 2025 that is underway and is addressing parking lot reconstruction, HVAC installation in cafeterias, art room renovation, and gymnasium reconstruction. This project is projected to have no additional impact on local taxes due to the retirement of existing debt service payments and an estimated state building aid ratio of 82.0%. It is anticipated that the current phase of the "Strong Foundations" capital project will be complete by September 2027.

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, 2026

Assets	
Cash and Cash Equivalents	$ 1,317,839
Restricted Cash and Cash Equivalents	14,542,924
Investments - Restricted	85,455
Receivables	
Other Governments	2,634,234
Other Receivables	166,043
Net Pension Asset - Proportionate Share	3,169,688
Right to Use Leased Assets, Net of Amortization	345,355
Software Subscription Assets, Net of Amortization	61,960
Capital Assets (Net of Accumulated Depreciation)	61,634,819
Total Assets	83,958,317
Deferred Outflows of Resources	
Pensions	4,457,346
Other Postemployment Benefits	6,256,482
Total Deferred Outflows of Resources	10,713,828
Total Assets and Deferred Outflows of Resources	$ 94,672,145
Liabilities	
Accounts Payable	$ 293,321
Accrued Liabilities	200,863
Due To	
Teachers' Retirement System	1,123,664
Employees' Retirement System	92,851
Net Pension Liability - Proportionate Share	254,833
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	1,840,000
Bond Premium	105,234
Energy Performance Contract	290,885
Lease Liability	139,351
Compensated Absences	130,231
Due in More Than One Year	
Bonds Payable	20,955,000
Bond Premium	1,303,950
Lease Liability	206,113
Other Postemployment Benefits	59,769,525
Compensated Absences	734,815
Total Liabilities	87,440,636
Deferred Inflows of Resources	
Pensions	3,023,344
Other Postemployment Benefits	12,814,604
Total Deferred Inflows of Resources	15,837,948
Total Liabilities and Deferred Inflows of Resources	103,278,584
Net Position	
Net Investment in Capital Assets	37,543,998
Restricted	14,626,288
Unrestricted (Deficit)	(60,776,725)
Total Net Position (Deficit)	(8,606,439)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 94,672,145

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

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 7,634,871	$	$	$ (7,634,871)
Instruction	15,481,500	4,284	1,029,884	(14,447,332)
Pupil Transportation	995,634			(995,634)
Debt Service - Unallocated Interest	934,776			(934,776)
Food Service	126,468		42,887	(83,581)
Total Functions/Programs	$ 25,173,249	$ 4,284	$ 1,072,771	(24,096,194)
General Revenues				
Real Property Taxes				16,230,089
STAR and Other Real Property Tax Items				1,354,804
Use of Money and Property				920,133
Sales of Property and Compensation for Loss				79,598
State and Federal Sources				13,958,580
Miscellaneous				1,081,815
Total General Revenues				33,625,019
Change in Net Position				9,528,825
Net Position (Deficit), Beginning of Year				(18,135,264)
Net Position (Deficit), End of Year				$ (8,606,439)

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

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

	Major Funds				
	General	Special Aid	Capital	Non-Major Funds	Total
Assets					
Cash and Cash Equivalents	$ 1,081,686	$ 102,879	$	$ 133,274	$ 1,317,839
Restricted Cash and Cash Equivalents	13,146,068		404,357	992,499	14,542,924
Investments - Restricted				85,455	85,455
Receivables					
Other Governments	2,306,131	328,103			2,634,234
Due from Other Funds	430,353	3,873		41,825	476,051
Other Receivables	13,307			152,736	166,043
Total Assets	$ 16,977,545	$ 434,855	$ 404,357	$ 1,405,789	$ 19,222,546
Liabilities					
Payables					
Accounts Payable	$ 291,230	$	$ 2,091	$	$ 293,321
Accrued Liabilities	144,652	4,502			149,154
Due To					
Other Funds	3,873	430,353	41,825		476,051
Teachers' Retirement System	1,123,664				1,123,664
Employees' Retirement System	92,851				92,851
Total Liabilities	1,656,270	434,855	43,916		2,135,041
Fund Balance					
Restricted	13,146,068		360,441	1,119,779	14,626,288
Assigned	795,798			286,010	1,081,808
Unassigned	1,379,409				1,379,409
Total Fund Balance	15,321,275		360,441	1,405,789	17,087,505
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 16,977,545	$ 434,855	$ 404,357	$ 1,405,789	$ 19,222,546

CLINTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2026

Total Governmental Fund Balances		$ 17,087,505
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 technolgy 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	835,290
	Accumulated Amortization	(489,935)
	Original Cost of Software Subscription Assets	217,250
	Accumulated Amortization	(155,290)
	Original Cost of Capital Assets	88,783,356
	Accumulated Depreciation	(27,148,537)
		62,042,134
The District's proportion of the collective net pension asset/liability is reported as an asset/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.		
	Net Pension Asset - Proportionate Share	3,169,688
	Deferred Outflows - Pensions	4,457,346
	Net Pension Liability - Proportionate Share	(254,833)
	Deferred Inflows - Pensions	(3,023,344)
		4,348,857
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:		
	Bonds Payable	(22,795,000)
	Energy Performance Contract	(290,885)
	Bond Premium	(1,409,184)
	Accrued Interest Payable	(51,709)
	Lease Liability	(345,464)
	Other Postemployment Benefits	(59,769,525)
	Deferred Inflows - Other Post Employment Benefits	(12,814,604)
	Deferred Outflows - Other Post Employment Benefits	6,256,482
	Compensated Absences Payable	(865,046)
		(92,084,935)
Total Net Position (Deficit)		$ (8,606,439)

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Major Funds							
	General	Special Aid	Capital	School Lunch	Miscellaneous Special Rev	Debt Service	Non-Major Funds	Total
Revenues								
Real Property Taxes	$ 16,230,089	$	$	$	$	$	$	$ 16,230,089
Other Real Property Tax Items	1,354,804							1,354,804
Charges for Services	4,284							4,284
Use of Money and Property	752,917						167,216	920,133
Sale of Property and Compensation for Loss	79,598							79,598
Miscellaneous	873,977						207,838	1,081,815
State Aid	13,950,861	489,800					42,887	14,483,548
Federal Aid	7,719	540,084						547,803
Total Revenues	33,254,249	1,029,884					417,941	34,702,074
Expenditures								
General Support	3,293,613		4,838,443					8,132,056
Instruction	15,693,839	1,068,656	694,434				68,465	17,525,394
Pupil Transportation	1,757,503							1,757,503
Food Service Program							126,468	126,468
Employee Benefits	8,239,319	11,522						8,250,841
Debt Service - Principal	2,617,365							2,617,365
Debt Service - Interest	906,051							906,051
Total Expenditures	32,507,690	1,080,178	5,532,877				194,933	39,315,678
Excess (Deficit) Revenues Over Expenditures	746,559	(50,294)	(5,532,877)				223,008	(4,613,604)
Other Financing Sources (Uses)								
Proceeds of Debt			12,970,000					12,970,000
Premium on Debt			1,293,804					1,293,804
Proceeds of Leases			101,362					101,362
BANs Redeemed from Appropriations			835,000					835,000
Transfers from Other Funds	159,813	50,294						210,107
Transfers to Other Funds	(50,294)						(159,813)	(210,107)
Total Other Financing Sources (Uses)	109,519	50,294	15,200,166				(159,813)	15,200,166
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	856,078		9,667,289				63,195	10,586,562
Fund Balance (Deficit), Beginning of Year	14,465,197		(9,306,848)	215,673	171,843	955,078		6,500,943
Reclassification of Major Funds to Non-Major				(215,673)	(171,843)	(955,078)	1,342,594	
Fund Balance (Deficit), Beginning of Year (Restated)	14,465,197		(9,306,848)				1,342,594	6,500,943
Fund Balance, End of Year	$ 15,321,275	$	$ 360,441	$	$	$	1,405,789	$ 17,087,505

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, 2026

Net Changes in Fund Balance - Total Governmental Funds		$ 10,586,562
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 capital outlays exceeded amortization and depreciation expenses in the period.		
Right to Use Leased Asset Additions	101,361	
Software Subscription Asset Additions	51,509	
Amortization Expense	(243,888)	
Depreciation Expense	(1,818,578)	
Capital Outlays	5,761,466	3,851,870
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.		
Proceeds from Issued Debt	(12,970,000)	
Bond Premium	(1,293,804)	
Repayment Energy Performance Contract	276,449	
Repayment Bond Principal	1,355,000	(12,632,355)
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 Prinicpal	150,916	
Proceeds of Leases	(101,362)	
Change In Accrued Interest on Debt	(41,545)	
Amortization of Bond Premium	12,820	
Retainage Payable	498,220	
Change In Compensated Absences	38,347	
Change In Other Postemployment Benefits (including Deferred Inflows and Outflows)	5,969,306	6,526,702
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	1,173,315	
Employees' Retirement System	22,731	1,196,046
Change in Net Position Governmental Activities		$ 9,528,825

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

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

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	$ 102,197
Net Position	
Restricted for Extraclassroom Activities	$ 102,197

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, 2026

		Custodial Fund
Additions		
Charges for Services, Sale of Property, and Miscellaneous	$	128,262
Taxes Collected for Other Governments		355,066
Total Additions		483,328
Deductions		
Club Activities		113,383
Taxes Distributed to Other Governments		355,066
Total Deductions		468,449
Change in Net Position		14,879
Net Position, Beginning of Year		87,318
Net Position, End of Year	$	102,197

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

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, 2026, the District was billed $5,149,959 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,834,974 Financial statements for the BOCES are available from the OHM BOCES' office at 4747 Middle Settlement Road, New Hartford, NY 13413.

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. The School District reports the following major 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.

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.

The School District reports the following non-major governmental funds:

***Special Revenue Funds*:**

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.

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.

***Change in Major Funds* –** Effective July 1, 2025, the School District reclassified the School Lunch, Miscellaneous Special Revenue, and Debt Service funds from major to nonmajor governmental funds. This reclassification is reported as a change within the financial reporting entity and is reflected as an adjustment to beginning fund balance of both fund's columns and the aggregate nonmajor governmental funds column in the governmental fund financial statements.

(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.

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.

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 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 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.

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.

Compensated Absences

The School District's employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

In accordance with GASB, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end, and includes salary-related payments such as applicable employer payroll taxes.

In the fund financial statements, a liability is reported only for amounts that have matured—typically when payment is due upon resignation, retirement, or other termination—based on 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.

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, 2026.

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.

- ***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 in a maximum amount not to exceed $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, 2026, the District has funded $9,534,862 into this reserve.
  - In May 2025, the Board and voters established a capital reserve fund up to $2 million, plus accrued interest, to be designated, "2025 Technology and Equipment Capital Reserve Fund" created to defray the cost of original equipment, machinery, vehicles, apparatus, appurtenances, furnishings and other incidental improvements and expenses in connection with the School District's building and facilities. The reserve was established with a probable term of ten years. 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, 2026, the District has funded $753,416 plus accrued interest 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, 2026.

- ***Assigned*** – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. 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.

(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.

New Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statement also addresses certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

Future Changes in Accounting Standards

- GASB Statement No. 105, *Subsequent Events*, effective for the year ending June 30, 2027.

The District will evaluate the impact this pronouncement may have on its financial statements and will implement it 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.

(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, 2026, the District's unassigned fund balance was 4.0% of the 2026-2027 budget, which is in compliance with the state regulation.

Statutory Debt Limit

At June 30, 2026, 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		$ 33,871,812
Add:	Prior Year's Encumbrances	255,104.00
Original Budget		34,126,916
Add:	Donations	99,667
	Insurance Recoveries	39,298
Final Budget		$ 34,265,881

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.

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 2025-2026 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, 2026, the School District's bank balances totaling $17,078,576, 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 $13,146,068 in the General Fund represents amounts in the following reserves: $60,308 for the Unemployment Insurance Reserve, $303,313 for the Employee Benefit Accrued Liability, $1,393,068 for the ERS Retirement Contribution Reserve, $1,086,999 for the TRS Retirement Contribution Reserve, and $10,302,380 for the Capital Reserve.

Restricted cash of $404,357 in the Capital Fund represents reserves for capital projects.

Restricted cash of $125,276 in the Miscellaneous Special Revenue Fund represents reserves for scholarships and endowments. Investments in the amount of $85,455 are also restricted.

Restricted cash of $867,223 in the Debt Service Fund represents reserves for future debt service.

Restricted cash of $102,197 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, 2026 are comprised of the following:

Corporate Equity Securities	Cost	Fair Value	Unrealized Gain
General Electric Company Common Stock, 1,159 shares	$ 0	$ 85,455	$ 85,455

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 District's corporate equity securities are measured at fair value on a recurring basis as of June 30, 2026 as level 1 within the fair value hierarchy.

6. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2026 in the general fund consisted of:

General Fund	
New York State –Basic and Excess Cost Aid	$ 1,457,585
BOCES Aid	848546
Total General Fund	2,306,131
Special Aid Fund	
Grants	328,103
Total Due from Other Governments	$ 2,634,234

7. SOFTWARE SUBSCRIPTION ASSETS

As of June 30, 2026, 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 $61,960 at June 30, 2026 with no corresponding subscription liability. The following is a summary of the District's software subscription arrangements as of June 30, 2026:

Description	Commencement Date	Term (Years)	Net Asset Value
Math K-5 Instructional Software Subscription	7/1/2021	7	19,157
Core Knowledge Language Arts Grades 3-5	7/1/2025	6	39,900
Pre-K Instructional Software Subscription	7/1/2025	5	2,903
Total			$ 61,960

Software subscription activity for the year ended June 30, 2026, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Software Subscription Assets				
Instructional Software	$ 258,319	$ 51,509	$ 92,578	$ 217,250
Accumulated Amortization				
Instructional Software	171,038	76,830	92,578	155,290
Net Software Subscription Assets	$ 87,281	$ (25,321)	$	$ 61,960

8. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2026, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 114,500	$	$	$ 114,500
Construction in Progress	12,471,848	5,209,902		17,681,750
Total	12,586,348	5,209,902		17,796,250
Capital Assets Being Depreciated				
Buildings and Improvements	64,838,697			64,838,697
Furniture, Equipment and Vehicles	6,239,168	551,564	642,323	6,148,409
Total	71,077,865	551,564	642,323	70,987,106
Accumulated Depreciation				
Buildings and Improvements	22,021,374	1,224,868		23,246,242
Furniture, Equipment and Vehicles	3,950,908	593,710	642,323	3,902,295
Total	25,972,282	1,818,578	642,323	27,148,537
Net Capital Assets Being Depreciated	45,105,583	(1,267,014)		43,838,569
Net Capital Assets	$ 57,691,931	$ 3,942,888	$	$ 61,634,819

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

Function/Program	
General Support	$ 286,386
Instruction	1,379,374
Pupil Transportation	152,818
Total Depreciation	$ 1,818,578

Right to use leased asset activity for the year ended June 30, 2026, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	$ 1,067,860	$ 101,361	$ 333,932	$ 835,289
Total	1,067,860	101,361	333,932	835,289
Accumulated Amortization				
Leased Equipment	656,809	167,058	333,932	489,935
Total	656,809	167,058	333,932	489,935
Net Right to Use Leased Assets	$ 411,051	$ (65,697)	$	$ 345,354

Amortization expense of $167,058 was charged to Instruction.

9. SHORT-TERM DEBT

Bond Anticipation Notes

The School District may issue Bond Anticipation Notes (BANs) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. During June 2026, the District redeemed $14,790,000 of bond anticipation notes related to its capital project. Of this amount, $13,955,000 was redeemed with proceeds from the DASNY School District Revenue Bond financing described above and $835,000 was redeemed from District resources. Accordingly, no related bond anticipation notes remained outstanding at June 30, 2026.

Changes in the School District's short-term outstanding debt for the year ended June 30, 2026, are as follows:

Description	Balance 07/01/25	Issued	Paid	Balance 06/30/26
Governmental Activities				
BAN, 06/2025	$ 14,790,000	$	$ (14,790,000)	$
Total	$ 14,790,000	$	$ (14,790,000)	$

Interest paid on short-term debt during the year was $621,180.

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	$ 11,180,000	$ 12,970,000	$ (1,355,000)	$ 22,795,000	$ 1,840,000
Premium on Bond	128,200	1,293,804	(12,820)	1,409,184	105,234
Energy Performance Contract	567,334		(276,449)	290,885	290,885
Lease Liability	395,018	101,362	(150,916)	345,464	139,351
Other Postemployment Benefits	53,108,302	9,315,700	(2,654,477)	59,769,525	
Compensated Absences	903,393		(38,347)	865,046	130,231
Total Non-Current Liabilities	$ 66,282,247	$ 23,680,866	$ (4,488,009)	$ 85,475,104	$ 2,505,701

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

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
DASNY Bonds	06/26	$ 12,970,000	06/40	5.00	$ 12,970,000
2020 Serial Bonds	06/20	$ 13,190,000	12/35	2.00	7,575,000
2015 Serial Bonds	06/15	$ 7,395,000	06/30	2.00 - 3.00	2,250,000
Total					$ 22,795,000

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

Fiscal Year Ending	Serial Bonds			Energy Performance Contract		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2027	$ 1,840,000	$ 1,051,865	$ 2,891,865	$ 290,885	$ 8,225	$ 299,110
2028	2,050,000	807,019	2,857,019			
2029	2,125,000	741,100	2,866,100			
2030	2,180,000	670,400	2,850,400			
2031	1,670,000	597,550	2,267,550			
2032-2036	8,300,000	2,070,350	10,370,350			
2037-2040	4,630,000	590,500	5,220,500			
Total	$22,795,000	$ 6,528,784	$29,323,784	$ 290,885	$ 8,225	$ 299,110

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 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, 2026, is $290,885.

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.

During June 2026, the District participated in the Dormitory Authority of the State of New York (DASNY) School District Revenue Bond Financing Program. The District's portion of the financing consisted of $12,970,000 of bonds, issued at a premium of $1,293,804. The bonds were dated June 16, 2026 and mature through June 15, 2040.

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. During the current year, the District issued serial bonds through the Dormitory Authority of the State of New York (DASNY) at a premium of $1,293,804. The premiums are being amortized using the straight-line method over the remaining time to maturity of the respective bonds. 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, 2026 is $1,409,184.

Total interest for the year was as follows:

Interest Paid	$ 906,051
Less: Interest Accrued in the Prior Year	(10,164)
Plus: Interest Accrued in the Current Year	51,709
Less: Amortization of Bond Premium	(12,820)
Total Interest Expense on Long-Term Debt	$ 934,776

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 July 1, 2021 to September 25, 2025 and are for a term of 4-5 years. Annual lease payments for these agreements range from $22,374 to $54,585. The lease liability is measured using discount rates ranging from 1.43% to 4.35%. As a result of these leases, the District has recorded a right to use asset with a net book value of $345,354 at June 30, 2026.

Future lease payments are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2027	139,351	13,944	153,295
2028	145,401	7,893	153,294
2029	60,712	2,116	62,828
Total	$ 345,464	$ 23,953	$ 369,417

Compensated Absences

Compensated Absences represents vacation and sick time that has been earned by the School District employees but not used as of June 30, 2026.

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, 2026, were paid. The required contributions for the current year and two preceding years were:

	Amount
2024	$ 215,470
2025	$ 272,367
2026	$ 315,975

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

At June 30, 2026, the District reported a liability of $254,833 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2026, 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, 2026 and 2025, the District's proportion was .0045169% and .0047456%, respectively.

For the year ended June 30, 2026, the District recognized a pension expense of $307,099. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 145,830	$
Change of Assumptions	43,743	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		456,929
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	106,958	28,976
Contributions Subsequent to the Measurement Date	92,851	
Total	$ 389,382	$ 485,905

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows, for the year ended June 30:

2027	$ 126,209
2028	$ (145,523)
2029	$ (75,810)
2030	$ (94,249)

(d) Actuarial Assumptions

The total pension liability at March 31, 2026 was determined by using an actuarial valuation as of April 1, 2025 with update procedures used to roll forward the total pension liability to March 31, 2026.

Significant actuarial assumptions used in the April 1, 2025 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	5.20%
Decrement tables	April 1, 2020 - March 31, 2025 System's Experience
Inflation rate	2.90%
Cost of Living Adjustments	1.50%

Demographic assumptions used in the April 1, 2025 actuarial valuation are based on the results of an actuarial experience study completed March 31, 2025. Demographic assumptions are primarily based on System experience over the period April 1, 2020 – March 31, 2025. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

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, 2026 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25.00%	3.29%
International equity	14.00%	5.85%
Private equity	15.00%	7.00%
Real estate	12.00%	5.20%
Opportunistic/ARS portfolio	3.00%	5.13%
Credit	4.00%	5.10%
Real assets	4.00%	5.54%
Fixed income	22.00%	1.75%
Cash	1.00%	0.25%
	100.00%	

** Real rates of return are net of the long-term inflation assumption of 2.50%*

(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 (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate Share of the Net Pension Liability (Asset)	$ 1,740,436	$ 254,833	$ (987,198)

(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 $92,851 at June 30, 2026. This amount represents the three months of the District's fiscal year that will be covered in the ERS 2026-2027 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.

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
2024	$ 1,089,483
2025	$ 1,033,760
2026	$ 1,062,672

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

At June 30, 2026, the District reported an asset of $3,169,688 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2024. The District's proportion of the net pension asset 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, 2026, the District's proportion was .053532% which was a decrease of .001941% from its proportion measured as of June 30, 2025.

For the year ended June 30, 2026, the District recognized a pension credit of $160,521. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,661,623	$
Changes of assumptions	1,254,781	34,174
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		2,475,518
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	145,354	27,747
Contributions Subsequent to the Measurement Date	1,006,206	
Total	$ 4,067,964	$ 2,537,439

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 asset/liability in the year ended June 30, 2027. 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:	
2026	$ 1,618,571
2027	$ (653,470)
2028	$ (684,568)
2029	$ (117,787)
2030	$ 298,509
Thereafter	$ 63,062

(d) Actuarial Assumptions

The total pension liability at June 30, 2025 measurement date was determined by using an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension asset to June 30, 2025. 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	5.80%
15	3.66%
25	2.68%
35	2.04%

Projected COLAs	1.4% compounded annually
Inflation rate	2.4% compunded annually, net of pension plan investment expense, including inflation.

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, 2020.

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

Best estimates of 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, 2024 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.7%
International equity	15.0%	7.4%
Global equity	4.0%	7.0%
Real estate equity	11.0%	6.5%
Private equity	9.0%	9.8%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.4%
Private debt	2.0%	6.1%
Real estate debt	6.0%	3.8%
High-yield bonds	1.0%	4.7%
Cash equivalents	1.0%	0.6%
	100.0%	

** Real rates of return are net asset plan investment expenses and long-term expectations.*

(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 Asset 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)	$ 6,090,595	$ (3,169,688)	$ (10,961,734)

(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 $1,006,206 (excluding employees' share) in the General Fund at June 30, 2026. This amount represents contribution for the 2025-2026 fiscal year that will be made in 2026-2027 and has been accrued as an expenditure in the current year.

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	269
Active employees	171
Total	440

(d) Total OPEB Liability

The District's total OPEB liability of $59,769,525 was determined by an actuarial valuation as of July 1, 2025, calculated based on the discount rate and actuarial assumptions outlined below, and was then projected forward to the measurement date of June 30, 2026.

(e) Changes in the Net OPEB Liability

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

	Total OPEB Liability
Balances, June 30, 2025	$ 53,108,302
Changes recognized for the year:	
Service cost	1,283,010
Interest on Total OPEB Liability	2,760,207
Effect of demographic gains and losses	1,950,154
Effect of assumption changes or inputs	3,322,329
Benefit payments	(2,654,477)
Net changes	6,661,223
Balances, June 30, 2026	$ 59,769,525

(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 (4.20 percent) or 1 percentage point higher (6.20 percent) than the current discount rate:

	1% Decrease (3.67%)	Current Assumption (4.67%)	1% Increase (5.67%)
Total OPEB liability	$ 68,284,661	$ 59,769,525	$ 52,810,891

(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	$ 52,383,224	$ 59,769,525	$ 69,028,363

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, 2026, the District recognized OPEB expense of $5,969,306. At June 30, 2026, 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	$ 3,549,399	$ (4,029,961)
Changes of assumptions or other inputs	2,707,083	(8,784,643)
Total	$ 6,256,482	$ (12,814,604)

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
2027	$ (6,151,871)
2028	$ (724,302)
2029	$ (676,567)
2030	$ 604,065
2031	$ 390,553

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2025 and a measurement date of June 30, 2026. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2025
Measurement Date	June 30, 2026
Reporting Date	June 30, 2026
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	4.67%, based on the Bond Buyer General Obligation 20-Bond Municpal Index
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 5.20% for the June 30, 2025 reporting date to 4.67% percent for the June 30, 2026 reporting date.

13. INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 430,353	$ 3,873	$ 159,813	$ 50,294
Special Aid	3,873	430,353	50,294	
Capital Fund		41,825		
Non-Major Funds				
Debt Service	41,825			159,813
Total	$ 476,051	$ 476,051	$ 210,107	$ 210,107

- The District made a transfer of $50,294 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 $159,813 from Debt Service to the General Fund to help fund 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, 2026:

Restricted	Beginning Balance	Additions	Deductions	Ending Balance
General Fund				
Unemployment Insurance	$ 58,175	$ 2,133	$	$ 60,308
Employee Benefit Accrued Liability	292,585	10,728		303,313
Retirement Contribution - ERS	1,343,795	49,273		1,393,068
Retirement Contribution - TRS	1,105,939	40,551	(59,491)	1,086,999
Capital	9,386,369	916,011		10,302,380
Total	$ 12,186,863	$ 1,018,696	$ (59,491)	$ 13,146,068

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

	General	Capital	Non-Major Funds	Total
Restricted				
Unemployment Insurance	$ 60,308	$	$	$ 60,308
Employee Benefit Accrued Liability	303,313			303,313
Retirement Contribution - ERS	1,393,068			1,393,068
Retirement Contribution - TRS	1,086,999			1,086,999
Capital	10,302,380			10,302,380
Scholarships			210,731	210,731
Debt Service - Principal and Interest			909,048	909,048
Capital Project		360,441		360,441
Total Restricted	13,146,068	360,441	1,119,779	14,626,288
Assigned				
Encumbrances	145,798			145,798
Food Service Program			286,010	286,010
Appropriated for Subsequent Year's Budget	650,000			650,000
Total Assigned	795,798		286,010	1,081,808
Unassigned	1,379,409			1,379,409
Total Fund Balance (Deficit)	$ 15,321,275	$ 360,441	$ 1,405,789	$ 17,087,505

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 $49,608 in net fees.

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, 2026, 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, 2026, the School District has expensed $18,004,725 (including incidental costs) of the authorizations.

17. NET POSITION DEFICIT- DISTRICT-WIDE

The District-wide Net Position had an unrestricted deficit at June 30, 2026 of $60,776,725 and a total net position deficit of $8,606,439. The deficit is primarily the result of the recognition of an unfunded liability of $49,769,525 at June 30, 2026, 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, 2026

	Original Budget	Final Budget	Final Budget Variance with Original Budget	Actual	Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	$ 16,230,050	$ 16,230,050	$	$ 16,230,089	$ 39
Other Real Property Tax Items	1,320,142	1,320,142		1,354,804	34,662
Charges for Services	2,500	2,500		4,284	1,784
Use of Money and Property	600,000	600,000		752,917	152,917
Sale of Property and Compensation for Loss		39,298	39,298	79,598	40,300
Miscellaneous	657,475	757,142	99,667	873,977	116,835
State Aid	14,106,645	14,106,645		13,950,861	(155,784)
Federal Aid	15,000	15,000		7,719	(7,281)
Total Revenues	32,931,812	33,070,777	138,965	33,254,249	183,472
Other Financing Sources					
Transfers from Other Funds	20,000	20,000		159,813	139,813
Appropriated Reserves	270,000	270,000			(270,000)
Appropriated Fund Balance	905,104	905,104			(905,104)
Total Revenues and Other Financing Sources	$ 34,126,916	$ 34,265,881	$ 138,965	33,414,062	$ (851,819)

	Original Budget	Final Budget	Final Budget Variance with Original Budget	Actual	Final Budget Variance With Actual
Expenditures					
General Support					
Board of Education	$ 47,310	$ 46,403	$ (907)	$ 39,768	$ 6,635
Central Administration	260,504	265,772	5,268	265,697	75
Finance	565,371	573,080	7,709	560,263	12,817
Staff	139,698	175,399	35,701	178,143	(2,744)
Central Services	1,685,376	1,828,588	143,212	1,727,164	101,424
Special Items	552,967	530,637	(22,330)	522,578	8,059
Total General Support	3,251,226	3,419,879	168,653	3,293,613	126,266
Instruction					
Instruction, Administration, and Improvement	1,047,007	1,058,950	11,943	1,028,734	30,216
Teaching - Regular School	8,482,912	8,682,592	199,680	8,432,144	250,448
Programs for Children With Special Needs	3,472,409	3,280,270	(192,139)	2,932,546	347,724
Occupational Education	656,410	668,952	12,542	668,951	1
Instructional Media	940,788	948,169	7,381	694,166	254,003
Pupil Services	1,911,330	2,004,510	93,180	1,937,298	67,212
Total Instruction	16,510,856	16,643,443	132,587	15,693,839	949,604
					-
Pupil Transportation	1,647,226	1,765,677	118,451	1,757,503	8,174
Employee Benefits	9,467,598	9,151,576	(316,022)	8,239,319	912,257
Debt Service - Principal	2,270,303	2,466,449	196,146	2,617,365	(150,916)
Debt Service - Interest	944,707	768,562	(176,145)	906,051	(137,489)
Total Expenditures	34,091,916	34,215,586	123,670	32,507,690	1,707,896
Other Financing Uses					
Transfers to Other Funds	35,000	50,295	15,295	50,294	1
Total Expenditures and Other Financing Uses	$ 34,126,916	$ 34,265,881	$ 138,965	32,557,984	$ 1,707,897
Net Change in Fund Balance				856,078	
Fund Balance - Beginning of Year				14,465,197	
Fund Balance - End of Year				$ 15,321,275	

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2026

SIGNIFICANT BUDGETARY POLICIES

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.

BUDGETARY REVENUES VARIANCES		Variance Over/ (Under)
Differences- Original Budget to Final Budget:		
Miscellaneous: Clinton Foundation and Hamilton Town Gown donations pushed the final budget amount approximately $100,000 higher.	$	99,667
Differences- Final Budget to Actual:		
Use of Money and Property: Interest earnings greater than budgeted.	$	152,917
Miscellaneous: BOCES Refund was higher than anticipated by approximately $35,000, insurance recoveries were higher than anticipated by approximately $40,000, and sale of transportation equipment was approximately $30,000 higher than budgeted.	$	116,835

BUDGETARY EXPENDITURES VARIANCES

Differences- Original Budget to Final Budget:		
Debt Service - Interest: BAN interest was lower than originally budgeted.	$	(176,145)

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2026

Measurement Date	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service cost	$ 1,283,010	$ 1,782,291	$ 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	2,760,207	2,417,832	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	3,322,329	(9,680,401)	(2,439,474)	(2,423,203)	(7,812,333)	777,820	4,384,948	(6,819,145)	
Effect of demographic gains and losses	1,950,154		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	(2,654,477)	(2,281,152)	(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	6,661,223	(7,761,430)	3,469,659	(347,218)	(34,483,173)	3,568,278	7,291,896	(3,762,441)	2,987,546
Total OPEB Liability - Beginning	53,108,302	60,869,732	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	$ 59,769,525	$ 53,108,302	$ 60,869,732	$ 57,400,073	$ 57,747,291	$ 92,230,464	$ 88,662,186	$ 81,370,290	$ 85,132,731
Covered payroll	$ 11,400,394	$ 11,411,257	$ 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	524%	465%	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 12 to the financial statements.

Changes to Assumptions

The discount rate changed from 5.20% to 4.67%, 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, 2026

ERS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 315,975	$ 272,367	$ 215,470	$ 184,330	$ 233,899	$ 220,183	$ 220,382	$ 230,775	$ 231,323	$ 226,804
Contributions in Relation to the Contractually Required Contribution	315,975	272,367	215,470	184,330	233,899	220,183	220,382	230,775	231,323	226,804
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 2,200,536	$ 1,864,665	$ 1,802,678	$ 1,706,635	$ 1,562,222	$ 1,587,359	$ 1,556,330	$ 1,609,510	$ 1,597,355	$ 1,554,942
Contributions as a Percentage of Covered-Employee Payroll	14.36%	14.61%	11.95%	10.80%	14.97%	13.87%	14.16%	14.34%	14.48%	14.59%

TRS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 1,006,206	$ 1,062,672	$ 1,033,760	$ 1,089,483	$ 1,006,911	$ 934,072	$ 849,609	$ 983,804	$ 1,016,180	$ 1,082,555
Contributions in Relation to the Contractually Required Contribution	1,006,206	1,062,672	1,033,760	1,089,483	1,006,911	934,072	849,609	983,804	1,016,180	1,082,555
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 10,492,242	$ 10,511,098	$ 10,591,803	$ 10,587,784	$ 10,274,602	$ 9,801,385	$ 9,589,266	$ 9,263,691	$ 10,369,184	$ 9,236,817
Contributions as a Percentage of Covered-Employee Payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2026

ERS Pension Plan

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Pension Liability	0.0045169%	0.0047456%	0.0046905%	0.0049199%	0.0045661%	0.0046252%	0.0048564%	0.0050646%	0.0049325%	0.0051453%
District's Proportionate Share of the Net Pension (Asset) Liability	$ 254,833	$ 813,672	$ 690,625	$ 1,055,024	$ (373,258)	$ 4,605	$ 1,285,990	$ 358,842	$ 159,194	$ 483,461
District's Covered-Employee Payroll	$ 2,200,536	$ 1,864,665	$ 1,802,678	$ 1,706,635	$ 1,562,222	$ 1,587,359	$ 1,556,330	$ 1,609,510	$ 1,597,355	$ 1,554,942
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	11.58%	43.64%	38.31%	61.82%	23.89%	0.29%	82.63%	22.30%	9.97%	31.09%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.40%	96.27%	98.24%	94.70%

TRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension (Asset)/Liability	0.0535320%	0.0554730%	0.0573270%	0.0579990%	0.0577460%	0.0558770%	0.0554990%	0.0549640%	0.0547150%	0.0529070%
District's Porportionate Share of the Net Pension (Asset)/Liability	$ (3,169,688)	$ (1,655,104)	$ 655,582	$ 1,112,929	$ (10,006,863)	$ 1,544,024	$ (1,441,869)	$ (993,889)	$ (415,886)	$ 566,655
District's Covered-Employee Payroll	$ 10,511,098	$ 10,591,803	$ 10,587,784	$ 10,274,602	$ 9,801,385	$ 9,589,266	$ 9,263,691	$ 10,369,184	$ 9,236,817	$ 10,510,784
District's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of its Covered-Employee Payroll	30.16%	15.63%	06.19%	10.83%	102.10%	16.10%	15.56%	09.59%	04.50%	05.39%
Plan Fiduciary Net Position as a percentage of Total Pension (Asset)/Liability	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

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, 2026

Change from Adopted Budget to Final Budget

Adopted Budget		$	33,871,812
Add: Prior Year's Encumbrances			255,104
Original Budget			34,126,916
Add: Donations and Gifts			99,667
Insurance Recoveries			39,298
Final Budget		$	34,265,881

Section 1318 of Real Property Tax Law Limit Calculation

2026-27 voter-approved expenditure budget			$	34,485,229
Maximum allowed (4% of 2026-27 budget)			$	1,379,409
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :				
Unrestricted fund balance:				
Assigned fund balance	$	795,798		
Unassigned fund balance		1,379,409		
Total unrestricted fund balance		2,175,207		
Less:				
Appropriated fund balance		650,000		
Encumbrances included in committed and assigned fund balance		145,798		
Total adjustments		795,798		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law			$	1,379,409
Actual Percentage				4.0%

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

			Expenditures				Methods of Financing				
	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Fund Balance June 30, 2026
PROJECT TITLE											
2025 Capital Project	$ 18,045,000	$ 18,045,000	$ 12,471,848	$ 5,532,877	$ 18,004,725	$ 40,275	$ 14,263,804	$	$ 4,000,000	$ 18,263,804	$ 259,079

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2026

Capital Assets, Net	$ 61,634,819
Add:	
Unspent Monies in Capital Fund	404,357
Right to Use Leased Asset, Net of Amortization	345,355
Total Additions	749,712
Deduct:	
Bond Anticipation Notes	
Premium on Bonds Payable	1,409,184
Serial Bonds Payable	22,795,000
Energy Performance Contract	290,885
Lease Liability	345,464
Total Net Fund Balance	
Total Deductions	24,840,533
Net Investment in Capital Assets	$ 37,543,998

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2026

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
Assets				
Cash and Cash Equivalents	$ 133,274	$	$	$ 133,274
Restricted Cash and Cash Equivalents		125,276	867,223	992,499
Investments		85,455		85,455
Receivables				
Due from Other Funds			41,825	41,825
Other Receivables	152,736			152,736
Total Assets	$ 286,010	$ 210,731	$ 909,048	$ 1,405,789
Liabilities				
Total Liabilities	$	$	$	$
Fund Balance				
Restricted		210,731	909,048	1,119,779
Assigned	286,010			286,010
Total Fund Balance (Deficit)	286,010	210,731	909,048	1,405,789
Total Liabilities and Fund Balance	$ 286,010	$ 210,731	$ 909,048	$ 1,405,789

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
Revenues				
Use of Money and Property	$	$ 53,433	$ 113,783	$ 167,216
Miscellaneous	153,918	53,920		207,838
State Aid	42,887			42,887
Total Revenues	196,805	107,353	113,783	417,941
Expenditures				
Instruction		68,465		68,465
Food Service Program	126,468			126,468
Total Expenditures	126,468	68,465		194,933
Excess (Deficit) Revenues Over Expenditures	70,337	38,888	113,783	223,008
Other Financing Sources (Uses)				
Transfers to Other Funds			(159,813)	(159,813)
Total Other Financing Sources (Uses)			(159,813)	(159,813)
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	70,337	38,888	(46,030)	63,195
Fund Balance, Beginning of Year				
Reclassification of Major Funds to Non-major	215,673	171,843	955,078	
Fund Balance, Beginning of Year (Restated)	215,673	171,843	955,078	1,342,594
Fund Balance, End of Year	$ 286,010	$ 210,731	$ 909,048	$ 1,405,789

See Independent Auditor's Report.