PRELIMINARY OFFICIAL STATEMENT DATED JULY 15, 2026

NEW ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Bond Counsel, under the existing statutes, regulations and court decisions, assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excludable from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Notes is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Notes is not an item of tax preference for purposes of Federal alternative minimum tax imposed on individuals, however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. See "Tax Exemption" herein.

The Notes **will** be designated, or deemed designated, as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

$4,500,000
CLINTON CENTRAL SCHOOL DISTRICT
ONEIDA COUNTY, NEW YORK

$4,500,000 Bond Anticipation Notes, 2026

Dated: August 5, 2026 | **Due: June 30, 2027**

The Notes are general obligations of the Clinton Central School District, Oneida County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

At the option of the purchaser(s), the Notes will be issued in registered book-entry form or registered in the name of the purchaser(s). If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk, Clinton, New York. In such case, the Notes will be issued as registered in the name of the purchaser in dominations of $5,000 or multiples thereof.

If the Notes are issued in registered in book-entry form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, and payment of principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct Participants, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an unqualified legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC of Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the Purchaser(s), on or about August 5, 2026.

Facsimile or telephone bids will be received WEDNESDAY July 22, 2026 until 10:30 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

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

DATED: July 15, 2026

CLITON CENTRAL SCHOOL DISTRICT
ONEIDA COUNTY, NEW YORK

School District Officials

2026-27 BOARD OF EDUCATION

Melinda Leising - President
Lisa Magnarelli - Vice President

Sam Catterson
Rachael Clark
Jennifer Giannone
Orlando Guitian
Patrick LaVeck

Christopher Clancy – Superintendent
Ethan Martin – School Business Administrator
Sara Carr – District Treasurer
Julia Scranton - Clerk

School District Attorneys

Ferrara Fiorenza, PC

BOND COUNSEL

Bond, Schoeneck & King, PLLC

MUNICIPAL ADVISOR

R. G. Timbs, Inc.

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

TABLE OF CONTENTS

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OFFICIAL STATEMENT

of the

CLINTON CENTRAL SCHOOL DISTRICT
ONEIDA COUNTY, NEW YORK

Relating To
$4,500,000 Bond Anticipation Notes, 2026

This Official Statement, which includes the cover page, has been prepared by the Clinton Central School District, Oneida County, New York (the "District," "County" and "State," respectively) in connection with the sale by the School District of $4,500,000 Bond Anticipation Notes, 2026 (the "Notes).

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

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

DESCRIPTION OF THE NOTES

The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "Tax Levy Limitation Law" herein.

The Notes are dated August 5, 2026, and mature, without option of prior redemption, June 30, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes, and at the option of each purchaser, may be registered to The Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of such purchaser.

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes, (See "Book-Entry-Only System" herein).

If the Notes are registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk, Clinton, New York. In such case, the Notes will be issued in registered form in denominations of $5,000, or multiples thereof.

Nature of the Obligation

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

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

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

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

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

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

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used, and they are not tautological. That is what the words say, and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law and the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the District (the "Board") on December 16, 2025, which was approved by the qualified voters of the District on December 9, 2025, authorizing the issuance of up to $5,255,000 of serial bonds to finance the reconstruction, improvement, rehabilitation, repair, furnishing, and equipping of the Clinton Elementary School and the Clinton Middle School buildings and grounds, including, but not limited to, renovation and reconstruction of building exteriors and interiors, roof repairs and replacement, classroom renovation, art room renovation, athletic facility renovation, reconstruction and expansion of parking lots, reconstruction of sidewalks, repairing exterior steps, curbing, acquisition and installation of air conditioning, acquisition and installation of water heater, at an estimated maximum aggregate cost of $5,255,000.

The Proceeds of the Notes in the amount of $4,500,000 will provide original new money financing for the Project.

Book-Entry Only System

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the

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

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

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

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

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

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

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving reasonable notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Notes will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the state of New York to be named by the District. Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for the Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in Certificate of Determination executed by the President of the Board of Education authorizing the sale of the Notes and fixing the details thereof and in accordance with the Local Finance Law.

THE DISTRICT

General Information

The School District is located in the Towns of Kirkland, Westmoreland, Marshall, Vernon, Paris, New Hartford and Whitestown, all in Oneida County. The School District is located just to the southwest of the City of Utica and covers approximately 38 square miles.

The School District is served by numerous State highways with access to the New York State Thruway at Utica. Rail, bus, and air transportation are also available in Utica.

The School District is primarily residential and agricultural in nature. Many of its residents are employed in the metropolitan Utica area.

Water and sewer services are provided in some locations by the respective Towns, or by private wells and septic systems. Police protection is provided by the Oneida County Sheriff's Department, supplemented by the New York State Police. Fire protection and ambulance service are provided by various volunteer organizations. Telephone service is available from Verizon New York Inc. and electricity from National Grid.

Commercial services are available on a limited basis in the Village of Clinton and on a larger scale in the Utica area. Banking facilities are available locally through NBT Bank, N.A. and Key Bank.

District Population

The 2024 population of the School District is estimated to be 11,567. (Source: 2024 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2020-2024	2006-2010	2016-2020	2020-2024
Village Of:						
Clinton	$35,024	$44,545	$53,324	$77,917	$100,813	$115,938
Towns Of:						
Kirkland	27,665	36,477	45,283	77,774	108,721	123,775
Marshall	27,719	38,282	47,369	74,571	99,625	123,750
New Hartford	33,819	42,903	50,924	77,733	94,023	118,971
Paris	28,617	38,695	40,711	65,129	96,034	112,885
Westmoreland	28,847	34,482	48,457	75,335	81,270	121,163
Whitestown	27,192	33,388	44,096	66,969	77,391	101,926
Vernon	24,579	37,618	45,774	59,563	90,541	100,952
County Of:						
Oneida	23,458	30,678	37,903	58,017	74,796	95,214
State Of:						
New York	30,948	40,898	51,002	67,405	87,270	106,073

Note: 2021-2025 American Community Survey Estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2020-2024 American Survey data.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Elementary School	K-5	1955	912	2020
Junior High School	6-8	1933	600	2020
High School	9-12	1963	750	2020

District Employees

The School District employs 202 full-time employees and 14 part-time employees. The number of members, the collective bargaining units which represent them and their current contract expiration dates are as follows:

Bargaining Unit	Employees	Expiration Date
Clinton Teachers' Association	121	6/30/2028
Clinton Central School CSEA	89	6/30/2026*
Clinton Administrators' Association	6	6/30/2027

*Currently under negotiations.

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2021-22	1,280	2026-27	1,215
2022-23	1,250	2027-28	1,215
2023-24	1,205	2028-29	1,215
2024-25	1,213	2029-30	1,215
2025-26	1,220	2030-31	1,215

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976, with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

• Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.

• Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.

• Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).

• Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.

• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009, and before April 2, 2012.

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

The State's Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

Lowered Retirement Age: The full-benefit retirement age is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.

Reduced Contribution Rates: Member pension contribution percentages are adjusted into tiered salary brackets:

- $75,000 or less: 3%
- Over $75,000 to $100,000: 4%
- Over $100,000 to $125,000: 5.25%
- Over $125,000: 5.75%

Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to $30,000 plus CPI (up from the previous $22,500 cap.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2025-2026 and 2026-2027 fiscal years are as follows:

Fiscal Year	ERS	TRS
2020-2021	$220,183	$934,072
2021-2022	233,899	1,006,911
2022-2023	184,330	1,089,483
2023-2024	215,470	1,033,760
2024-2025	272,367	1,062,672
2025-2026 (Budgeted)	397,219	1,058,152
2026-2027 (Budgeted)	468,511	921,875

Source: District records

Source: Audited financial statements for the 2020-2021 fiscal year through the 2024-2025 fiscal year and the adopted budget of the District for the 2025-2026 and 2026-2027 fiscal years. This table is not audited.

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

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

A chart of average ERS and TRS rates as a percents of payroll (2021-22 to 2026-27) is shown below:

Fiscal Year	ERS	TRS
2021-2022	16.2%	9.80%
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026	16.5	9.59
2026-2027	17.6	8.24*

*Estimated.

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

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

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

<u>Stable Rate Pension Contribution Option</u> - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established this fund in June 2019. The current balance is $1,105,939.

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

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2023 and financial data as of June 30, 2025, the School District's beginning year total OPEB liability was $60,869,732, the net change for the year was ($7,761,430) resulting in a total OPEB liability of $53,108,302 for a fiscal year ending June 30, 2023. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2025 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Hamilton College	Education	930
Lutheran Homes	Nursing Facility	400
Indium Corporation	Manufacturer	260
Clinton Central School District	Education	216
Hannaford	Retail Grocery Stores	100
Brookdale Senior Living	Adult Care Facility	60

Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is Oneida County. The data set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the School District is necessarily representative of the County or vice versa.

Year	Oneida County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2021	5.1%	7.1%	5.3%
2022	3.5%	4.3%	3.6%
2023	3.5%	4.0%	3.6%
2024	3.7%	4.2%	4.0%
2025	3.9%	4.3%	4.3%

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

2025-2026 Monthly Figures

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Oneida County	3.6%	4.1%	4.2%	4.0%	N/A	3.7%	3.8%	4.4%	4.7%	4.2%	3.8%	N/A
New York State	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	5.2%	4.4%	4.2%	4.2%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).
Note: October figures unavailable due to government shutdown.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

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

Form of School Government

Subject to the provisions of the State Constitution, the School District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the School District, and any special laws applicable to the School District. Under such laws, there is no authority for the School District to have a charter or adopt local laws.

The legislative power of the School District is vested in the Board of Education (the "Board"). Each year an election is held within the School District to elect one or more members to the Board. The Board consists of seven members with overlapping three-year terms. Therefore, as nearly as practicable, an equal number of members is elected to the Board each year.

During the first week in July of each year the Board meets for the purpose of reorganization. At that time, an election is held within the Board to elect a President and Vice President and to appoint other School District officials.

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the School District. However, certain of the financial management functions of the School District are the responsibility of the Superintendent and Assistant Superintendent for Business.

Budgetary Procedures

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

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

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

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

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 387 to 57. The School District's 2024-25 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 422 to 82. The School District's 2025-26 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2026-27 fiscal year was adopted by the qualified voters on May 19, 2026 by a vote of 462 to 82. The School District's 2025-26 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2026-27 fiscal year, approximately 40.80% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State budget which was not adopted until May 3, 2023, the 2024-25 State budget which was not adopted until April 20, 2024 and the 2025-26 State Budget which was not adopted until May 9, 2025. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State –

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

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

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

State Aid History

The State's 2020-2021 Enacted Budget - Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020- 2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

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

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

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

The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024 25 Enacted Budget maintained the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

The State's 2025-26 Enacted Budget provided $37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represented an increase of $1.7 billion or 4.9 percent compared to the 2024-25 school year and included a $1.4 billion or 5.6 percent Foundation Aid increase. The State's 2025-26 Enacted Budget included a 2% minimum increase in Foundation Aid to all school districts and made a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. No "general fund imbalance" occurred during the State's 2025-26 fiscal year.

The State's 2026-27 Enacted Budget was signed into law on May 27, 2026 – fifty-six (56) days after the April 1 start of the fiscal year. The FY 2026-27 Education, Labor and Family Assistance (ELFA) legislation contains several significant provisions affecting New York public school districts. The major school district–related items include:

- **Foundation Aid increase.** The budget provides an approximately $779 million increase in Foundation Aid, bringing total Foundation Aid to about $27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase.** Total School Aid for the 2026-27 school year is projected at approximately $39.3 billion, an increase of roughly $1.6 billion over the prior year.
- **Universal Pre-K expansion.** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded.** The budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly $282 million statewide.
- **Building Aid for renewable energy projects.** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project's "primary cost allowance" for Building Aid purposes.
- **Foundation Aid formula adjustments.** The budget continues recent efforts to modernize the Foundation Aid formula by relying more heavily on updated poverty and economic-need data instead of older census metrics and free-and-reduced lunch statistics.

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the Campaign for Fiscal Equity case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid, The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of existing shortfall.
- FY 2023: Approximately $21.3 billion, cover 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school Districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Enacted Budget makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.
- FY 2027: $27.1 billion in Foundation Aid, an increase of $779 million from 2025-26, and a 2% minimum increase in Foundation Aid to all school districts. The State's 2026-27 Enacted Budget continued to make a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2025-2026 fiscal year.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2021-2022	$29,781,071	$12,361,531	41.51%
2022-2023	30,834,682	12,361,881	40.09
2023-2024	31,424,371	12,577,627	40.03
2024-2025	31,835,088	12,636,505	39.69
2025-2026 (Budgeted)	32,951,812	14,106,645	42.81
2026-2027 (Budgeted)	34,485,229	14,069,378	40.80

Source: Audited financial statements for the 2021-2022 fiscal year through the 2024-2025 fiscal year and the adopted budget of the district for the 2025-2026 and 2026-2027 fiscal years. This table is not audited.

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers, and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

The reports of State Comptroller for the past five fiscal years if the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2025	No Designation	10.0
2024	No Designation	3.3
2023	No Designation	10.0
2022	No Designation	3.3
2021	No Designation	13.3

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the District on January 26, 2018. The purpose of the audit was to determine whether employee salaries and wages were accurately paid for the period July 1, 2016 through June 30, 2017.

Key Findings:

- District officials accurately calculated and paid gross salaries and wages.
- The Head Custodian did not sign custodial employees’ time records as evidence of his review of their hours worked and did not preapprove in writing overtime to be worked.

Key Recommendations:

- Ensure the Head Custodian signs time records to evidence the review of employees’ time worked and preapproves overtime hours to be worked.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller’s audits of the District that are currently in progress or pending release.

*Note: Reference to website implies no warranty of accuracy of information therein.

Other Information

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

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

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

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2025 and may be found attached hereto as “Appendix B”.

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

TAX INFORMATION

Assessed and Full Valuations*

Fiscal Year Ended June 30:	2022	2023	2024	2025	2026
Assessed Valuations:					
Kirkland	$ 318,111,400	$ 318,640,290	$ 317,929,225	$ 318,763,289	$ 318,501,571
Westmoreland	16,640,086	16,575,641	16,066,863	16,187,160	16,210,028
Marshall	10,234,208	10,302,827	10,178,309	10,282,108	10,275,555
Vernon	1,811,065	1,815,111	1,804,445	1,834,589	1,853,499
Paris	767,501	756,913	776,762	908,448	905,266
New Hartford	48,194,131	49,241,401	50,983,572	52,141,200	53,019,523
Whitestown	953,504	949,199	933,978	883,497	882,426
Total	$ 396,711,895	$ 398,281,382	$ 398,673,154	$ 401,000,291	$ 401,647,868
Equalization Rates:					
Kirkland	54.00%	48.50%	43.00%	39.50%	35.30%
Westmoreland	53.00%	43.00%	38.00%	38.00%	36.00%
Marshall	59.00%	50.00%	42.00%	38.00%	32.00%
Vernon	61.00%	52.00%	47.50%	47.20%	43.50%
Paris	79.50%	72.00%	63.50%	59.00%	55.00%
New Hartford	70.00%	63.00%	57.00%	53.00%	47.00%
Whitestown	58.00%	53.00%	47.00%	42.00%	36.50%
Full Valuations:					
Kirkland	$ 589,095,185	$ 656,990,289	$ 739,370,291	$ 806,995,668	$ 902,270,739
Westmoreland	31,396,389	38,548,002	42,281,218	42,597,789	45,027,856
Marshall	17,346,115	20,605,654	24,234,069	27,058,179	32,111,109
Vernon	2,968,959	3,490,598	3,798,832	3,886,841	4,260,917
Paris	965,410	1,051,268	1,223,247	1,539,742	1,645,938
New Hartford	68,848,759	78,160,954	89,444,863	98,379,623	112,807,496
Whitestown	1,643,972	1,790,942	1,987,187	2,103,564	2,417,605
Total	$ 712,264,789	$ 800,637,707	$ 902,339,707	$ 982,561,407	$ 1,100,541,661

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2022	2023	2024	2025	2026
Kirkland	$ 41.59	$ 42.06	$ 43.00	$ 43.94	$ 45.05
Westmoreland	38.07	47.44	48.66	45.68	44.18
Marshall	32.09	40.79	44.03	45.68	49.70
Vernon	28.25	39.23	38.93	36.77	36.56
Paris	36.82	28.33	29.12	29.42	28.92
New Hartford	42.38	32.38	32.44	32.75	33.84
Whitestown	38.72	38.49	39.34	41.33	43.57

Tax Collection Procedure

School District taxes are payable during September without penalty. Beginning October 1, a 2% penalty is added. Unpaid taxes are turned over to the County Treasurer after November 15. Taxes which remain unpaid after that date are added to the following year's County/Town tax bills with an additional penalty. The responsibility for collection of unpaid taxes rests with the County, which reimburses the School District for any uncollected taxes in April of the year following the year of levy. The School District is thus assured of 100% collection of its annual levy.

Tax Collection Record

Fiscal Year Ended June 30:

	2022	2023	2024	2025	2026*
Total Tax Levy	$15,997,529	$16,662,138	$17,023,271	$17,398,923	$17,857,391
Less STAR Reimbursement	1,902,230	1,505,028	1,422,183	1,344,086	1,272,277
Adjustments	3,406.28	-4,782.34	0.00	0.00	0.00
Total Taxes to be Collected	14,098,705	15,152,328	15,601,088	16,054,837	16,585,114
Taxes Collected Prior to Return to County	13,668,266	14,616,601	15,134,400	15,449,095	16,065,033
Returned to County	$430,439	$535,727	$466,688	$605,742	$520,081
% Collected Prior to Return	96.95%	96.46%	97.01%	96.23%	96.86%

Note: * Collection information is as of 12/11/2025

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2021-2022	$29,781,071	$14,087,102	47.30%
2022-2023	30,834,682	14,820,953	48.07
2023-2024	31,424,371	15,262,682	48.57
2024-2025	31,835,088	15,695,316	49.30
2025-2026 (Budgeted)	32,951,812	16,230,050	49.25
2026-2027 (Budgeted)	34,485,229	18,001,177	52.20

Source: Audited financial statements for the 2021-2022 fiscal year through the 2024-2025 fiscal year and the adopted budget of the district for the 2025-2026 and 2026-2027 fiscal years. This table is not audited.

Major Taxpayers 2025

For 2025-2026 Tax Roll

Name	Type	Full Value
Jensens Cherrywood	Real Estate	$ 14,416,450
Applewood Community	Real Estate	$ 13,534,686
Garden Homes Milgate	Real Estate	$ 6,885,886
National Grid	Utility	$ 6,186,636
Barkett Group Inc.	Rental Property	$ 2,941,109
Lewiston @ Clinton St.	Rental Property	$ 2,184,000
Martin Foods of S. Burlington	Shopping Center	$ 1,967,100
Lewiston At White St, LLC	Rental Property	$ 1,320,000
Clinton House Apts	Rental Property	$ 1,200,000
Hales Bus Garage LLC	Real Estate	$ 1,086,460
Total		$ 51,722,327

1. The above taxpayers represent 4.70% of the School District's 2025-26 Full value of $1,100,541,661

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known to have a material impact on the District.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2025 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $110,750 or less in 2026, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $88,500 for the 2026-27 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of $250,000 ($500,000 in the case of a STAR Credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2022-23 State budget provided $2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients were eligible for the property tax rebate where the benefit was a percentage of the homeowners' existing STAR benefit.

Real Property Tax Rebate

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must have provided certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015 and was signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in 2019.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

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

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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

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

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

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

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short term general obligation indebtedness including revenue, tax anticipation, budget, and capital notes.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Serial Bonds	$17,540,000	$15,965,000	$14,355,000	$12,705,000	$11,180,000
Bond Anticipation Notes	0	0	0	0	14,790,000
Energy Performance Contracts	1,567,676	1,322,421	1,078,427	829,821	567,334
Total Debt Outstanding	$19,107,676	$17,287,421	$15,433,427	$13,534,821	$26,537,334

Status of Outstanding Bond Issues

Year of Issue:	2015		2020	
Amount Issued:	$7,395,000		$13,190,000	
Interest Rate/ Instrument:	2.4856% - SB			
Purpose/Instrument:	Construction/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2027	$ 540,000	$ 62,719	$ 760,000	$ 151,500
2028	555,000	49,219	780,000	136,300
2029	570,000	34,650	805,000	120,700
2030	585,000	17,550	815,000	104,600
2031	-	-	855,000	88,300
2032	-	-	875,000	71,200
2033	-	-	885,000	53,700
2034	-	-	890,000	36,000
2035	-	-	910,000	18,200
Totals:	$ 2,250,000	$ 164,138	$ 7,575,000	$ 780,500

Year of Issue:	2026	
Amount Issued:	$12,970,000	
Interest Rate/ Instrument:	5.00% - DASNY SB	
Purpose/Instrument:	Construction/DASNY SB	
Fiscal Year Ending June 30:	Principal	Interest
2027	$ 540,000	$ 837,646
2028	715,000	621,500
2029	750,000	585,750
2030	780,000	548,250
2031	815,000	509,250
2032	860,000	468,500
2033	900,000	425,500
2034	945,000	380,500
2035	995,000	333,250
2036	1,040,000	283,500
2037	1,085,000	231,500
2038	1,135,000	177,250
2039	1,185,000	120,500
2040	1,225,000	61,250
Totals:	$ 12,970,000	$ 5,584,146

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2027	$ 1,840,000	$ 1,051,865	$ 2,891,865	9.86%
2028	2,050,000	807,019	2,857,019	19.60%
2029	2,125,000	741,100	2,866,100	29.38%
2030	2,180,000	670,400	2,850,400	39.10%
2031	1,670,000	597,550	2,267,550	46.83%
2032	1,735,000	539,700	2,274,700	54.59%
2033	1,785,000	479,200	2,264,200	62.31%
2034	1,835,000	416,500	2,251,500	69.99%
2035	1,905,000	351,450	2,256,450	77.68%
2036	1,040,000	283,500	1,323,500	82.20%
2037	1,085,000	231,500	1,316,500	86.69%
2038	1,135,000	177,250	1,312,250	91.16%
2039	1,185,000	120,500	1,305,500	95.61%
2040	1,225,000	61,250	1,286,250	100.00%
Totals:	$ 22,795,000	$ 6,528,784	$ 29,323,784	

Status of Short-Term Indebtedness

The School District has no outstanding short-term indebtedness as of the date of this Official Statement.

Cash Flow Borrowings

The School District has issued Revenue Anticipation Notes in the past but has issued no such notes for the current fiscal year and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On December 13, 2022, the voters approved a $18,045,000 capital project consisting of renovations to various School District buildings and facilities, of which $15,045,000 may be financed with proceeds of obligations issued by the District and up to $3,000,000 may be funded by appropriations from capital reserves. On May 19, 2026, the voters approved a proposition authorizing an additional expenditure of $294,000 from the School District's 2019 Capital Reserve Fund. The District issued a $6,650,000 Bond Anticipation Note on November 19, 2024. The District issued a $14,790,000 Bond Anticipation Note on June 25, 2025. The District issued a $12,970,000 DASNY SB on June 16, 2026. The issue provided $80,000 in new monies for the aforementioned purpose.

On December 9, 2025, the voters approved a $5,255,000 capital project consisting of renovations to various School District buildings and facilities, of which all funds will be financed with proceeds of obligations issued by the District.

The proceeds of the Notes will provide $4,500,000 of new money for the aforementioned purpose.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate; but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 80.3%

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

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates; however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of June 18, 2026

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Kirkland	$ 318,501,571	35.30%	$ 902,270,739
Marshall	10,275,555	32.00%	32,111,109
New Hartford	53,019,523	47.00%	112,807,496
Paris	905,266	55.00%	1,645,938
Westmoreland	16,210,028	36.00%	45,027,856
Vernon	1,853,499	43.50%	4,260,917
Whitestown	882,426	36.50%	2,417,605
			$ 1,100,541,661

Debt Limit: 10% of Full Valuation	$ 110,054,166
Inclusions:	
Serial Bonds	$ 22,795,000
Bond Anticipation Notes	-
Total Inclusions:	$ 22,795,000
Exclusions:	
Building Aid Estimate [1]	$0
Total Exclusions:	$0
Total Net Indebtedness Before Giving Effect to This Issue:	$ 22,795,000
New Monies This Issue:	4,500,000
Total Net Indebtedness After Giving Effect to This Issue:	$ 27,295,000
Net Debt Contracting Margin	$ 82,759,166
Percentage of Debt-Contracting Power Exhausted	24.80%

Notes:

1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Oneida	$ 1,100,541,661					
County	$ 16,502,593,836	6.67%	$ 475,600,014	N/A	$ 475,600,014	$ 31,717,295
Town of	$ 902,270,739					
Kirkland	$ 902,270,739	100.00%	4,393,310	N/A	4,393,310	4,393,310
Town of	$ 45,027,856				-	
Westmoreland	$ 586,726,337	7.67%	785,000	N/A	785,000	60,244
Town of	$ 32,111,109					
Marshall	$ 188,976,486	16.99%	-	N/A	-	-
Town of	$ 4,260,917					
Vernon	$ 708,888,779	0.60%	-	N/A	-	-
Town of	$ 1,645,938				-	
Paris	$ 380,203,120	0.43%	1,365,000	N/A	1,365,000	5,909
Town of	$ 112,807,496					
New Hartford	$ 2,322,032,749	4.86%	20,746,977 [2]	N/A	20,746,977	1,007,916
Town of	$ 2,417,605					
Whitestown	$ 1,469,836,613	0.16%	575,000	N/A	575,000	946
Village of	$ 164,591,819					
Clinton	$ 164,591,819	100.00%	5,381,419	N/A	5,381,419	5,381,419
Total						$ 42,567,039

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2024 and 2025.

Notes:
1 Bonds and Bond Anticipation notes as of 2024 fiscal year. Not adjusted to include subsequent bond and note sale.
2 Bonds and Bond Anticipation Notes as of 2022 fiscal year. Towns did not file for 2023 and 2024 fiscal years.
N/A Information not available from source document.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 18, 2026:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 27,295,000	$ 2,359.73	2.480%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 69,862,039	$ 6,039.77	6.348%

(a) The District's estimated population is 11,567. (Source: 2024 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2025-26 is $1,100,541,661

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

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

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

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

Cyber Security

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operation controls; however, no assurance can be given that such security and operational control measures will be completely successful to guard again cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

TAX EXEMPTION

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that, assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Code, pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate (the “Tax Certificate”) dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the District with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the District as the “taxpayer,” and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the District may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel to the School District, such opinion to be delivered with the Notes.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Bonds, and Bond Counsel expresses no opinion relating thereto (except as may otherwise be stated in Bond Counsel's legal opinion.

CONTINUING DISCLOSURE COMPLIANCE

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as "Appendix C".

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

LITIGATION

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

BOND RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in an event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - C" herein.)

The most recent underlying rating assigned to the School District by Standard & Poor's Rating Service, a division of the McGraw-Hill Companies, Inc., is an A+ rating with a stable outlook, which was assigned in connection with the issuance by the School District of $13,190,000 School District (Serial) Bonds dated June 11, 2020.

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

MUNICIPAL ADVISOR

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The School District's contact information is as follows: Ethan Martin, School Business Administrator, phone: (315) 557-2286; email: emartin@ccs.edu.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 x3 or at www.RGTimbsInc.net.

Clinton Central School District

Dated: July 15, 2026
Clinton, New York

Melinda Leising
President of the Board of Education
And Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2021		2022		2023	2024	2025	Budget 2026	
Beginning Fund Balance - July 1	$10,223,116	E	$11,951,817		$13,686,981	$12,444,584	$13,615,503	$14,465,197	E
Revenues:									
Real Property Taxes	$14,159,747		$14,087,102		$14,820,953	$15,262,682	$15,695,316	$17,502,327	
Other Tax Items	2,033,474		1,962,322		1,574,714	1,496,400	1,418,699	47,865	
Charges for Services	4,675		13,509		16,068	9,283	12,310	2,500	
Use of Money & Property	79,666		78,690		404,474	937,425	880,932	600,000	
Sale of Property/Comp. for Loss	28,950		27,264		24,550	86,524	141,205	0	
Miscellaneous	930,645		1,166,456		1,312,367	1,017,346	1,012,140	657,475	
State Aid	11,655,832		12,361,531		12,361,881	12,577,627	12,636,505	14,106,645	
Federal Aid	220,385		64,197		319,675	17,084	17,981	15,000	
Interfund Transfer	20,000		20,000		20,000	20,000	20,000	20,000	
Total Revenues	$29,133,374		$29,781,071		$30,854,682	$31,424,371	$31,835,088	$32,951,812	
Expenditures:									
General Support	$2,732,311		$2,708,629		$2,897,796	$3,068,900	$3,100,726	$3,182,959	
Instruction	14,416,548		14,676,160		15,105,644	15,664,225	15,593,134	16,320,321	
Transportation	1,131,889		1,221,887		1,356,426	1,498,887	1,505,338	1,646,924	
Employee Benefits	6,605,764		6,834,293		7,037,808	7,553,317	8,137,230	9,471,598	
Debt Service	2,501,673		2,426,549		2,434,317	2,437,036	2,612,120	3,215,010	
Interfund Transfer	24,726		178,389		3,265,088	31,087	36,846	35,000	
Total Expenditures	$27,412,911		$28,045,907		$32,097,079	$30,253,452	$30,985,394	$33,871,812	E
Adjustments	8,238		0		0	0	0	0	1
Year End Fund Balance	$11,951,817	E	$13,686,981	E	$12,444,584	$13,615,503	$14,465,197	$13,545,197	
Excess (Deficit) Revenues Over Expenditures	$1,720,463	1	$1,735,164	1	($1,242,397)	$1,170,919	$849,694	($920,000)	

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated Fund Balance planned to be used.

E. Estimated

General Fund – Budget Summary

	2026-27 Adopted Budget
Revenues:	
Real Property Taxes	$18,001,177
Other Tax Items	1,394,674
Charges for Services	0
Use of Money & Property	370,000
Miscellaneous	0
State Aid	14,069,378
Federal Aid	0
Appropriated Fund Balance	650,000
Total Revenues	$34,485,229
Expenditures:	
General Support	2,720,975
Instruction	15,151,125
Transportation	1,743,458
Employee Benefits	9,834,216
Debt Service	3,358,447
Interfund Transfers	35,000
Operations & Maintenance	1,642,010
Total Expenditures	$34,485,231

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Assets:					
Unrestricted Cash	$1,364,455	$2,175,898	$1,322,399	$2,138,256	$1,536,796
Restricted Cash	10,194,896	11,507,998	10,447,063	11,624,909	12,186,863
Other Receivables	6,720	5,105	6,596	13,305	79,232
Due from Other Funds	702,332	544,456	1,011,945	563,373	1,662,198
Leases Receivable	0	99,575	51,262	0	0
Due from Other Governments	2,361,006	1,044,359	1,223,918	1,021,205	1,038,039
Total Assets	$14,629,409	$15,377,391	$14,063,183	$15,361,048	$16,503,128
Liabilities:					
Accounts Payable	$876,551	$238,784	$225,031	$382,347	$285,268
Accrued Liabilities	112,001	242,998	65,346	134,273	130,219
Accrued Interest	0	0	0	0	7,395
Notes Payable:					
Revenue Anticipation Notes	0	0	0	0	0
Due to Other Funds	58,295	0	48,897	40,371	369,320
Due to Other Governments	576,735	0	0	75	150
Due to State Teachers Retirement System	973,958	1,058,671	1,155,312	1,104,903	1,166,085
Due to Employees' Retirement System	61,676	43,252	53,886	66,076	78,994
Unearned Revenues	26,614	15,450	24,500	17,500	500
Total Liabilities:	$2,685,830	$1,599,155	$1,572,972	$1,745,545	$2,037,931
Deferred Inflows of Resources - Leases	$0	$91,255	$45,627	$0	$0
Fund Balances:					
Restricted	10,194,896	11,507,998	10,447,063	11,624,909	12,186,863
Assigned:					
Encumbrances	0	0	0	0	0
Appropriated Fund Balance	582,801	967,260	739,076	739,786	905,104
Unassigned					
Unappropriated Fund Balance	1,165,882	1,211,723	1,258,445	1,250,808	1,373,230
Total Fund Balance	$11,943,579	$13,686,981	$12,444,584	$13,615,503	$14,465,197
Total Liabilities and Fund Balance	$14,629,409	$15,377,391	$14,063,183	$15,361,048	$16,503,128

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2025

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.

CLINTON CENTRAL
SCHOOL DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2025

9/26/2025

CLINTON CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants
200 East Garden Street, P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

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, 2025, 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, 2025, 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.

Change in Accounting Principle

As discussed in Notes 1 and 19 to the financial statements, Clinton Central School District changed its accounting policies related to the recognition and reporting of compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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, 2025, 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, 2025

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants
200 East Garden Street, P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

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

Board of Education
Clinton Central School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clinton Central School District, as of and for the year ended June 30, 2025, 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, 2025.

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, 2025

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, 2025 and 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

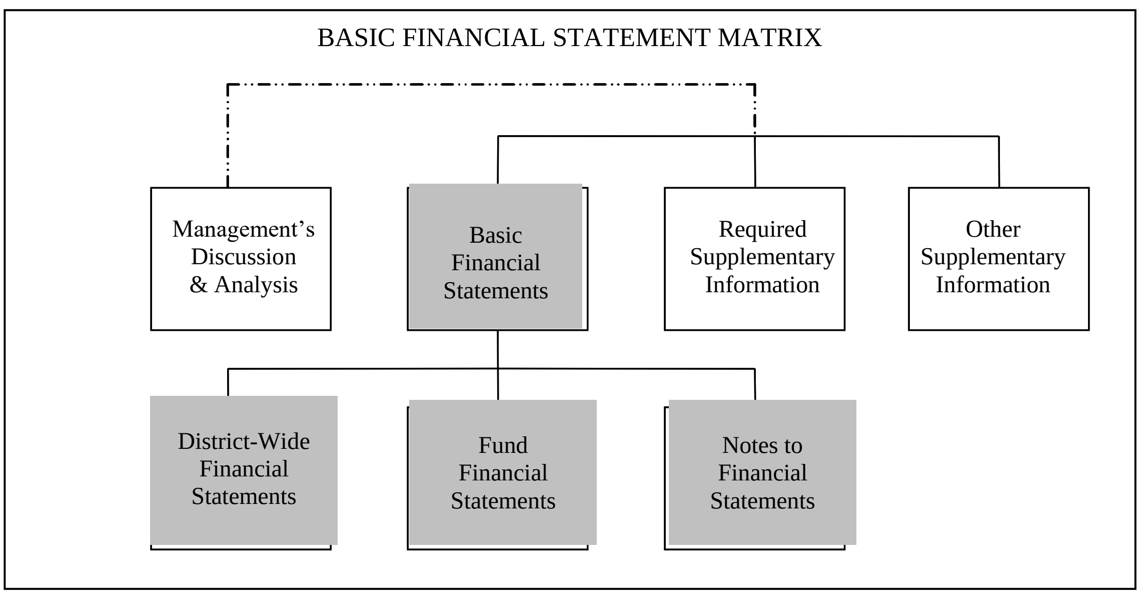
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025, are as follows:

- The District's total liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the fiscal year by $18,135,264 (total Net Position (Deficit)). This represents an increase of $7,081,128 from the prior year's Net Position (Deficit), as restated.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $26,309,030. Of this amount, $12,310 was offset by program charges for services, and $1,095,585 was offset by operating grants, respectively. General revenues of $32,282,263 amount to 96.7% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 16 and 18, increased by $849,694 to $14,465,197. This was due to an excess of revenues over expenditures based on the modified accrual basis of accounting.
- State and federal revenue increased by $59,775 to $12,654,486 in 2025 from $12,594,711 in 2024, primarily due to increases in the District's basic state aid.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



District-wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

A. Fund Financial Statements

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

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

Governmental Funds

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

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

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

Fiduciary Funds

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

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased $7,081,128 between fiscal year 2025 and 2024. A summary of the District's Statement of Net Position for June 30, 2025 and 2024, is as follows:

	2025	Restated 2024	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 23,099,437	$ 18,263,800	$ 4,835,637	26.5%
Net Pension Asset - Proportionate Share	1,655,104		1,655,104	100.0%
Leased and Subscription Assets, Net	498,332	316,697	181,635	57.4%
Capital Assets, Net	57,691,931	47,684,721	10,007,210	21.0%
Total Assets	82,944,804	66,265,218	16,679,586	25.2%
Deferred Outflows of Resources	7,146,604	9,375,618	(2,229,014)	(23.8%)
Current and Other Liabilities	17,106,878	1,789,982	15,316,896	855.7%
Net Pension Liability - Proportionate Share	813,672	1,346,207	(532,535)	(39.6%)
Non-Current Liabilities	66,282,247	75,505,538	(9,223,291)	(12.2%)
Total Liabilities	84,202,797	78,641,727	5,561,070	7.1%
Deferred Inflows of Resources	24,023,875	22,215,501	1,808,374	8.1%
Net Position				
Net Investment in Capital Assets	37,964,244	35,956,181	2,008,063	5.6%
Restricted	13,313,784	14,352,917	(1,039,133)	(7.2%)
Unrestricted (Deficit)	(69,413,292)	(75,525,490)	6,112,198	8.1%
Total Net Position (Deficit)	$ (18,135,264)	$ (25,216,392)	$ 7,081,128	28.1%

Current and other assets increased by $4,835,637, as compared to the prior year. The increase is primarily due to increases in restricted cash in the Capital Fund as a result of the unspent proceeds of the BAN.

The District's net pension asset – proportionate share increased by $1,655,104 as compared to the prior year, as reported to the District by the NYS Teachers' Retirement System.

Leased and subscription assets increased by $181,635, as compared to the prior year. The increase is primarily due to additions exceeding amortization in the current year. Notes 7 and 8 to the Financial Statements provides additional information.

Capital assets increased by $10,007,210, 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 decreased by $2,229,014, as compared to the prior year as reported by the NYS retirement systems and OPEB actuarial valuations.

Current and other liabilities increased by $15,316,896, as compared to the prior year primarily due to an increase in BANs payable of $14,790,000 to provide short term financing for the capital project.

The District's net pension liability – proportionate share decreased by $532,535 as compared to the prior year, as reported to the District by the NYS Employees' and Teachers' Retirement Systems.

Non-Current liabilities decreased by $9,223,291, as compared to the prior year. This is primarily the result of the net decrease in the liability for other postemployment benefits in the amount of $7,761,430 and the principal payments on the serial bonds payable and energy performance contract obligation totaling $1,787,487.

Deferred inflows of resources relating to pensions and OPEB increased by $1,808,374, as compared to the prior year as reported by the NYS retirement systems and OPEB actuarial valuations.

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, 2025 was $13,313,784 which represents the amount of the District's restricted funds in the General, 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, 2025, was $69,413,292, 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 $53,108,302 at June 30, 2025.

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, 2025 and 2024 is as follows:

Revenues	2025	2024	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 12,310	$ 9,283	$ 3,027	32.6%
Operating Grants	1,095,585	1,304,361	(208,776)	(16.0%)
General Revenues				
Property Taxes and STAR	17,114,015	16,759,082	354,933	2.1%
State and Federal Sources	12,654,486	12,594,711	59,775	0.5%
Other	2,513,762	2,322,031	191,731	8.3%
Total Revenues	33,390,158	32,989,468	400,690	1.2%
Expenses				
General Support	11,235,984	3,201,067	8,034,917	251.0%
Instruction	13,069,718	22,869,416	(9,799,698)	(42.9%)
Pupil Transportation	1,424,158	1,393,021	31,137	2.2%
Debt Service-Unallocated Interest	473,050	356,363	116,687	32.7%
Food Service Program	106,120	68,518	37,602	54.9%
Total Expenses	26,309,030	27,888,385	(1,579,355)	(5.7%)
Total Change in Net Position	$ 7,081,128	$ 5,101,083	$ 1,980,045	

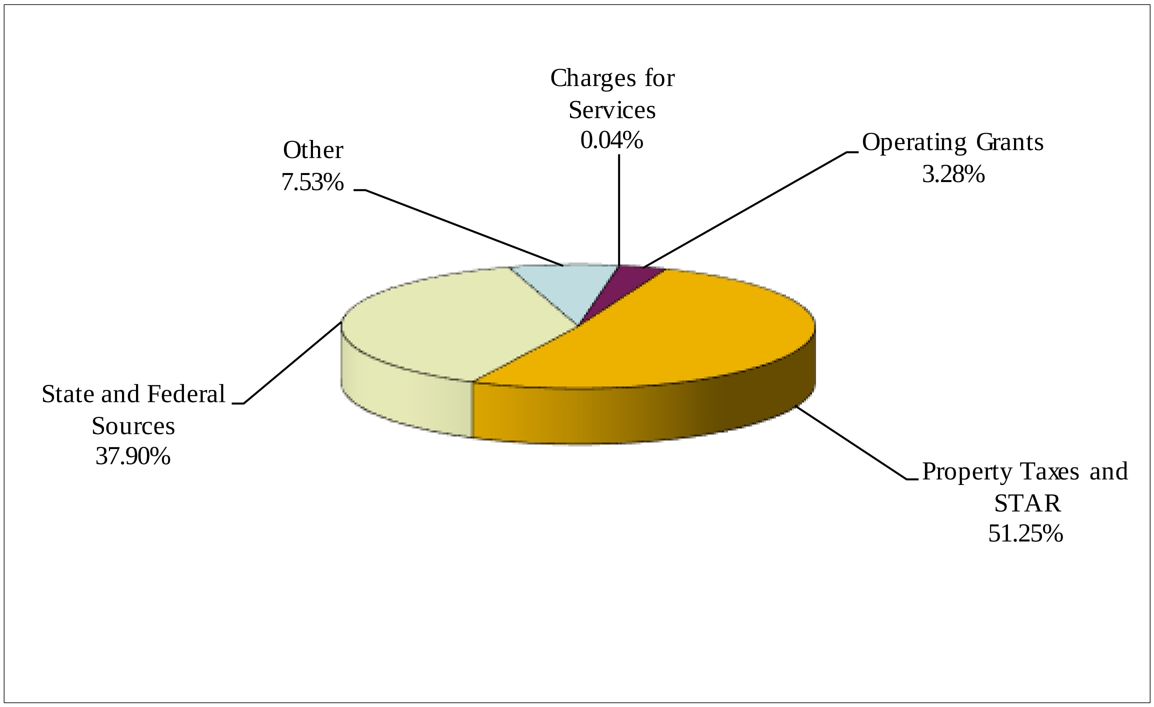
The District's revenues increased by $400,690 in 2025, or 1.2%. The major factors that contributed to the increase were as follows:

- The 2024-2025 tax levy increased by 2.1%, resulting in a $354,933 increase in property taxes and STAR.
- Other revenues increased by $191,731, primarily due to the premium on BAN recorded in the Debt Service Fund in the amount of $161,758.
- Operating grants decreased by $208,776, primarily due to a decrease in the COVID-19 stimulus funding of $413,784, offset by an increase in UPK funding of $199,108.

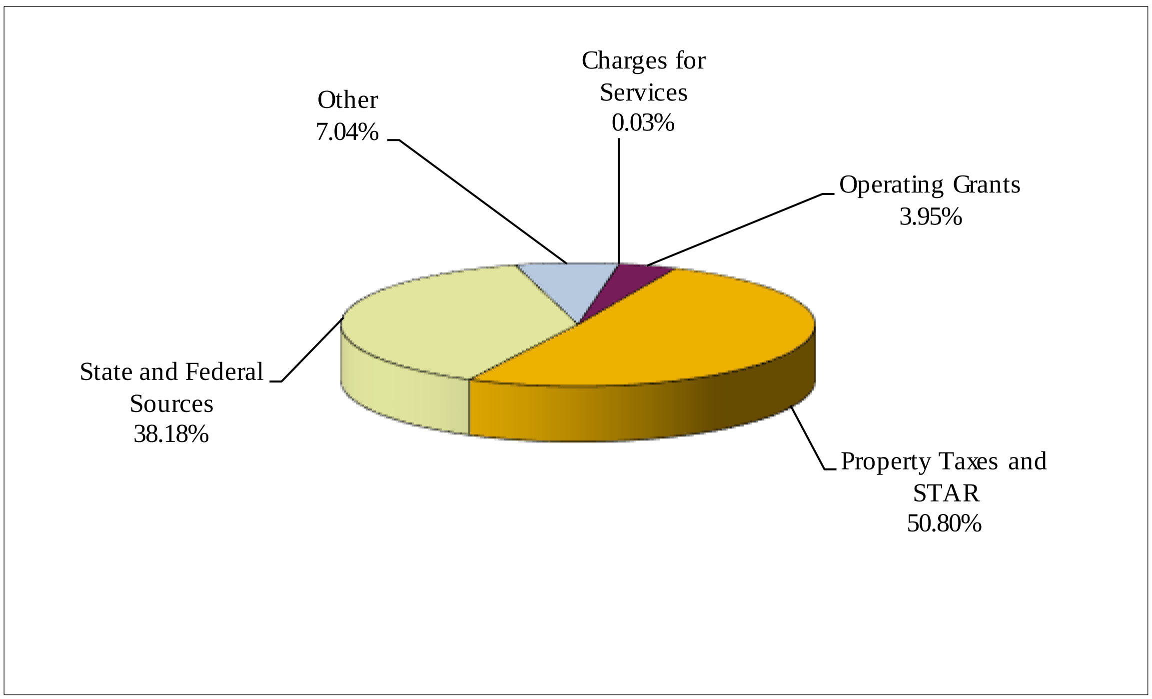
The District's expenses for the year decreased by $1,579,355, or 5.7%. This decrease is due to the net decreases in OPEB and pension expense, offset by annual contractual increases in salaries and benefits.

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

For the Year Ended June 30, 2025

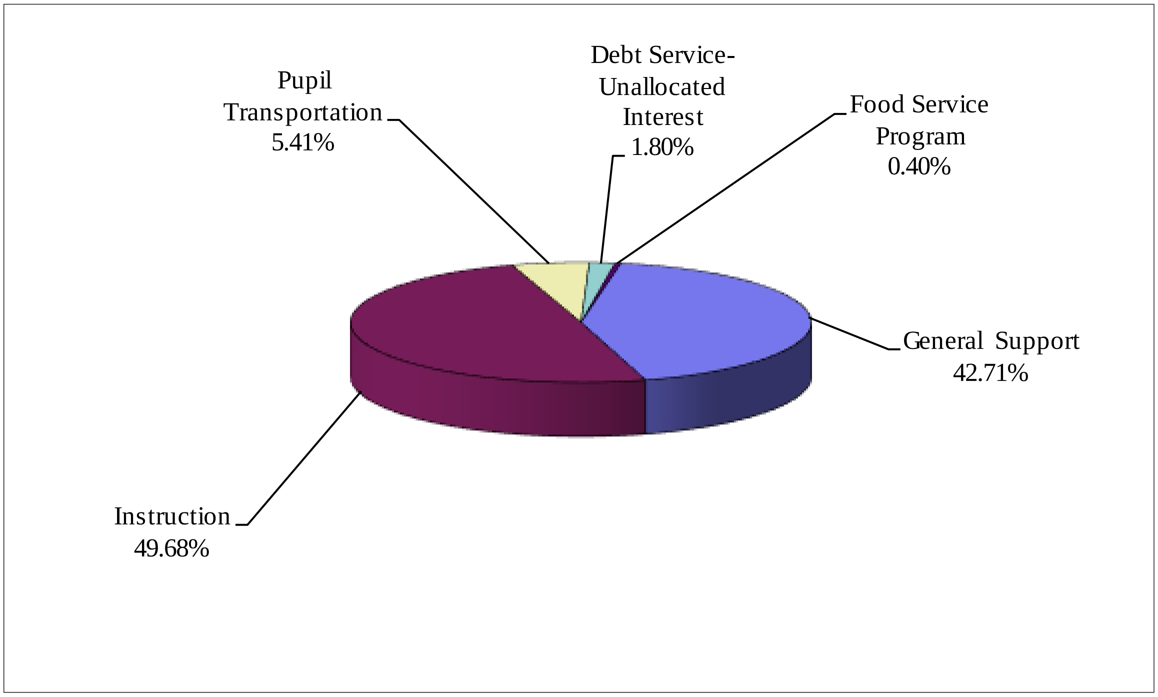


For the Year Ended June 30, 2024

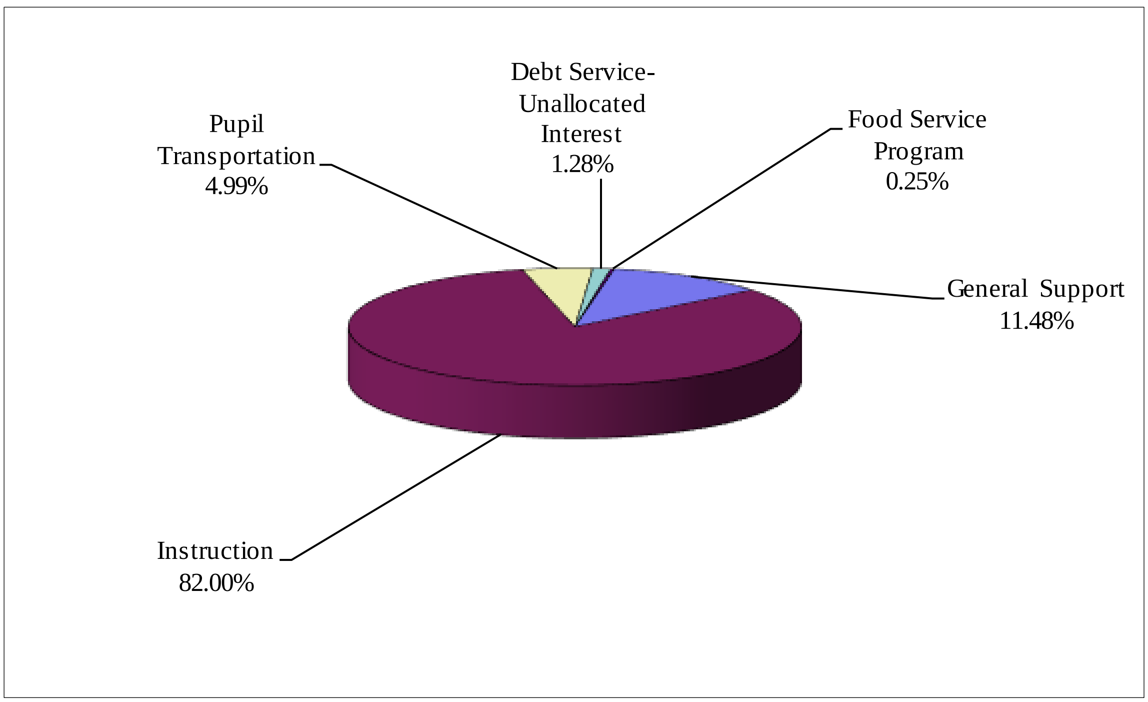


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2025



For the Year Ended June 30, 2024



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2025, the District's governmental funds reported a combined fund balance of $6,500,943 which is an decrease of $10,004,387 from the prior year. This decrease is due to an excess of expenditures over revenues for the year primarily in the Capital Fund. A summary of the change in fund balance by fund is as follows:

	2025	2024	Increase (Decrease)
General Fund			
Restricted			
Unemployment Insurance Reserve	$ 58,175	$ 55,694	$ 2,481
Retirement Contribution			
Employee Retirement System	1,343,795	1,286,492	57,303
Teacher's Retirement System	1,105,939	1,058,779	47,160
Capital	9,386,369	8,985,191	401,178
Employee Benefit Accrued Liability	292,585	238,753	53,832
Total Restricted	12,186,863	11,624,909	561,954
Assigned			
General Support	68,266	59,696	8,570
Instruction	186,536	30,005	156,531
Pupil Transportation	302	85	217
Appropriated for Subsequent Year's Budget	650,000	650,000	
Total Assigned	905,104	739,786	165,318
Unassigned	1,373,230	1,250,808	122,422
Total General Fund	14,465,197	13,615,503	849,694
School Lunch Fund			
Assigned	215,673	161,819	53,854
Total School Lunch Fund	215,673	161,819	53,854
Miscellaneous Special Revenue Fund			
Restricted	171,843	148,833	23,010
Total Miscellaneous Special Revenue	171,843	148,833	23,010
Debt Service Fund			
Restricted	955,078	689,214	265,864
Total Debt Service Fund	955,078	689,214	265,864
Capital Projects Fund			
Assigned	498,220		498,220
Restricted		1,889,961	(1,889,961)
Unassigned (Deficit)	(9,805,068)		(9,805,068)
Total Capital Projects Fund	(9,306,848)	1,889,961	(11,196,809)
Total Fund Balance - All Funds	$ 6,500,943	$ 16,505,330	$ (10,004,387)

GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2024-2025 Budget

The District's General Fund adopted budget for the year ended June 30, 2025, was $31,755,223. This is an increase of $978,070 from the prior year's adopted budget.

The budget was funded through a combination of revenues and assigned fund balance. The majority of this funding source was $17,118,536 in estimated property taxes and STAR, and State Aid in the amount of $12,475,825.

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

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

Opening, Unassigned Fund Balance	$ 1,250,808
Appropriated Reserves	(270,000)
Revenues over Budget	906,536
Expenditures and Encumbrances under Budget	697,840
Net Increase to Restricted Funds	(561,954)
Appropriated for June 30, 2026 Budget	(650,000)
Closing, Unassigned Fund Balance	$ 1,373,230

Opening, Unassigned Fund Balance

The $1,250,808 shown in the table is the portion of the District's June 30, 2024, fund balance that was retained as unassigned. This was approximately 4.02% of the District's 2024-2025 approved operating budget.

Appropriated Reserves

During 2024-2025, the School District appropriated $270,000 of reserves to use towards the budget.

Revenues Over Budget

The 2024-2025 final budget for revenues and transfers was $30,928,552. The actual revenues and transfers received for the year were $31,835,088. The actual revenue over estimated or budgeted revenue was $906,536. This variance contributes directly to the change to the unassigned portion of the General Fund, fund balance from June 30, 2024 to June 30, 2025.

Expenditures and Encumbrances Under Budget

The 2024-2025 amended budget for expenditures and other uses was $31,938,338. The actual expenditures and other uses, and encumbrances were $31,240,498. The final budget was under expended by $697,840, after encumbrances. This under expenditure contributes to the change to the unassigned portion of the General Fund, fund balance from June 30, 2024 to June 30, 2025.

Net Increase to Restricted Funds

During 2024-2025, the School District increased its General Fund reserves by $561,954. This increase was due to an increase in the Unemployment Insurance Reserve of $2,481, Reserve for Retirement Contributions – ERS of $57,303, Reserve for Retirement Contributions – TRS of $47,160, Employee Benefit Accrued Liability Reserve of $53,832, and an increase in the Capital reserve of $401,178.

Appropriated Fund Balance

The District has chosen to use $650,000 of its available June 30, 2025 fund balance to partially fund its 2025-2026 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2025-2026 fiscal year with an unassigned fund balance of $1,373,230 in the General Fund. This is an increase of $122,422 from the unassigned balance from the prior year. This was 4.05% of the District's 2025-2026 approved operating budget.

5. CAPITAL AND RIGHT TO USE ASSETS AND DEBT ADMINISTRATION

A. Capital and Right to Use Assets

At June 30, 2025, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and improvements and equipment. The net increase in capital assets is due to capital additions exceeding depreciation expense for the year ended June 30, 2025. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2025 and 2024, is as follows:

	2025	2024	Increase (Decrease)
Land	$ 114,500	$ 114,500	$
Construction in Progress	12,471,848	1,110,039	11,361,809
Buildings and Improvements	42,817,323	44,043,845	(1,226,522)
Furniture, Equipment, and Vehicles	2,288,260	2,416,337	(128,077)
Capital Assets, Net	$ 57,691,931	$ 47,684,721	$ 10,007,210

At June 30, 2025, the District had intangible right to use leased assets, net of accumulated amortization, as follows:

	2025	2024	Increase (Decrease)
Leased Equipment, Net	$ 411,051	$ 259,982	$ 151,069

B. Debt Administration

At June 30, 2025, the District had total bonds payable of $11,180,000 and an Energy Performance Contract of $567,334. A summary of the outstanding debt at June 30, 2025 and 2024, is as follows:

Issue Date	Interest Rate	2025	2024	Increase (Decrease)
Serial Bonds				
2010	3.25% - 4.20%	$	$ 190,000	$ (190,000)
2015	2.00% - 3.00%	2,775,000	3,285,000	(510,000)
2020	2.00%	8,405,000	9,230,000	(825,000)
		$ 11,180,000	$ 12,705,000	$ (1,525,000)
Energy Performance Contract				
2011	0.88%	$ 567,334	$ 829,821	$ (262,487)

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In the 2025-2026 budget year, the District delivered a budget focused on enhancing our educational programming for our students. Despite a foundation aid increase of 2.0% and the end of Covid-19 relief funds, the district balanced the budget through right-sizing efforts and efficiencies that include decreased expenditures within elementary teacher salaries through attrition, insurance, and miscellaneous supplies. Largely due to increased capital project debt expenses and correlating revenue increases in building aid, the 2025 – 2026 budget increased from the prior year by $2,116,589 or 6.67%.

For the past ten years, the New York State Tax Cap has determined, to a large degree, the amount of revenue that can be requested from taxpayers. It is a complex, eight step calculation process based on several local economic factors including the local Consumer Price Index and the tax base growth factor. For 2025 – 2026, Clinton's calculated tax levy was $17,502,327, which was an increase of $448,129 or 2.63% 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 13, 2025, the Clinton Central School District Board of Education adopted a proposed 2025 – 2026 school budget of $33,871,812. On May 20, 2025, the voters approved the budget by a margin of 422 (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 EBLAR reserve and the 2025 Capital Reserve.

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

7. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at Clinton Central School District, 75 Chenango Ave., Clinton, NY 13323.

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2025

Assets	
Cash and Cash Equivalents	$ 1,612,859
Restricted Cash and Cash Equivalents	19,809,528
Investments - Restricted	36,807
Receivables	
Other Governments	1,433,825
Other Receivables	206,418
Net Pension Asset - Proportionate Share	1,655,104
Right to Use Leased Assets, Net of Amortization	411,051
Software Subscription Assets, Net of Amortization	87,281
Capital Assets (Net of Accumulated Depreciation)	57,691,931
Total Assets	82,944,804
Deferred Outflows of Resources	
Pensions	4,389,440
Other Postemployment Benefits	2,757,164
Total Deferred Outflows of Resources	7,146,604
Total Assets and Deferred Outflows of Resources	$ 90,091,408
Liabilities	
Accounts Payable	$ 315,434
Accrued Liabilities	140,383
Retained Percentages Payable	498,220
Due To	
Other Governments	109,867
Teachers' Retirement System	1,166,085
Employees' Retirement System	78,994
Accrued Interest	7,395
Short-Term Notes Payable	
Bond Anticipation Note	14,790,000
Unearned Revenue	500
Net Pension Liability - Proportionate Share	813,672
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	1,355,000
Bond Premium	12,820
Energy Performance Contract	276,204
Lease Liability	130,916
Compensated Absences	106,026
Due in More Than One Year	
Bonds Payable	9,825,000
Bond Premium	115,380
Energy Performance Contract	291,130
Lease Liability	264,102
Other Postemployment Benefits	53,108,302
Compensated Absences	797,367
Total Liabilities	84,202,797
Deferred Inflows of Resources	
Pensions	2,078,061
Other Postemployment Benefits	21,945,814
Total Deferred Inflows of Resources	24,023,875
Total Liabilities and Deferred Inflows of Resources	108,226,672
Net Position	
Net Investment in Capital Assets	37,964,244
Restricted	13,313,784
Unrestricted (Deficit)	(69,413,292)
Total Net Position (Deficit)	(18,135,264)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 90,091,408

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

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 11,235,984	$	$	$	$ (11,235,984)
Instruction	13,069,718	12,310	1,064,597		(11,992,811)
Pupil Transportation	1,424,158				(1,424,158)
Debt Service - Unallocated Interest	473,050				(473,050)
Food Service	106,120		30,988		(75,132)
Total Functions/Programs	$ 26,309,030	$ 12,310	$ 1,095,585	$	(25,201,135)
General Revenues					
Real Property Taxes					15,695,316
STAR and Other Real Property Tax Items					1,418,699
Use of Money and Property					1,023,758
Premium on Issuance of Short Term Debt					161,758
Sales of Property and Compensation for Loss					141,205
State and Federal Sources					12,654,486
Miscellaneous					1,187,041
Total General Revenues					32,282,263
Change in Net Position					7,081,128
Net Position (Deficit), Beginning of Year					(24,716,762)
Cumulative Effect of Change in Accounting Principle					(499,630)
Net Position (Deficit), Beginning of Year (Restated)					(25,216,392)
Net Position (Deficit), End of Year					$ (18,135,264)

CLINTON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General	Special Revenue: School Lunch	Special Revenue: Special Aid	Special Revenue: Miscellaneous	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	$ 1,536,796	$ 69,460	$ 6,603	$	$	$	$ 1,612,859
Restricted Cash and Cash Equivalents	12,186,863			135,036	565,815	6,921,814	19,809,528
Investments - Restricted				36,807			36,807
Receivables							
Other Governments	1,038,039		395,786				1,433,825
Due from Other Funds	1,662,198	30,988	338,332		409,263		2,440,781
Other Receivables	79,232	127,186					206,418
Total Assets	$ 16,503,128	$ 227,634	$ 740,721	$ 171,843	$ 975,078	$ 6,921,814	$ 25,540,218
Liabilities							
Payables							
Accounts Payable	$ 285,268	$ 3,643	$ 25,923	$	$	$ 600	$ 315,434
Accrued Liabilities	130,219						130,219
Accrued Interest	7,395						7,395
Due To							
Other Governments	150		109,717				109,867
Other Funds	369,320	8,318	605,081		20,000	1,438,062	2,440,781
Teachers' Retirement System	1,166,085						1,166,085
Employees' Retirement System	78,994						78,994
Short-Term Notes Payable							
Bond Anticipation Note						14,790,000	14,790,000
Unearned Revenue	500						500
Other Liabilities							
Total Liabilities	2,037,931	11,961	740,721		20,000	16,228,662	19,039,275
Fund Balance							
Nonspendable							
Restricted	12,186,863			171,843	955,078		13,313,784
Assigned	905,104	215,673				498,220	1,618,997
Unassigned	1,373,230					(9,805,068)	(8,431,838)
Total Fund Balance	14,465,197	215,673		171,843	955,078	(9,306,848)	6,500,943
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 16,503,128	$ 227,634	$ 740,721	$ 171,843	$ 975,078	$ 6,921,814	$ 25,540,218

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

CLINTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Governmental Fund Balances	$ 6,500,943
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	1,067,860
Accumulated Amortization	(656,809)
Original Cost of Software Subscription Assets	258,319
Accumulated Amortization	(171,038)
Original Cost of Capital Assets	83,664,213
Accumulated Depreciation	(25,972,282)
	58,190,263
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	1,655,104
Deferred Outflows - Pensions	4,389,440
Net Pension Liability - Proportionate Share	(813,672)
Deferred Inflows - Pensions	(2,078,061)
	3,152,811
Long-term liabilities, including bonds payable and the related deferred outflows and inflows, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Retainage Payable	(498,220)
Bonds Payable	(11,180,000)
Energy Performance Contract	(567,334)
Bond Premium	(128,200)
Accrued Interest Payable	(10,164)
Lease Liability	(395,018)
Other Postemployment Benefits	(53,108,302)
Deferred Inflows - Other Post Employment Benefits	(21,945,814)
Deferred Outflows - Other Post Employment Benefits	2,757,164
Compensated Absences Payable	(903,393)
	(85,979,281)
Total Net Position (Deficit)	$ (18,135,264)

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

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	Special Revenue			Debt Service	Capital	Total
		School Lunch	Special Aid	Miscellaneous			
Revenues							
Real Property Taxes	$ 15,695,316	$	$	$	$	$	$ 15,695,316
Other Real Property Tax Items	1,418,699						1,418,699
Charges for Services	12,310						12,310
Use of Money and Property	880,932			18,720	124,106		1,023,758
Sale of Property and Compensation for Loss	141,205						141,205
Miscellaneous	1,012,140	128,986		45,915			1,187,041
State Aid	12,636,505	30,988	359,143				13,026,636
Federal Aid	17,981		705,454				723,435
Total Revenues	31,815,088	159,974	1,064,597	64,635	124,106		33,228,400
Expenditures							
General Support	3,100,726					9,625,825	12,726,551
Instruction	15,593,134		1,027,952	41,625		2,100,625	18,763,336
Pupil Transportation	1,505,338						1,505,338
Food Service Program		106,120					106,120
Employee Benefits	8,137,230		73,491				8,210,721
Debt Service - Principal	2,124,752						2,124,752
Debt Service - Interest	487,368						487,368
Total Expenditures	30,948,548	106,120	1,101,443	41,625		11,726,450	43,924,186
Excess (Deficit) Revenues Over Expenditures	866,540	53,854	(36,846)	23,010	124,106	(11,726,450)	(10,695,786)
Other Financing Sources (Uses)							
Premium on BAN					161,758		161,758
Proceeds of Leases						364,641	364,641
BANs Redeemed from Appropriations						165,000	165,000
Transfers from Other Funds	20,000		36,846				56,846
Transfers to Other Funds	(36,846)				(20,000)		(56,846)
Total Other Financing Sources (Uses)	(16,846)		36,846		141,758	529,641	691,399
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	849,694	53,854		23,010	265,864	(11,196,809)	(10,004,387)
Fund Balance, Beginning of Year	13,615,503	161,819		148,833	689,214	1,889,961	16,505,330
Fund Balance, End of Year	$ 14,465,197	$ 215,673	$	$ 171,843	$ 955,078	$ (9,306,848)	$ 6,500,943

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, 2025

Net Changes in Fund Balance - Total Governmental Funds		$ (10,004,387)
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	364,641	
Software Subscription Asset Additions	98,690	
Amortization Expense	(281,696)	
Depreciation Expense	(1,802,085)	
Capital Outlays	11,809,295	10,188,845
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net amount of repayments in the period.		
Bond Premium	12,820	
Repayment Energy Performance Contract	262,487	
Repayment Bond Principal	1,525,000	1,800,307
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	172,265	
Proceeds of Leases	(364,641)	
Change In Accrued Interest on Debt	1,498	
Retainage Payable	(478,370)	
Change In Compensated Absences	(146,070)	
Change In Other Postemployment Benefits (including Deferred Inflows and Outflows)	5,666,306	4,850,988
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	164,895	
Employees' Retirement System	80,480	245,375
Change in Net Position Governmental Activities		$ 7,081,128

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

CLINTON CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	$ 87,318
Net Position	
Restricted for Extraclassroom Activities	$ 87,318

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, 2025

		Custodial Fund
Additions		
Charges for Services, Sale of Property, and Miscellaneous	$	111,242
Taxes Collected for Other Governments		344,724
Total Additions		455,966
Deductions		
Club Activities		101,080
Taxes Distributed to Other Governments		344,724
Total Deductions		445,804
Change in Net Position		10,162
Net Position, Beginning of Year		77,156
Net Position, End of Year	$	87,318

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, 2025, the District was billed $5,003,125 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,667,805. 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. All funds of the School District are displayed as major funds. The School District reports the following governmental funds:

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

***Special Revenue Funds*:**

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

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

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

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

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

(c) Fiduciary Funds

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

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

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 item that qualifies for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset and the difference during the measurement period between the District's contributions and its proportionate share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Unearned Revenue

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

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, 2025.

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, 2025, the District has funded $9,197,616 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, 2025, the District has funded $181,572 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, 2025.

- ***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.

Implementation of New Accounting Standards

Effective for the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the District recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The District applied the provisions of GASB 101 prospectively as of July 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of beginning net position (deficit) was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in Note 19.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. This standard is effective for fiscal years beginning after June 15, 2024.

Future Changes in 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 statements 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.

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

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

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

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

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

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

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

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(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, 2025, the District's unassigned fund balance was 4.05% of the 2025-2026 budget, which is not in compliance with the state regulation.

Statutory Debt Limit

At June 30, 2025, 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		$ 31,755,223
Add:	Prior Year's Encumbrances	89,786
Original Budget		31,845,009
Add:	Donations	93,329
Final Budget		$ 31,938,338

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 2024-2025 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, 2025, the School District's bank balances totaling $23,744,104, 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 $12,186,863 in the General Fund represents amounts in the following reserves: $58,175 for the Unemployment Insurance Reserve, $292,585 for the Employee Benefit Accrued Liability, $1,343,795 for the ERS Retirement Contribution Reserve, $1,105,939 for the TRS Retirement Contribution Reserve, and $9,386,369 for the Capital Reserve.

Restricted cash of $135,036 in the Miscellaneous Special Revenue Fund represents reserves for scholarships and endowments. Investments in the amount of $36,807 are also restricted.

Restricted cash of $565,815 in the Debt Service Fund represents reserves for future debt service. Amounts due from other funds in the amount of $409,263 are also restricted.

Restricted cash of $6,921,814 in the Capital Fund represents reserves for capital projects.

Restricted cash of $87,318 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, 2025 are comprised of the following:

Corporate Equity Securities	Cost	Fair Value	Unrealized Gain
General Electric Company Common Stock, 1,159 shares	$ 0	$ 36,807	$ 36,807

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, 2025 as level 1 within the fair value hierarchy.

6. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2025 in the general fund consisted of:

General Fund	
New York State –Basic and Excess Cost Aid	$ 287,527
BOCES Aid	750,512
Total General Fund	1,038,039
Special Aid Fund	
Grants	395,786
Total Due from Other Governments	$ 1,433,825

7. SOFTWARE SUBSCRIPTION ASSETS

As of June 30, 2025, 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 $87,281 at June 30, 2025 with no corresponding subscription liability. The following is a summary of the District's software subscription arrangements as of June 30, 2025:

Description	Commencement Date	Term (Years)	Net Asset Value
Reading 6-12 Instructional Software Subscription	7/1/2021	5	$ 9,200
Math K-5 Instructional Software Subscription	7/1/2021	7	28,736
K-2 Instructional Software Subscription	7/1/2024	2	37,192
3-5 Instructional Software Subscription	7/1/2024	2	12,153
			$ 87,281

Software subscription activity for the year ended June 30, 2025, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Software Subscription Assets				
Instructional Software	$ 159,629	$ 98,690	$	$ 258,319
Accumulated Amortization				
Instructional Software	102,914	68,124		171,038
Net Software Subscription Assets	$ 56,715	$ 30,566	$	$ 87,281

8. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 114,500	$	$	$ 114,500
Construction in Progress	1,110,039	11,361,809		12,471,848
Total	1,224,539	11,361,809		12,586,348
Capital Assets Being Depreciated				
Buildings and Improvements	64,838,697			64,838,697
Furniture, Equipment and Vehicles	6,016,470	447,486	224,788	6,239,168
Total	70,855,167	447,486	224,788	71,077,865
Accumulated Depreciation				
Buildings and Improvements	20,794,852	1,226,522		22,021,374
Furniture, Equipment and Vehicles	3,600,133	575,563	224,788	3,950,908
Total	24,394,985	1,802,085	224,788	25,972,282
Net Capital Assets Being Depreciated	46,460,182	(1,354,599)		45,105,583
Net Capital Assets	$ 47,684,721	$ 10,007,210	$	$ 57,691,931

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

Function/Program	
General Support	$ 274,250
Instruction	1,394,692
Pupil Transportation	133,143
Total Depreciation	$ 1,802,085

Right to use leased asset activity for the year ended June 30, 2025, is as follows:

	Beginnning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	$ 1,395,863	$ 364,641	$ 692,644	$ 1,067,860
Total	1,395,863	364,641	692,644	1,067,860
Accumulated Amortization				
Leased Equipment	1,135,881	213,572	692,644	656,809
Total	1,135,881	213,572	692,644	656,809
Net Right to Use Leased Assets	$ 259,982	$ 151,069	$	$ 411,051

Amortization expense of $213,572 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.

Changes in the School District's short-term outstanding debt for the year ended June 30, 2025, are as follows:

Description	Balance 07/01/24	Issued	Paid	Balance 06/30/25
Governmental Activities				
BAN, 11/2024	$	$ 6,650,000	$ (6,650,000)	$
BAN, 06/2025		14,790,000		14,790,000
Total	$	$ 21,440,000	$ (6,650,000)	$ 14,790,000

Interest on short-term debt was composed of:

Interest Paid	$ 160,339
Plus: Interest Accrued in the Current Year	7,395
Total Interest Expense on Short-Term Debt	$ 167,734

10. NON-CURRENT LIABILITIES

Non-current liabilities balances and activity are as follows:

Description	Beginning Balance	Restatement	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable						
Serial Bonds	$ 12,705,000	$		$ (1,525,000)	$ 11,180,000	$ 1,355,000
Premium on Bond	141,020			(12,820)	128,200	12,820
Energy Performance Contract	829,821			(262,487)	567,334	276,204
Lease Liability	202,642		364,641	(172,265)	395,018	130,916
Other Postemployment Benefits	60,869,732		4,200,123	(11,961,553)	53,108,302	
Compensated Absences	257,693	499,630	146,070		903,393	106,026
Total Non-Current Liabilities	$ 75,005,908	$ 499,630	$ 4,710,834	$ (13,934,125)	$ 66,282,247	$ 1,880,966

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
2020 Serial Bonds	06/20	$ 13,190,000	12/35	2.00	$ 8,405,000
2015 Serial Bonds	06/15	$ 7,395,000	06/30	2.00 - 3.00	2,775,000
Total					$ 11,180,000
Energy Performance Contract	06/11	$ 3,563,025	06/27	0.88	$ 567,334

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
2026	$ 1,355,000	$ 243,944	$ 1,598,944	$ 276,204	$ 22,877	$ 299,081
2027	1,300,000	214,219	1,514,219	291,130	8,225	299,081
2028	1,335,000	185,519	1,520,519			
2029	1,375,000	155,350	1,530,350			
2030	1,400,000	122,150	1,522,150			
2031-2035	4,415,000	267,400	4,682,400			
Total	$11,180,000	$ 1,188,582	$12,368,582	$ 567,334	$ 31,102	$ 598,633

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, 2025, is $567,334.

Serial Bonds

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

Unamortized Premium

The original issue premium on the 2020 serial bond of $192,300 has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premium is being amortized using the straight-line method over 15 years, the remaining time to maturity of the respective bond issue. The current year amortization is $12,820 and is included as a reduction to interest expense on the statement of activities. The unamortized premium at June 30, 2025 is $128,200.

Total interest for the year was as follows:

Interest Paid	$ 487,368
Less: Interest Accrued in the Prior Year	(11,662)
Plus: Interest Accrued in the Current Year	10,164
Less: Amortization of Bond Premium	(12,820)
Total Interest Expense on Long-Term Debt	$ 473,050

Lease Liability

The District has entered into agreements with BOCES to lease certain equipment such as printers, instructional, and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from August 15, 2018 to September 27, 2024 and are for a term of 4-5 years. Annual lease payments for these agreements range from $25,225 to $65,167. The lease liability is measured using discount rates ranging from .46% to 4.35%. As a result of these leases, the District has recorded a right to use asset with a net book value of $411,051 at June 30, 2025.

Future lease payments are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2026	130,916	18,889	149,805
2027	113,479	10,632	124,111
2028	118,126	5,984	124,110
2029	32,497	1,146	33,643
Total	$ 395,018	$ 36,651	$ 431,669

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, 2025.

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, 2025, were paid. The required contributions for the current year and two preceding years were:

	Amount
2023	$ 184,330
2024	$ 215,470
2025	$ 272,367

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

At June 30, 2025, the District reported a liability of $813,672 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, 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, 2025 and 2024, the District's proportion was .0047456% and . 0046905% respectively.

For the year ended June 30, 2025, the District recognized a pension credit of $80,480. At June 30, 2025, 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	$ 201,959	$ 9,527
Change of Assumptions	34,124	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	63,838	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	84,523	14,326
Contributions Subsequent to the Measurement Date	78,994	
Total	$ 463,438	$ 23,853

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:

2026	$ 165,732
2027	$ 230,550
2028	$ (54,515)
2029	$ 18,824

(d) Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024 with update procedures used to roll forward the total pension liability to March 31, 2025.

Significant actuarial assumptions used in the April 1, 2024 valuation were as follows:

Investment Rate of Return (Net of Investment Expense, Including Inflation)	5.90%
Decrement Tables	April 1, 2020 - March 31, 2025 System's Experience
Salary Scale	5.20%
Inflation Rate	2.90%

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

The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25.00%	3.54%
International equity	14.00%	6.57%
Private equity	15.00%	7.25%
Real estate	12.00%	4.95%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	4.00%	5.55%
Fixed income	22.00%	2.00%
Cash	1.00%	0.25%
	100.00%	

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

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate Share of the Net Pension Liability (Asset)	$ 2,354,868	$ 813,672	$ (473,229)

(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 $78,994 at June 30, 2025. This amount represents the three months of the District's fiscal year that will be covered in the ERS 2025-2026 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
2023	$	1,089,483
2024	$	1,033,760
2025	$	1,062,672

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

At June 30, 2025, the District reported an asset of $1,655,104 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. 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, 2025, the District's proportion was .0554730%, which was a decrease of .001854% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized a pension credit of $164,895. At June 30, 2025, 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	$	1,782,243	$	
Changes of assumptions		990,088		166,542
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments				1,838,962
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions		90,999		48,704
Contributions Subsequent to the Measurement Date		1,062,672		
Total	$	3,926,002	$	2,054,208

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, 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:

Year Ended June 30:		
2025	$	(855,636)
2026	$	2,028,782
2027	$	(325,821)
2028	$	(358,376)
2029	$	228,961
Thereafter	$	91,212

(d) Actuarial Assumptions

The total pension liability at June 30, 2024 measurement date was determined by using an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension asset to June 30, 2024. The actuarial valuation used the following actuarial assumptions.

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

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

Projected COLAs	1.3% Compounded Annually.
Inflation Rate	2.4%

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

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2015 and June 30, 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%	6.6%
International equity	15.0%	7.4%
Global equity	4.0%	6.9%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.0%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.5%
Private debt	2.0%	5.9%
Real estate debt	6.0%	3.9%
High-yield bonds	1.0%	4.8%
Cash equivalents	1.0%	0.5%
	100.0%	

** Real rates of return are net of the long-term inflation assumption of 2.4% for 2024.*

(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)	$ 7,645,021	$ (1,655,104)	$ (9,476,759)

(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 $1,166,085 (excluding employees' share) in the General Fund at June 30, 2025. This amount represents contribution for the 2024-2025 fiscal year that will be made in 2025-2026 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	251
Active employees	184
Total	435

(d) Total OPEB Liability

The District's total OPEB liability of $53,108,302 was determined by an actuarial valuation as of July 1, 2023, calculated based on the discount rate and actuarial assumptions outlined below, and was then projected forward to the measurement date of June 30, 2025.

(e) Changes in the Net OPEB Liability

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

	Total OPEB Liability
Balances, June 30, 2024	$ 60,869,732
Changes recognized for the year:	
Service cost	1,782,291
Interest on Total OPEB Liability	2,417,832
Effect of assumption changes or inputs	(9,680,401)
Benefit payments	(2,281,152)
Net changes	(7,761,430)
Balances, June 30, 2024	$ 53,108,302

(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 (4.20%)	Current Assumption (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 60,514,351	$ 53,108,302	$ 47,031,927

(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	$ 46,260,933	$ 53,108,302	$ 61,693,446

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, 2025, the District recognized OPEB expense of $5,666,306 At June 30, 2025, 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	$ 2,686,454	$ 9,067,415
Changes of assumptions or other inputs	70,710	12,878,399
Total	$ 2,757,164	$ 21,945,814

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
2026	$ (8,334,431)
2027	$ (7,128,257)
2028	$ (1,700,688)
2029	$ (1,652,953)
2030	$ (372,321)

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2025, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2023
Measurement Date	June 30, 2025
Reporting Date	June 30, 2025
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	5.2%, 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 3.93% for the June 30, 2024 reporting date to 5.20% percent for the June 30, 2025 reporting date.

13. INTERFUND TRANSACTIONS

	Interfund		Interfund	
Fund	Receivables	Payables	Revenues	Expenditures
General	$ 1,662,198	$ 369,320	$ 20,000	$ 36,846
School Lunch	30,988	8,318		
Special Aid	338,332	605,081	36,846	
Debt Service	409,263	20,000		20,000
Capital Fund		1,438,062		
Total	$ 2,440,781	$ 2,440,781	$ 56,846	$ 56,846

- The District made a transfer of $36,846 from the General Fund to the Special Aid Fund, which represents the local share of tuition and transportation of the Summer School Program.
- The District transferred $20,000 from Debt Service to the General Fund to pay the principal on bond payments.
- Interfund receivables and payables are typically liquidated within 1 year.

14. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2025:

Restricted	Beginning Balance	Additions	Deductions	Ending Balance
General Fund				
Unemployment Insurance	$ 55,694	$ 2,481	$	$ 58,175
Employee Benefit Accrued Liability	238,753	53,832		292,585
Retirement Contribution - ERS	1,286,492	127,303	(70,000)	1,343,795
Retirement Contribution - TRS	1,058,779	247,160	(200,000)	1,105,939
Capital	8,985,191	562,387	(161,209)	9,386,369
Total	$ 11,624,909	$ 993,163	$ (431,209)	$ 12,186,863

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

	General	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital	Total
Restricted						
Unemployment Insurance	$ 58,175	$	$	$	$	$ 58,175
Employee Benefit Accrued Liability	292,585					292,585
Retirement Contribution - ERS	1,343,795					1,343,795
Retirement Contribution - TRS	1,105,939					1,105,939
Capital	9,386,369					9,386,369
Scholarships			171,843			171,843
Debt Service - Principal and Interest				955,078		955,078
Total Restricted	12,186,863		171,843	955,078		13,313,784
Assigned						
Encumbrances	255,104				498,220	753,324
Food Service Program		215,673				215,673
Appropriated for Subsequent Year's Budget	650,000					650,000
Total Assigned	905,104	215,673			498,220	1,618,997
Unassigned	1,373,230				(9,805,068)	(8,431,838)
Total Fund Balance (Deficit)	$ 14,465,197	$ 215,673	$ 171,843	$ 955,078	$ (9,306,848)	$ 6,500,943

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 $48,097 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, 2025, 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, 2025, the School District has expensed $12,471,848 (including incidental costs) of the authorizations.

17. NET POSITION DEFICIT- DISTRICT-WIDE

The District-wide Net Position had an unrestricted deficit at June 30, 2025 of $69,413,292 and a total net position deficit of $18,135,624. The deficit is primarily the result of the recognition of an unfunded liability of $53,108,302 at June 30, 2025, 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.

18. CAPITAL FUND DEFICIT

At June 30, 2025, the District reported a deficit fund balance of $9,306,848 in the Capital Fund. The deficit will be eliminated in the future once permanent financing is obtained.

19. CUMULATIVE EFFECT OF IMPLEMENTING CHANGE IN ACCOUNTING PRINCIPLE

As the result of implementing GASB Statement No. 101, *Compensated Absences*, the District has restated the beginning net position in the Statement of Net Position of July 1, 2024, to reflect the additional liability for compensated absences required by this implementation as follows:

	Government-Wide
Net Position (Deficit) Beginning of Year, As Previously Stated	$ (24,716,762)
Increase in Compensated Absences Liability as a result of GASB Statement No. 101 Implementation:	(499,630)
Net Position (Deficit) Beginning of Year, As Restated	$ (25,216,392)

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	$ 17,054,198	$ 17,054,198	$ 15,695,316		$ (1,358,882)
Other Real Property Tax Items	64,338	64,338	1,418,699		1,354,361
Charges for Services	2,500	2,500	12,310		9,810
Use of Money and Property	445,583	445,583	880,932		435,349
Sale of Property and Compensation for Loss			141,205		141,205
Miscellaneous	649,779	743,108	1,012,140		269,032
State Aid	12,475,825	12,475,825	12,636,505		160,680
Federal Aid	15,000	15,000	17,981		2,981
Total Revenues	30,707,223	30,800,552	31,815,088		1,014,536
Other Financing Sources					
Transfers from Other Funds	128,000	128,000	20,000		(108,000)
Appropriated Reserves	270,000	270,000			(270,000)
Appropriated Fund Balance	739,786	739,786			(739,786)
Total Revenues and Other Financing Sources	$ 31,845,009	$ 31,938,338	31,835,088		$ (103,250)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 44,685	$ 45,262	42,894	$	$ 2,368
Central Administration	249,976	250,600	250,243	357	
Finance	538,400	514,790	499,425	2,380	12,985
Staff	110,260	147,363	141,937	3,393	2,033
Central Services	1,639,931	1,698,742	1,619,232	62,136	17,374
Special Items	501,862	547,343	546,995		348
Total General Support	3,085,114	3,204,100	3,100,726	68,266	35,108
Instruction					
Instruction, Administration, and Improvement	1,034,521	1,039,874	1,009,252		30,622
Teaching - Regular School	8,765,555	8,851,157	8,657,582	123,113	70,462
Programs for Children With Special Needs	3,026,044	2,820,807	2,676,247	62,924	81,636
Occupational Education	631,974	636,115	636,115		
Instructional Media	886,575	991,278	772,228	499	218,551
Pupil Services	1,850,748	1,861,291	1,841,710		19,581
Total Instruction	16,195,417	16,200,522	15,593,134	186,536	420,852
Pupil Transportation	1,313,064	1,508,726	1,505,338	302	3,086
Employee Benefits	8,719,940	8,558,206	8,137,230		420,976
Debt Service - Principal	1,787,200	1,952,487	2,124,752		(172,265)
Debt Service - Interest	709,274	477,451	487,368		(9,917)
Total Expenditures	31,810,009	31,901,492	30,948,548	255,104	697,840
Other Financing Uses					
Transfers to Other Funds	35,000	36,846	36,846		
Total Expenditures and Other Financing Uses	$ 31,845,009	$ 31,938,338	30,985,394	$ 255,104	$ 697,840
Net Change in Fund Balance			849,694		
Fund Balance - Beginning of Year			13,615,503		
Fund Balance - End of Year			$ 14,465,197		

Notes to Required Supplementary Information:

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

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

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2025

Measurement Date	2025	2024	2023	2022	2021*	2020*	2019*	2018*
Total OPEB Liability								
Service cost	$ 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	2,417,832	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	(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		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	(2,281,152)	(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	(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	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	$ 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	$ 11,411,257	$ 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	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 3.93% to 5.20%, 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, 2025

ERS Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 272,367	$ 215,470	$ 184,330	$ 233,899	$ 220,183	$ 220,382	$ 230,775	$ 231,323	$ 226,804	$ 230,959
Contributions in Relation to the Contractually Required Contribution	272,367	215,470	184,330	233,899	220,183	220,382	230,775	231,323	226,804	230,959
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 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	$ 1,393,910
Contributions as a Percentage of Covered-Employee Payroll	14.61%	11.95%	10.80%	14.97%	13.87%	14.16%	14.34%	14.48%	14.59%	16.57%

TRS Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 1,062,672	$ 1,033,760	$ 1,089,483	$ 1,006,911	$ 934,072	$ 849,609	$ 983,804	$ 1,016,180	$ 1,082,555	$ 1,393,730
Contributions in Relation to the Contractually Required Contribution	1,062,672	1,033,760	1,089,483	1,006,911	934,072	849,609	983,804	1,016,180	1,082,555	1,393,730
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 10,511,098	$ 10,740,437	$ 10,587,784	$ 10,274,602	$ 9,801,385	$ 9,546,169	$ 9,263,691	$ 10,369,184	$ 9,236,817	$ 10,510,784
Contributions as a Percentage of Covered-Employee Payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2025

ERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Liability	0.0047456%	0.0046905%	0.0049199%	0.0045661%	0.0046252%	0.0048564%	0.0050646%	0.0049325%	0.0051453%	0.0054835%
District's Proportionate Share of the Net Pension (Asset) Liability	$ 813,672	$ 690,625	$ 1,055,024	$ (373,258)	$ 4,605	$ 1,285,990	$ 358,842	$ 159,194	$ 483,461	$ 880,118
District's Covered-Employee Payroll	$ 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	$ 1,393,910
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	43.64%	38.31%	61.82%	23.89%	0.29%	82.63%	22.30%	9.97%	31.09%	63.14%
Plan Fiduciary Net Position as a percentage of Total Pension Liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.40%	96.27%	98.24%	94.70%	90.70%

TRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension (Asset)/Liability	0.0554730%	0.0573270%	0.0579990%	0.0577460%	0.0558770%	0.0554990%	0.0549640%	0.0547150%	0.0529070%	0.0529280%
District's Porportionate Share of the Net Pension (Asset)/Liability	$ (1,655,104)	$ 655,582	$ 1,112,929	$ (10,006,863)	$ 1,544,024	$ (1,441,869)	$ (993,889)	$ (415,886)	$ 566,655	$ (5,497,559)
District's Covered-Employee Payroll	$ 10,740,437	$ 10,587,784	$ 10,274,602	$ 9,801,385	$ 9,546,169	$ 9,263,691	$ 10,369,184	$ 9,236,817	$ 10,510,784	$ 8,276,523
District's Proportionate Share of the Net Pension (Asset)/Liability as a percentage of its Covered-Employee Payroll	15.41%	06.19%	10.83%	102.10%	16.17%	15.56%	09.59%	04.50%	05.39%	66.42%
Plan Fiduciary Net Position as a percentage of Total Pension (Asset)/Liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

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, 2025

Change from Adopted Budget to Final Budget

Adopted Budget	$ 31,755,223
Add: Prior Year's Encumbrances	89,786
Original Budget	31,845,009
Add: Donations and Gifts	93,329
Final Budget	$ 31,938,338

Section 1318 of Real Property Tax Law Limit Calculation

2025-26 voter-approved expenditure budget		$ 33,871,812
Maximum allowed (4% of 2025-26 budget)		$ 1,354,872
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	$ 905,104	
Unassigned fund balance	1,373,230	
Total unrestricted fund balance	2,278,334	
Less:		
Appropriated fund balance	650,000	
Encumbrances included in committed and assigned fund balance	255,104	
Total adjustments	905,104	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 1,373,230
Actual Percentage		4.05%

CLINTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

			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, 2025
PROJECT TITLE											
2025 Capital Project	$ 18,045,000	$ 18,045,000	$ 1,110,039	$ 11,361,809	$ 12,471,848	$ 5,573,152	$	$	$ 3,165,000	$ 3,165,000	$ (9,306,848)

See Independent Auditor's Report.

CLINTON CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2025

Capital Assets, Net	$ 57,691,931
Add:	
Unspent Monies in Capital Fund	6,921,814
Right to Use Leased Asset, Net of Amortization	411,051
Total Additions	7,332,865
Deduct:	
Bond Anticipation Notes	14,790,000
Premium on Bonds Payable	128,200
Serial Bonds Payable	11,180,000
Energy Performance Contract	567,334
Lease Liability	395,018
Total Deductions	27,060,552
Net Investment in Capital Assets	$ 37,964,244

See Independent Auditor's Report.

APPENDIX C

Material Event Notices

Material Event Notices

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) Defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

(m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material: and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

For the purposes of the event identified in paragraph (1) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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