PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that 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). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$3,875,000

LIBERTY CENTRAL SCHOOL DISTRICT

SULLIVAN COUNTY, NEW YORK

GENERAL OBLIGATIONS

$3,875,000 Bond Anticipation Notes, 2025 (Renewals)

(the "Notes")

Dated: June 26, 2025 | **Due: June 26, 2026**

The Notes are general obligations of the Liberty Central School District, Sullivan County, New York (the "School District" or "District"), 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. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as 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. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s). A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, 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 on with the purchaser, or about June 26, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 12, 2025 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 6, 2025

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 OBLIGATIONS HEREIN DESCRIBED. 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 OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

LIBERTY CENTRAL SCHOOL DISTRICT
SULLIVAN COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

MATTHEW DEWITT
President

PAMELA TEED FISK
Vice President

ERIN ABPLANALP
MAUREEN CRESCITELLI
TIMOTHY HAMBLIN
JOHN L. NICHOLS
PETER RACETTE
MAUREEN STABAK
EUGENE S. THALMANN

* * * * * * * * * * *

DR. PATRICK SULLIVAN
Superintendent of Schools

LAURENE M. MCKENNA
Assistant Superintendent for Business

TANIA DEFRANK
District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE, LLP
Bond Counsel

No person has been authorized by Liberty Central 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 solicitation of 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 Liberty Central School District.

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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http://www.fiscaladvisors.com

OFFICIAL STATEMENT

OF THE

LIBERTY CENTRAL SCHOOL DISTRICT
SULLIVAN COUNTY, NEW YORK

RELATING TO

$3,875,000 Bond Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Liberty Central School District, Sullivan County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $3,875,000 principal amount of Bond Anticipation Notes, 2025 (Renewals) (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 forms of the Notes and such proceedings.

NATURE OF 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 notes or bonds.

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 INFORMATION - 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.

THE NOTES

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 thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the 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 "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated June 26, 2025 and will mature June 26, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the purchaser either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to bond resolutions duly adopted by the Board of Education on January 25, 2024 authorizing the construction of improvements to and reconstruction of school district buildings and facilities at a maximum estimated cost of $42,689,222, and authorizing the issuance of $32,789,222 serial bonds and the expenditure of $9,900,000 of capital reserve funds.

The proceeds of the Notes, along with $125,000 available funds of the District, will partially redeem and renew the outstanding $4,000,000 bond anticipation notes for the abovementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), Jersey City, NJ, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities 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. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a "banking organization" within the meaning of the New York Banking Law, is 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, 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 effect 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 to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note 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.

Redemption proceeds, distributions, and dividend 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 nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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 transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

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 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 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

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving 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 system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s). Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The Liberty Central School District, Sullivan County, New York (the "School District" or "District", "County", and "State", respectively), with an area of about 95 square miles and is located in the north-central portion of Sullivan County. The District is centered in the Village of Liberty and encompasses portions of six towns. The Village of Liberty comprises almost 85% of the District with the Towns of Bethel, Fallsburg, Neversink, Rockland and Thompson making up the balance.

The District is primarily rural in nature. Within the Town of Liberty, almost 75% of the land area is undeveloped forest and another 10% is devoted to various agricultural uses. Commercial enterprises are centered around the Village of Liberty and in various surrounding communities. Residential properties are mainly single-family homes, with some apartment complexes. Residents find employment within the District with resort-oriented businesses, commercial and light industrial enterprises, as well as in Monticello and Port Jervis.

Bus transportation is provided to New York City and Binghamton, both of which are approximately 100 miles from the District to the south and north, respectively. Highways include New York State Route 17 (the Quickway), as well as a network of local and county roads.

Source: District officials.

Population

The current estimated population of the District is 10,900. (Source: 2023 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 includes the District) are the Towns and County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Bethel	$ 24,777	$ 35,526	$ 39,568	$ 57,780	$ 76,250	$ 95,625
Fallsburg	16,614	28,470	29,690	48,684	61,409	73,273
Liberty	22,037	25,033	30,102	53,186	60,827	73,277
Neversink	25,076	39,303	54,157	64,231	74,643	96,818
Rockland	28,778	26,754	36,013	57,143	73,672	74,375
Thompson	19,439	30,022	39,629	45,514	66,234	82,269
County of:						
Sullivan	23,422	32,346	40,474	57,388	72,302	88,086
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Major Employers

Name	Type	Employees
Center for Discovery (Sullivan Diagnostic Treatment Center)	Health Care Services	1,648
Sullivan County	Government	1,200
Catskill Regional Medical Center	Health Care Services	700
New Hope	Housing and Workshops	650
Monticello Central School District	Public Education	549

Source: Sullivan County.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the County of Sullivan. The information set forth below with respect to the County and State of New York are included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the District, or vice versa.

Annual Average

	2018	2019	2020	2021	2022	2023	2024
Sullivan County	4.1%	3.8%	8.4%	4.9%	3.2%	3.3%	3.5%
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Sullivan County	4.1%	4.5%	3.9%	2.9%	N/A	N/A
New York State	4.6	4.3	4.1	3.6	N/A	N/A

Note: Unemployment rates for May and June 2025 are not available as of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of nine members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members. The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

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

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and distributes that statement not less than fourteen days prior to the date on which the District's annual meeting is conducted, at which time such tentative budget is voted upon. Notice of the annual meeting is published as required by statute with a first publication not less than forty-five days prior to the day of such meeting. If the qualified voters at the annual meeting approve the tentative budget, the Board of Education, by resolution, adopts it as the budget of the District for the ensuing fiscal year.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap") plus exclusions, then a majority vote is required for approval. If the proposed budget requires a tax levy 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 District to exceed the 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 3rd 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.

Recent Budget Vote Results

The budget for the 2024-2025 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 987 to 69. The District's budget for 2024-25 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The adopted budget called for no total tax levy increase, which was below the District's Tax Cap of 4.87%.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 with a vote of 658 to 131. The adopted budget called for no total tax levy increase, which was below the District's Tax Cap of 15.21%.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in 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) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the 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 District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The District's policy does not permit the District to invest in so-called derivatives or reverse repurchase agreements and the District has never invested in derivatives or reverse repurchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 70.54% 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.

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 (See also "MARKET AND RISK FACTORS").

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 the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. 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 aid to 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.

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.

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.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

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. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 92.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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.

State aid history

School district fiscal year (2021-2022): The State's 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 included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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 also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Budget provided $31.5 billion in State funding to school districts for the 2022-23 school year. 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's 2022-23 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 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 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's 2022-23 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.

School district fiscal year (2023-2024): The State's 2023-24 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 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 was made to promote job readiness. An additional $150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Budget provides $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of $1.3 billion compared to the 2023-24 school year and includes a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintains 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 Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately $37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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 CFE 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 CFE 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 reached an agreement to settle and discontinue the *NYSER* 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 CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 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: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 50,115,488	$ 28,505,437	56.88%
2020-2021	50,395,335	28,876,140	57.30
2021-2022	52,631,871	31,041,781	58.98
2022-2023	60,835,661	38,580,633	63.42
2023-2024	68,273,283	47,325,989	69.32
2024-2025 (Budgeted)	68,034,294	48,484,932	71.27
2024-2025 (Unaudited)	69,900,000	49,400,000	70.67
2025-2026 (Budgeted)	68,508,362	48,329,932	70.54

[1] General fund only. Figures include interfund transfers, appropriated reserves or appropriated fund balance.

Note 2024-2025 unaudited figures are preliminary and subject to change.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years, budgeted and unaudited figures for the 2024-2025 fiscal year and the budget for the 2025-2026 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Date of Construction	Date of last Addition or Alteration
Main Street Elementary	PK-3	829	1912	2010
Liberty Middle School	5-7	561	1991	1991
Junior / Senior High School	8-12	530	1962	2017
WSS Elementary	Rental	130	1928	1985

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	1,841	2025-2026	1,900
2021-2022	1,821	2026-2027	1,910
2022-2023	1,894	2027-2028	1,910
2023-2024	1,888	2028-2029	1,910
2024-2025	1,895	2029-2030	1,910

Source: District officials.

Employees

The District employs approximately 330 full-time and 8 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Number	Union	Contract Expiration Date
196	Liberty Faculty Association (NYSUT)	June 30, 2026
57	Liberty School Employees' Association (NYSUT)	June 30, 2026
12	Liberty School Administrators' Association (SAANYS)	June 30, 2025[1]
85	Liberty Aides, Monitors & Assistants (NYSUT)	June 30, 2028

(1) Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. 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 and TRS employees to continue contributing 3.5% 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.
- 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.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, 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 District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, budgeted and unaudited contributions for the 2024-2025 and the 2025-2026 budgeted contributions fiscal year are as follows:

Fiscal Year	TRS	ERS
2019-2020	$ 400,071	$ 1,419,937
2020-2021	511,981	1,556,011
2021-2022	489,538	1,593,561
2022-2023	399,303	1,721,603
2023-2024	464,336	1,668,111
2024-2025 (Budgeted)	700,400	2,226,105
2024-2025 (Unaudited)	586,274	1,790,483
2025-2026 (Budgeted)	756,500	2,200,000

Note 2024-2025 unaudited figures are preliminary and subject to change.

Source: District officials.

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 currently does not 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 percent of payroll (2021-22 to 2025-26) is shown below:

State Fiscal Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

*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 the 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.

Stable Rate Pension Contribution Option: 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 14% 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, which was signed into law on March 31, 2019, 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 a reserve fund on June 26, 2019 for the purpose of funding the cost of TRS contributions. The District expects the balance of the fund to be approximately $1,153,096 as of June 30, 2024.

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

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by 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. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist 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. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with AON Consulting, Inc., an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024.

The following table outlines the changes to the Total OPEB Liability during the 2023 and 2024 fiscal years, by source.

Balance beginning at:	June 30, 2022	June 30, 2023
	$ 90,291,350	$ 73,080,652
Changes for the year:		
Service cost	4,155,915	3,013,400
Interest on total OPEB liability	2,021,442	2,663,344
Changes in Benefit Terms	217,331	-
Differences between expected and actual experience	469,683	31,904
Changes in Assumptions or other inputs	(22,341,787)	(1,444,503)
Benefit payments	(1,733,282)	(1,731,700)
Net Changes	$ (17,210,698)	$ 2,532,445
Balance ending at:	June 30, 2023	June 30, 2024
	$ 73,080,652	**$ 75,613,097**

Source: Audited financial statements of the District, attached hereto as "APPENDIX – C". The above table is not audited.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

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 bonds and notes are to be issued is the Education Law and the Local Finance Law.

The District has complied with the procedure for the publication of the Estoppel Notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as Appendices to the Official Statement. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the 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 Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Unaudited Results for Fiscal Year Ending June 30, 2025:

Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	$ 69,900,000
Expenditures:	$ 65,515,719
Excess (Deficit) Revenues Over Expenditures:	$ 4,384,281
Total Fund Balance at June 30, 2024:	$ 26,033,801
Total Fund Balance at June 30, 2025:	$ 30,418,082

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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New York 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 its most recent report of the District on September, 2022. The purpose of the audit was to evaluate the District's information technology for the period July 1, 2020 through January 31, 2022. Key findings and recommendations of the audit report are summarized below:

Key Findings

The Board and District officials did not adequately safeguard computerized data from unauthorized use, access and loss. In addition to sensitive IT control weaknesses that were communicated confidentially to officials, officials did not:

- Disable unnecessary network user accounts. As a result, the District's risk of a system compromise is increased.
- Establish adequate information technology (IT) contracts with the District's vendors. As a result, the roles and responsibilities of each vendor providing services may not be understood and the District may pay for duplicated services.
- Ensure the IT contingency plan was kept up to date. As a result, in the event of a cyberattack or disaster, officials may not be able to restore critical IT systems, applications or data timely.
- Provide users with comprehensive IT security awareness training. As a result, employees may not be prepared to recognize and appropriately respond to suspicious system activity.

Key Recommendations

- Regularly review network user accounts and disable unnecessary accounts.
- Establish adequate IT contracts, update the IT contingency plan and provide IT security awareness training.

A copy of the complete report and the District's response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no other State Comptrollers audits of the District that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible 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 the State Comptroller for the past four fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	6.7
2021	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Bethel	$ 54,189,610	$ 54,998,775	$ 55,762,586	$57,094,468	$59,565,999
Fallsburgh	11,212,915	11,202,736	11,298,948	11,420,920	11,400,746
Liberty	447,212,867	455,583,064	452,918,221	461,578,964	469,030,241
Neversink	214,407	217,123	217,266	217,328	216,126
Rockland	3,262,013	3,287,343	3,396,838	3,374,545	3,677,637
Thompson	2,896,953	3,116,729	3,001,621	3,015,563	3,028,533
Total Assessed Values	$ 518,988,765	$ 528,405,770	$ 526,595,480	$ 536,701,788	$ 546,919,282
State Equalization Rates					
Towns of:					
Bethel	58.00%	58.00%	50.30%	39.30%	37.00%
Fallsburgh	54.70%	52.70%	44.62%	36.25%	29.00%
Liberty	74.00%	72.00%	63.30%	49.36%	41.60%
Neversink	3.45%	3.30%	3.00%	2.70%	2.40%
Rockland	63.50%	60.00%	52.50%	42.90%	35.75%
Thompson	74.50%	72.00%	62.00%	50.00%	45.00%
Total Taxable Full Valuation	$ 733,511,256	$ 765,224,473	$ 870,246,930	$ 1,133,858,475	$ 1,353,801,064

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Bethel	$ 44.10	$ 42.27	$ 42.86	$ 39.86	$ 35.43
Fallsburgh	46.76	46.52	48.31	43.21	45.20
Liberty	34.56	34.05	34.06	31.73	31.51
Neversink	741.33	742.91	718.58	580.13	546.14
Rockland	40.28	40.86	41.06	36.51	36.66
Thompson	34.33	34.05	34.77	31.33	29.13

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 18,760,162	$ 18,760,162	$ 18,760,162	$ 17,760,162	$ 17,760,162
STAR Program	1,377,541	1,316,780	1,240,750	1,080,318	975,462
Net Taxes After STAR	$ 17,382,621	$ 17,443,382	$ 17,519,412	$ 16,679,844	$ 16,784,700
Amount Uncollected (1)	2,605,432	3,404,694	2,304,894	2,050,050	2,040,598
% Uncollected	14.99%	19.52%	13.16%	12.29%	12.16%

(1) The District receives 100% of its tax levy each year from the County. See “Tax Collection Procedures” herein.

Tax Collection Procedure

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October and a 3% penalty from November 1 to November 15. On November 15, a list of all unpaid taxes is given to the County for relevy on County/Town tax rolls. The District is reimbursed by the County for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual law.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues [1]	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2019-2020	$ 50,115,488	$ 19,435,122	38.78%
2020-2021	50,395,335	19,434,233	38.56
2021-2022	52,631,871	19,387,988	36.84
2022-2023	60,835,661	19,448,260	31.97
2023-2024	68,273,383	18,185,318	26.64
2024-2025 (Budgeted)	68,034,294	17,760,162	26.10
2024-2025 (Unaudited)	69,900,000	18,159,493	25.98
2025-2026 (Budgeted)	68,508,362	17,760,162	25.92

[1] General fund only. Figures include interfund transfers and appropriated reserves.

Note 2024-2025 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years, budgeted and unaudited figures for the 2024-2025 fiscal year and the budget for the 2025-2026 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-2025 Tax Roll –

Name	Type	Taxable Full Valuation
N.Y.S Electric Gas Corp	Utility	$ 31,240,923
Ideal Snacks Corp	Food Manufacturer	16,326,200
DSEL Liberty LLC	Retail	13,226,100
170 Lake St LLC	Utility	9,716,800
Bluestone Asset Mangement LLC	Housing Development	7,864,200
Lee Cole Village LLC	Housing Development	7,010,600
Golf Course View LLC	Golf Course	6,578,900
Cap Rate Realty LLC	Housing Development	6,149,600
MHC 83 HW Portfolio LLC	Housing	5,956,700
NSB Estate LLC	Housing	5,111,400

The ten larger taxpayers listed above have a total full valuation of $109,181,423, which represents 8.06% of the 2024-2025 tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings are within acceptable norms, but there are several tax certiorari filings that could have an impact on the District. The District is currently working on a settlement with the Swan Lake Golf & Country Club, Congregation Yeshiva Yoreh Deah Inc., Far Rockway Hotel, LLC, and Aviator II Manufactured Housing Inc., all of which are not part of the Districts 10 largest tax payers.

Source: District Tax Rolls.

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 $98,700 or less in the 2024-2025 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $84,000 of the full value of a home for the 2024-2025 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 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The 2022-2023 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 are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Bethel	$ 32,430	$ 12,270	4/10/2025
Fallsburg	28,760	11,140	4/10/2025
Liberty	40,820	15,230	4/10/2025
Nerversink	2,070	720	4/10/2025
Rockland	33,860	12,690	4/10/2025
Thompson	39,980	15,230	4/10/2025

$1,000,000 of the District's $17,760,162 school tax levy for the 2024-2025 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately $1,000,000 of the District's $17,760,162 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget 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").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, 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, which applies to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County 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 New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015, a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016, the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals. See also "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 varied based on a taxpayer's personal income level and STAR tax savings; the program was fully phased in during 2019. Under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. For taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 20 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, and Chapter 20 does provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

See "THE SCHOOL DISTRICT – Budgetary Procedures and Recent Budget Votes" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

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

The School District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the 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. The School 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 School 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 law, including the Education Law.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

The School 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. No down payment is required in connection with the issuance of District obligations.

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 School 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 within 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 School District has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the School 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 School District, pursuant to the Local Finance Law.

The School 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 School District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 11,615,000	$ 9,165,000	$ 6,690,000	$ 4,265,000	$ 2,025,000
Bonds – Library [1]	1,835,000	1,740,000	1,640,000	1,535,000	1,430,000
Bond Anticipation Notes		0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0
Energy Performance Contract [2]	3,150,002	2,858,972	2,629,184	2,393,801	$ 2,152,688
Total Debt Outstanding	$ 16,600,002	$ 13,763,972	$ 10,959,184	$ 8,193,801	$ 5,607,688

[1]- The Library Bonds are general obligations of the District, however, the proposition authorized an increase in the tax levy levied on behalf of the Library to cover debt service on the bonds in certain amounts annually.

[2]- Represents an Energy Performance Contract financing which while a financial obligation, is not a general obligation of the District but does count against the District's debt limit. See "Capital Lease" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 6, 2025:

Type of Indebtedness	Maturity		Amount
Bonds	2025-2035		$ 3,455,000
Bond Anticipation Notes			
Capital Project	June 27, 2025		4,000,000[1]
		Total Indebtedness	$ 7,445,000

[1]-to be partially redeemed and renewed with the proceeds of the Notes, along with $125,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 6, 2025:

Full Valuation of Taxable Real Property			$ 1,353,801,064
Debt Limit 10% thereof			135,380,106
Inclusions:			
Bonds	$ 3,445,000		
Bond Anticipation Notes (BANs):	4,000,000		
Total Inclusions prior to issuance of the Notes	7,445,000		
Less: BANs being redeemed from appropriations	125,000		
Add: New money proceeds of the Notes	0		
Total Net Inclusions after issuance of the Notes		$ 7,320,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 7,320,000
Net Debt-Contracting Margin			$ 128,060,106
The percent of debt contracting power exhausted is			5.41%

[1] Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 92.2% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. Energy Performance Contract lease purchase financing is not included in this summary, but does count toward the debt limit.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Capital Project Plans

The Board of Education approved a resolution on January 17, 2024 for a Capital Project in the amount of $42,689,222, including $32,789,222 serial bonds and $9,900,000 of reserve fund monies, authorizing the construction of improvements to and reconstruction of school district buildings and facilities. The District issued bond anticipation notes on October 3, 2024 to provide $4,000,000 new money for the aforementioned purpose. The proceeds of the Notes, along with $125,000 available funds of the District, will partially redeem and renew the outstanding $4,000,000 bond anticipation notes for the abovementioned purpose.

On May 20,2025 District voters approved a capital project referendum for $7,494,246, which includes $1,125,000 of fund balance or reserves for the construction of improvements to and reconstruction of Liberty Elementary School.

The District also has an emergency project authorized up to $3,000,000 to replace a collapsed culvert in front of Liberty Elementary School. This will be funded by fund balance and the construction will begin mid June of 2025.

Other than as stated above, there are no other capital projects authorized or unissued by the District, nor are any contemplated.

Cash Flow Borrowings

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes, nor budget or deficiency notes, and does not expect to issue such notes in the foreseeable future.

Energy Performance Contracts

On December 15, 2016, the District energy into an energy performance contract for improvements to implement energy cost-saving techniques. The annual nominal interest rate is 2.420%. The lease purchase financing is for a 15-year period of time and requires annual principal and interest payments which began on September 15, 2017. The lease purchase is subject to appropriation financing and does not constitute general obligation debt of the District. However, such financings do count in debt limit calculations. A schedule of future lease payments is as follows:

Fiscal Year ended June 30^{th}:	Total
2025	$ 303,464
2026	303,607
2027	303,753
2028	303,903
2029-2033	1,222,499
Total minimum lease payments:	$ 2,437,226

Source: Audited financial reports of the District. Table itself is not audited.

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Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions [2]		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Sullivan	6/29/2024	$ 101,240,000	(3)	$ 2,300,000		$ 98,940,000	8.40%	$ 8,310,960
Town of:								
Bethel	4/28/2025	5,504,314	(3)	151,000		5,353,314	11.31%	605,460
Fallsburg	6/25/2024	27,161,837	(3)	3,539,755		23,622,082	2.02%	477,166
Liberty	12/31/2023	381,600	(4)	-	(5)	381,600	93.43%	356,529
Neversink	12/31/2023	-	(4)	-	(5)	-	0.71%	-
Rockland	12/31/2023	-	(4)	-	(5)	-	1.23%	-
Thompson	12/31/2023	6,462,142	(3)	1,598,674		4,863,468	0.25%	12,159
Village of:								
Liberty	5/31/2024	9,655,248	(4)	-	(5)	9,655,248	100.00%	9,655,248
							Total:	$ 19,417,521

[1] Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
[2] Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
[3] Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
[4] Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
[5] Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 6, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 7,320,000	$ 671.56	0.54%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	26,737,521	2,452.98	1.97

[a] The current estimated population of the District is 10,900. (See "THE SCHOOL DISTRICT – Population" herein.)
[b] The District's full value of taxable real estate for the 2024-2025 tax roll is $1,353,801,064. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
[d] Estimated net overlapping indebtedness is $19,417,521. (See "Estimated Overlapping Indebtedness" herein.)

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

State Aid Intercept for School Districts. 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 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 Notes in default with respect to which the same was so deducted or withheld, then 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 Note 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 judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum 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 judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such 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 for 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 VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and 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. See "General Municipal Law Contract Creditors' Provision" herein.

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 continuation 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 District 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 events 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 condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or 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 Notes. If a significant default or other financial crisis should occur in the affairs of the State 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 School 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 School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT – 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. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes 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 Notes 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 Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We observe that interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, 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, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

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.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the bonds or contesting the corporate existence or boundaries of the District.

Source: District officials.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as "APPENDIX – C".

Historical Compliance

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.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial 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. 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. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry-only format, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

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) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings and supplementation to the final official statement. (See "APPENDIX – C", attached hereto).

Moody's Investors Service ("Moody's") has assigned its underlying rating of "A1" and its enhanced rating of "Aa3" to the District's general obligation bonds. Such rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-1653.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+/stable outlook" to the District's outstanding general obligation bonds. Such rating reflects only the view of the rating S&P and any desired explanation of the significance of such rating should be obtained from S&P Global Ratings, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

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 serial bonds may have an adverse effect on the market price of the outstanding serial bonds.

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, that 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.

Orrick, Herrington & Sutcliffe LLP, New York, 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.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. 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. Fiscal Advisors & Marketing, 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 District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District contact information is as follows Laurene M. McKenna, Assistant Superintendent for Business, 115 Buckley Street, Liberty, New York 12754, Phone: (845) 292-6171, email: lmmckenna@libertyk12.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

LIBERTY CENTRAL SCHOOL DISTRICT

Dated: June 6, 2025

MATTHEW DEWITT
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 4,837,674	$ 6,319,506	$ 3,484,491	$ 11,648,603	$ 9,856,512
Restricted Cash	5,466,756	5,488,606	10,053,761	10,209,913	16,216,246
State and Federal Aid Receivable	791,479	1,439,671	773,613	2,116,183	1,006,920
Due from Other Governments	1,170,069	1,491,697	1,447,346	1,653,414	1,705,414
Due from Other Funds	1,933,096	1,908,091	3,219,350	2,369,552	1,730,177
Due from Fiduciary Funds	55,047	-	-	-	-
Other Receivables, Net	253,632	242,190	-	27,136	10,813
Prepaid Expenditures	497,819	545,213	616,309	633,992	673,671
TOTAL ASSETS	$ 15,005,572	$ 17,434,974	$ 19,594,870	$ 28,658,793	$ 31,199,753
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 1,366,810	$ 341,489	$ 314,877	$ 815,779	$ 1,008,198
Accrued Liabilities	38,475	14,338	142,611	108,162	20,248
Due to Other Governments	154,046	985,838	1,428,747	803,063	1,534,136
Due to Other Funds	568,932	221,075	221,825	38,849	38,849
Due to Teachers' Retirement System	1,587,108	1,734,847	1,892,038	2,137,154	2,115,366
Due to Employees' Retirement System	124,050	140,550	128,141	127,393	179,607
Unearned Revenues	-	-	-	-	-
Deferred Revenues	246,198	248,419	125,097	-	118,579
TOTAL LIABILITIES	4,085,619	3,686,556	4,253,336	4,030,400	5,014,983
DEFERRED INFLOWS					
Unavailable Revenues	-	443,412	364,026	283,171	150,969
TOTAL DEFERRED INFLOWS	-	443,412	364,026	283,171	150,969
FUND EQUITY					
Nonspendable	$ 497,819	$ 545,213	$ 616,309	$ 633,992	$ 673,671
Restricted	5,466,756	5,488,606	10,053,761	10,209,913	16,216,246
Assigned	1,446,702	2,451,531	983,197	855,193	1,956,739
Unassigned	3,508,676	4,819,656	3,324,241	12,646,124	7,187,145
TOTAL FUND EQUITY	10,919,953	13,305,006	14,977,508	24,345,222	26,033,801
TOTAL LIABILITIES and FUND EQUITY	$ 15,005,572	$ 17,434,974	$ 19,594,870	$ 28,658,793	$ 31,199,753

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 17,199,422	$ 17,324,636	$ 17,377,732	$ 17,417,426	$ 17,506,355
Other Tax Items	2,023,867	2,110,486	2,056,501	1,970,562	1,941,905
Charges for Services	221,500	321,019	110,758	263,235	192,942
Use of Money & Property	258,180	228,717	190,176	171,934	296,610
Sale of Property and Compensation for Loss	90,801	13,756	8,860	9,516	19,465
Miscellaneous	981,321	1,343,126	1,414,343	1,400,983	1,813,568
Revenues from State Sources	28,067,560	28,505,437	28,876,140	31,041,781	38,580,633
Revenues from Federal Sources	317,636	268,311	360,825	356,434	484,183
Total Revenues	$ 49,160,287	$ 50,115,488	$ 50,395,335	$ 52,631,871	$ 60,835,661
Other Sources:					
Appropriated Fund Balance & Reserves	-	-	-	-	-
Operating Transfers (in)	-	-	250,526	-	-
Total Revenues and Other Sources	$ 49,160,287	$ 50,115,488	$ 50,645,861	$ 52,631,871	$ 60,835,661
EXPENDITURES					
General Support	$ 4,492,913	$ 4,295,506	$ 4,873,287	$ 5,085,084	$ 5,287,604
Instruction	25,806,650	26,512,258	25,708,641	26,504,289	26,362,762
Pupil Transportation	3,187,901	3,016,155	2,911,408	4,692,929	5,393,257
Community Services	108,667	68,786	-	-	-
Employee Benefits	11,067,759	10,976,463	11,039,593	11,166,536	11,204,104
Debt Service	3,387,228	3,125,675	3,112,963	3,032,195	2,951,295
Total Expenditures	$ 48,051,118	$ 47,994,843	$ 47,645,892	$ 50,481,033	$ 51,199,022
Other Uses:					
Operating Transfers (out)	968,592	1,197,256	614,916	478,336	268,925
Total Expenditures and Other Uses	$ 49,019,710	$ 49,192,099	$ 48,260,808	$ 50,959,369	$ 51,467,947
Excess (Deficit) Revenues Over Expenditures	140,577	923,389	2,385,053	1,672,502	9,367,714
FUND BALANCE					
Fund Balance - Beginning of Year	9,855,987	9,996,564	10,919,953	13,305,006	14,977,508
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 9,996,564	$ 10,919,953	$ 13,305,006	$ 14,977,508	$ 24,345,222

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2024 Adopted Budget	2024 Modified Budget	2024 Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 17,760,162	$ 16,760,162	$ 16,667,327	$ 17,760,162	$ 17,760,162
Other Tax Items	-	1,380,000	1,517,991	-	-
Charges for Services	-	35,000	235,868	-	-
Use of Money & Property	-	177,000	1,001,967	-	-
Sale of Property and Compensation for Loss	-	-	2,207	-	-
Miscellaneous	1,736,200	984,200	1,344,284	1,789,200	2,419,000
Revenues from State Sources	46,800,000	46,800,000	47,325,989	48,484,932	48,329,200
Revenues from Federal Sources	-	160,000	177,650	-	-
Total Revenues	$ 66,296,362	$ 66,296,362	$ 68,273,283	$ 68,034,294	$ 68,508,362
Other Sources:					
Appropriated Fund Balance & Reserves	-	855,192	-	-	-
Operating Transfers (in)	-	-	-	-	-
Total Revenues and Other Sources	$ 66,296,362	$ 67,151,554	$ 68,273,283	$ 68,034,294	$ 68,508,362
EXPENDITURES					
General Support	$ 6,496,344	$ 6,829,548	$ 5,818,850	$ 6,079,904	$ 6,212,325
Instruction	33,847,916	34,640,648	29,364,302	35,555,798	34,526,637
Pupil Transportation	7,364,374	7,314,411	6,441,898	7,134,315	8,158,600
Community Services	-	-	-	-	-
Employee Benefits	15,304,528	15,096,427	11,987,627	15,920,877	16,267,400
Debt Service	2,923,200	2,910,520	2,732,247	2,888,400	2,888,400
Total Expenditures	$ 65,936,362	$ 66,791,554	$ 56,344,924	$ 67,579,294	$ 68,053,362
Other Uses:					
Operating Transfers (out)	360,000	10,260,000	10,239,780	455,000	455,000
Total Expenditures and Other Uses	$ 66,296,362	$ 77,051,554	$ 66,584,704	$ 68,034,294	$ 68,508,362
Excess (Deficit) Revenues Over Expenditures	-	(9,900,000)	1,688,579	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	9,900,000	24,345,222	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 26,033,801	$ -	$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

CHANGES IN REMAINING FUND BALANCES

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
SPECIAL AID FUND					
Fund Balance - Beginning of Year	$ (51,370)	$ (36,943)	$ (5,008)	$ (5,008)	$ 384
Revenues	2,385,667	1,845,163	4,360,236	5,029,205	4,277,140
Expenses	2,371,240	1,813,228	4,360,236	5,023,813	4,277,895
Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ (36,943)	$ (5,008)	$ (5,008)	$ 384	$ (371)
SCHOOL LUNCH FUND					
Fund Balance - Beginning of Year	$ 246,775	$ 337,341	$ 85,028	$ 308,534	$ 506,094
Revenues	1,342,813	659,536	1,481,282	1,711,200	1,738,684
Expenses	1,252,247	911,849	1,257,776	1,513,640	1,581,702
Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 337,341	$ 85,028	$ 308,534	$ 506,094	$ 663,076
CAPITAL PROJECTS FUND (1)					
Fund Balance - Beginning of Year	$ (261,456)	$ 354,385	$ (177,998)	$ (508,671)	$ (597,283)
Revenues	907,857	295,000	277,999	-	10,000,000
Expenses	292,016	827,383	608,671	88,612	-
Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 354,385	$ (177,998)	$ (508,671)	$ (597,283)	$ 9,402,717
DEBT SERVICE FUND					
Fund Balance - Beginning of Year	$ 69,813	$ 69,870	$ 69,880	$ 69,795	$ 69,807
Revenues	57	9	-	12	2,087
Expenses	-	-	85	-	-
Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 69,870	$ 69,879	$ 69,795	$ 69,807	$ 71,894

(1) The Governmental Accounting Standards Boards NCGA Interpretation #9 requires proceeds of short-term obligations (including bond anticipation notes) to be recorded as a “liability” on the balance sheet. Revenue may only be recognized as subsequent principal reductions are made to the short-term liability. Consequently, capital projects financed with short-term obligations appear to be overspent until permanent bonds are sold or the short-term obligation is liquidated

Source: Audited financial reports of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 2,135,000	$ 60,710	$ 2,195,710
2026	115,000	39,600	154,600
2027	115,000	36,150	151,150
2028	120,000	32,700	152,700
2029	125,000	29,100	154,100
2030	130,000	25,350	155,350
2031	135,000	21,450	156,450
2032	140,000	17,400	157,400
2033	145,000	13,200	158,200
2034	145,000	8,850	153,850
2035	150,000	4,500	154,500
TOTALS	$ 3,455,000	$ 289,010	$ 3,744,010

BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 Additions/Reconstruction - QZAB Principal	Interest	Total	2016 Refunding of 2010 Series Bonds Principal	Interest	Total
2025	$ 1,220,000	$ 9,760	$ 1,229,760	$ 805,000	$ 8,050	$ 813,050
TOTALS	$ 1,220,000	$ 9,760	$ 1,229,760	$ 805,000	$ 8,050	$ 813,050

Fiscal Year Ending June 30th	2019 Library Bond Issue Principal	Interest	Total
2025	$ 110,000	$ 42,900	$ 152,900
2026	115,000	39,600	154,600
2027	115,000	36,150	151,150
2028	120,000	32,700	152,700
2029	125,000	29,100	154,100
2030	130,000	25,350	155,350
2031	135,000	21,450	156,450
2032	140,000	17,400	157,400
2033	145,000	13,200	158,200
2034	145,000	8,850	153,850
2035	150,000	4,500	154,500
TOTALS	$ 1,430,000	$ 271,200	$ 1,701,200

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" (as defined in the Rule) 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 Note 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 Note.

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 event (l) above, 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 government 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.

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 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.

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 Note; 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 Note 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 Note (including holders of beneficial interests in the Note). The right of holders of the Note 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 Note nor entitle any holder of the Note 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.

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

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LIBERTY CENTRAL SCHOOL DISTRICT
SULLIVAN COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2024

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASSROOM ACTIVITY FUNDS

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
JUNE 30, 2024
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Liberty Central School District
Liberty, New York 12754

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of the Liberty Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Liberty 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 fiduciary fund of the Liberty Central School District, as of June 30, 2024, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Liberty Central School District's basic financial statements. The supplemental schedules are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 supplemental schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 on our consideration of the Liberty 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 Liberty 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 Liberty Central School District's internal control over financial reporting and compliance.

Nugent & Haeussler PC

Montgomery, New York
October 8, 2024

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Liberty Central School District's financial performance for the fiscal year ended June 30, 2024. The section is a summary of the Liberty Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *custodian* for the benefit of others.

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

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

Management Discussion and Analysis
(Continued)

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Management Discussion and Analysis
(Continued)

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position.*

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided in the notes to the financial statements explains the relationship (or differences) between them.
- Fiduciary Funds: The District is the trustee, or custodian, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Management Discussion and Analysis
(Continued)

Financial Analysis of the District as a Whole

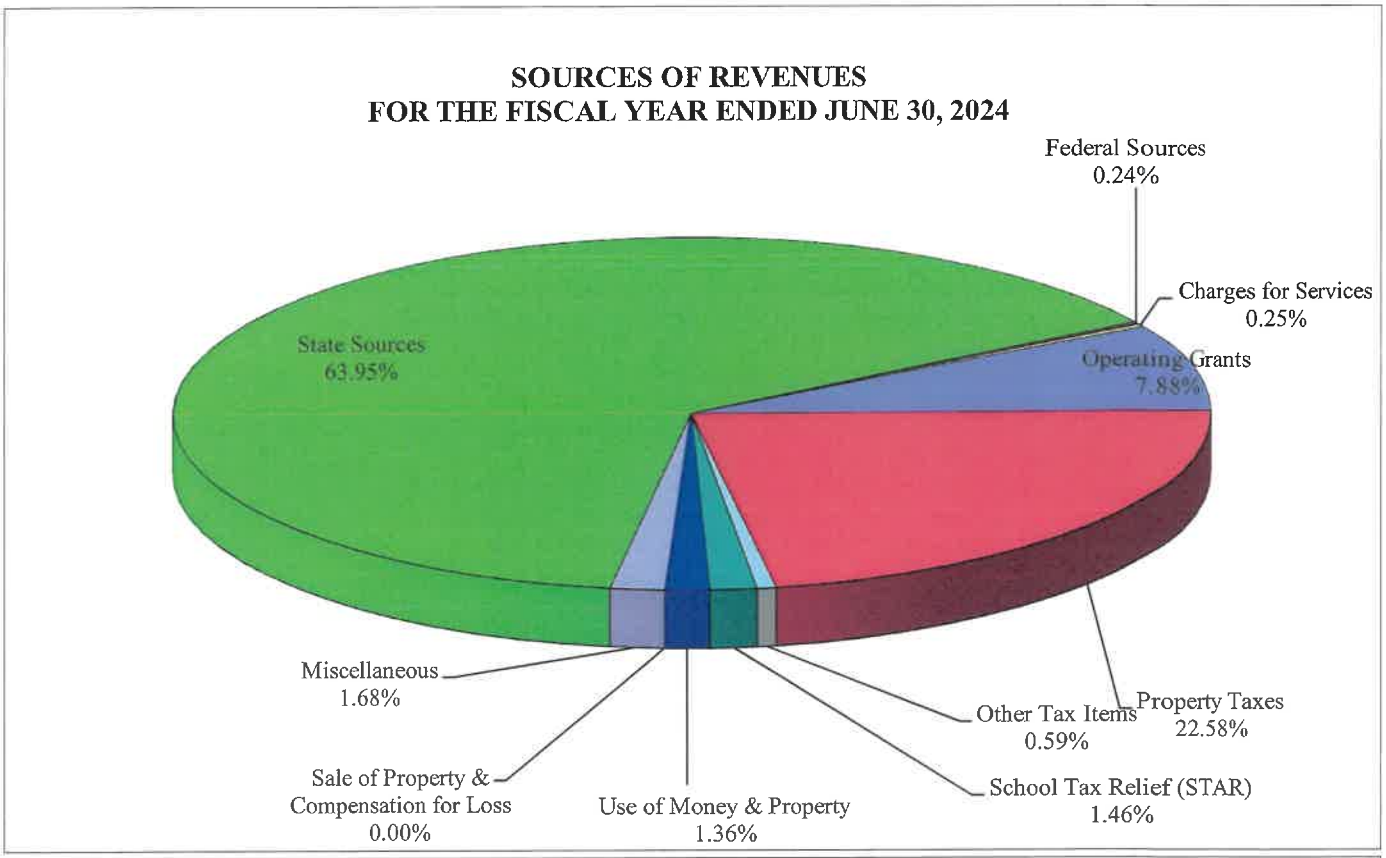
The District's net position at June 30, 2024 is a deficit of $18,602,189. This is a deficit decrease of $9,651,914 from last year's deficit net position of $28,254,103. The following table provides a summary of the District's net position:

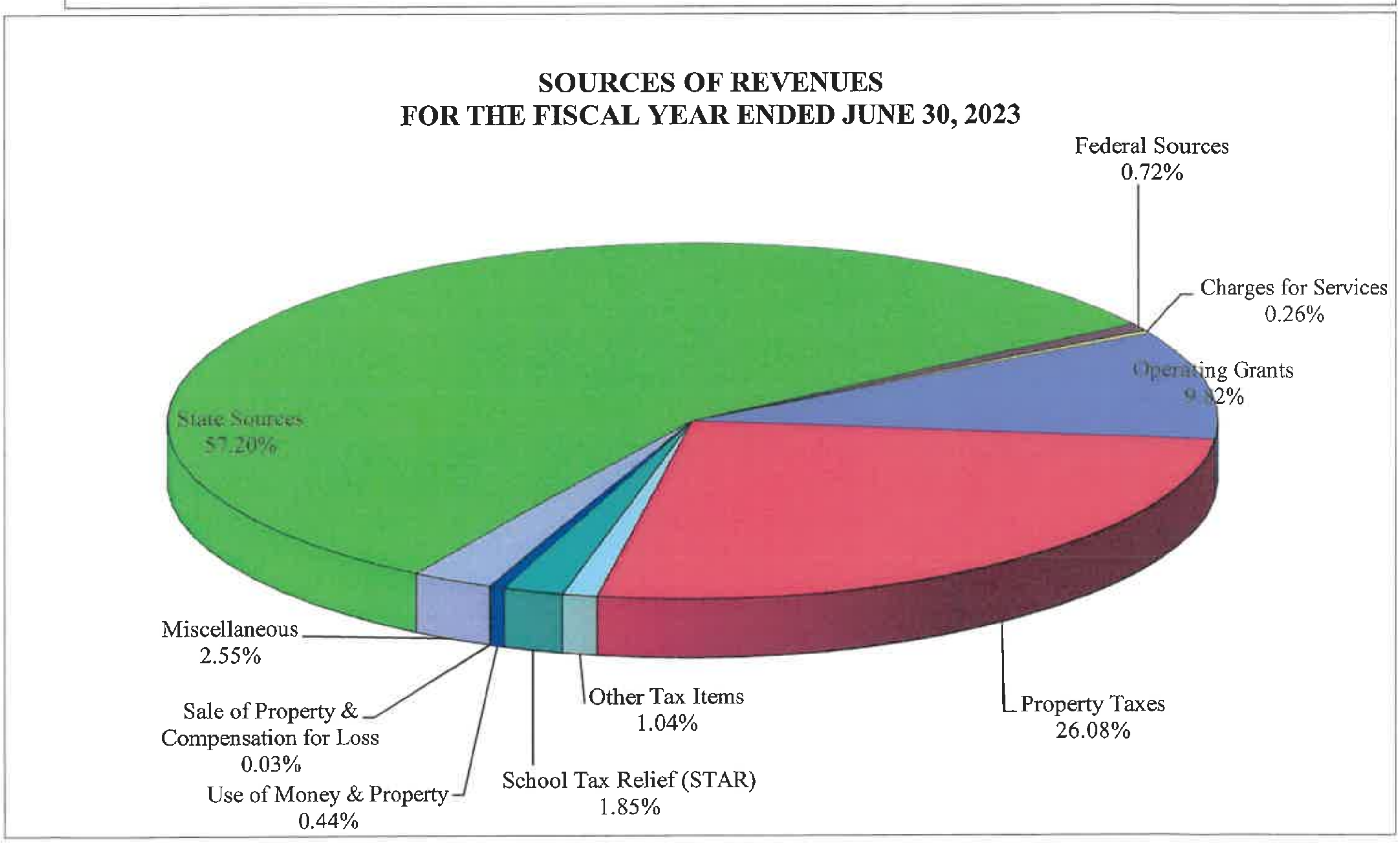
	School District Activities		
	June 30, 2024	June 30, 2023	% Change
Current Assets	$ 43,121,919	$ 30,468,600	41.53%
Pension Asset	0	0	N/A
Non Depreciable Capital Assets	38,000	38,000	0.00%
Capital Assets, Net	34,294,249	37,081,117	-7.52%
Total Assets	77,454,168	67,587,717	
Deferred Outflows	16,914,018	21,354,531	-20.79%
Current Liabilities	5,260,775	4,332,646	21.42%
Pension Liability	3,064,797	4,481,467	-31.61%
Long-Term Debt Outstanding	82,674,729	82,724,311	-0.06%
Total Liabilities	91,000,301	91,538,424	
Deferred Inflows	21,970,074	25,657,927	-14.37%
Net Position:			
Net Investment in Capital Assets	28,734,157	28,954,103	-0.76%
Restricted	26,316,891	10,753,406	144.73%
Unrestricted	(73,653,238)	(67,961,612)	8.37%
Total Net Position	$ (18,602,189)	$ (28,254,103)	-34.16%

The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the year ended June 30, 2024:

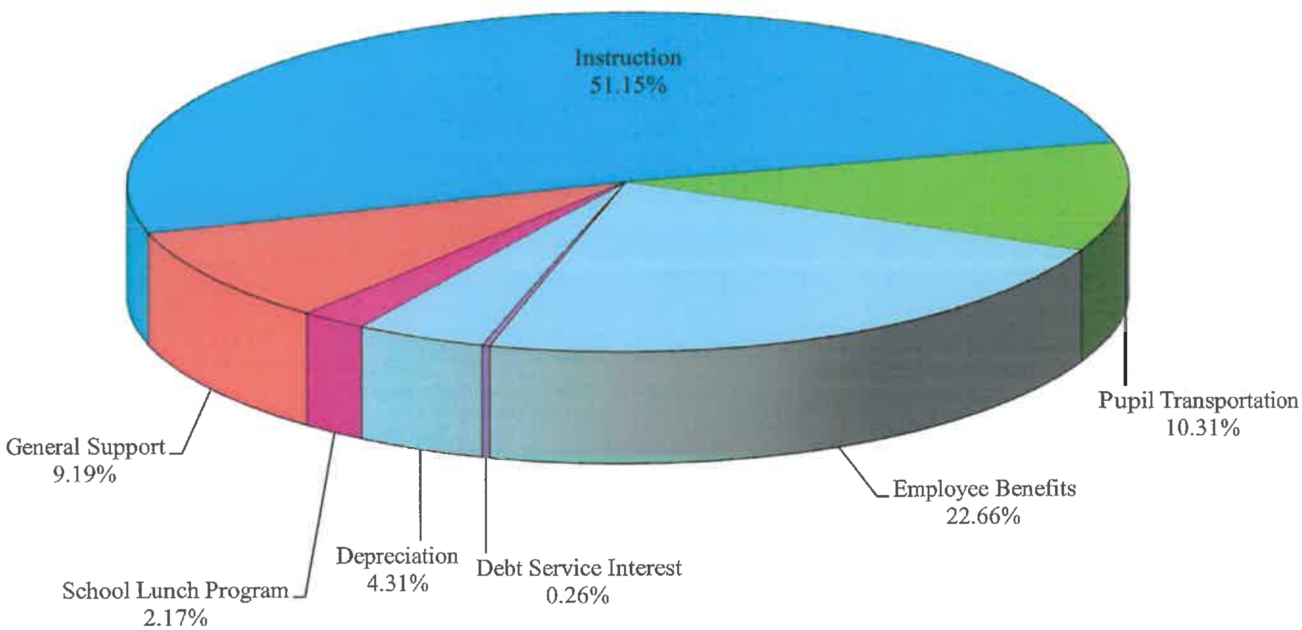
LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

	JUNE 30, 2024	%	JUNE 30, 2023	%	$ Change	% Change
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 181,135	0.25%	$ 176,606	0.26%	$ 4,529	2.56%
Operating Grants	5,819,385	7.88%	6,592,908	9.82%	(773,523)	-11.73%
GENERAL REVENUES:						
Property Taxes	16,667,327	22.59%	17,506,355	26.09%	(839,028)	-4.79%
Other Tax Items	437,673	0.59%	701,155	1.04%	(263,482)	-37.58%
School Tax Relief (STAR)	1,080,318	1.46%	1,240,750	1.85%	(160,432)	-12.93%
Use of Money & Property	1,004,054	1.36%	296,622	0.44%	707,432	238.50%
Sale of Property & Compensation for Loss	2,207	0.00%	19,465	0.03%	(17,258)	-88.66%
Miscellaneous	1,239,299	1.68%	1,710,767	2.55%	(471,468)	-27.56%
State Sources	47,205,163	63.95%	38,392,487	57.20%	8,812,676	22.95%
Federal Sources	177,650	0.24%	484,183	0.72%	(306,533)	-63.31%
TOTAL REVENUES	73,814,211	100.00%	67,121,298	100.00%	6,692,913	9.97%
EXPENSES						
General Support	5,896,193	9.19%	5,402,952	9.07%	493,241	9.13%
Instruction	32,794,931	51.10%	30,452,647	51.15%	2,342,284	7.69%
Pupil Transportation	6,612,526	10.31%	5,510,458	9.25%	1,102,068	20.00%
Employee Benefits	14,538,545	22.66%	13,900,838	23.35%	637,707	4.59%
Debt Service Interest	164,027	0.26%	203,543	0.34%	(39,516)	-19.41%
Depreciation	2,766,942	4.31%	2,768,013	4.65%	(1,071)	-0.04%
School Lunch Program	1,389,126	2.17%	1,306,675	2.19%	82,451	6.31%
TOTAL EXPENSES	64,162,290	100.00%	59,545,126	100.00%	4,617,164	7.75%
INCREASE (DECREASE) IN NET POSITION	$ 9,651,921		$ 7,576,172		$ 2,075,749	

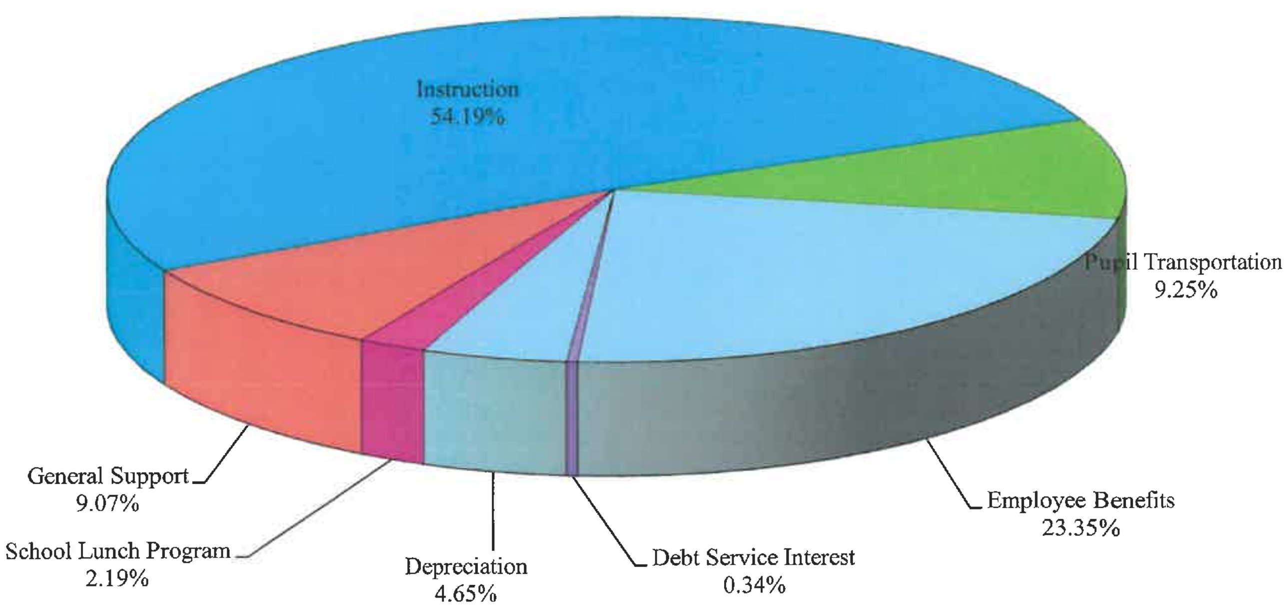

SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
Federal Sources 0.24%
Charges for Services 0.25%
State Sources 63.95%
Operating Grants 7.88%
Miscellaneous 1.68%
Other Tax Items 0.59%
Property Taxes 22.58%
Sale of Property & Compensation for Loss 0.00%
Use of Money & Property 1.36%
School Tax Relief (STAR) 1.46%


SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
Federal Sources 0.72%
Charges for Services 0.26%
State Sources 57.20%
Miscellaneous 2.55%
Other Tax Items 1.04%
Property Taxes 26.08%
Sale of Property & Compensation for Loss 0.03%
Use of Money & Property 0.44%
School Tax Relief (STAR) 1.85%

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2024



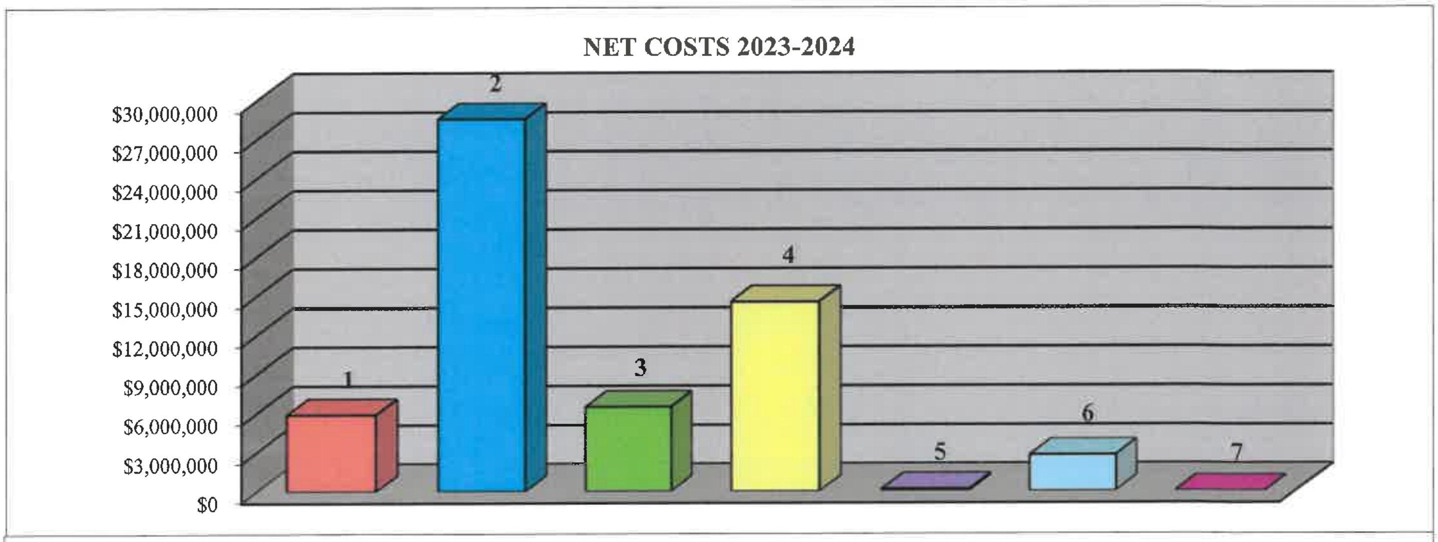
EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

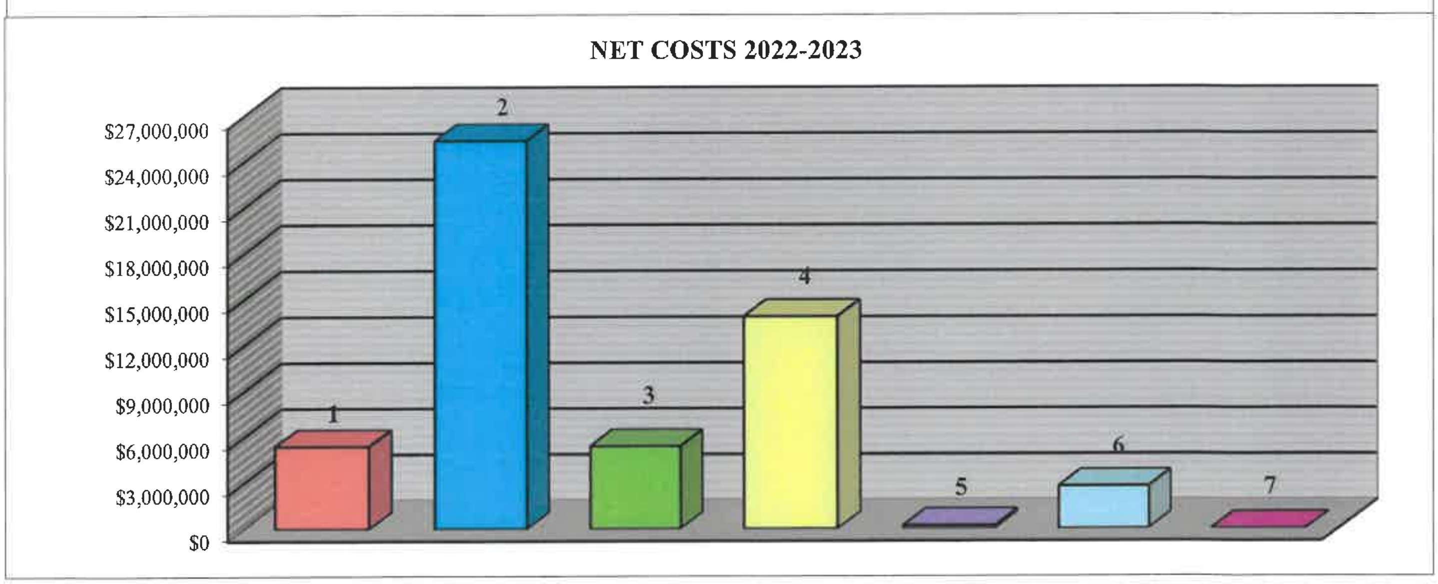


LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024	TOTAL COST OF SERVICES 2022-2023	NET COST OF SERVICES 2022-2023
General Support	1	$ 5,896,193	$ 5,896,193	$ 5,402,952	$ 5,402,952
Instruction	2	32,794,931	28,569,583	30,452,647	25,385,896
Pupil Transportation	3	6,612,526	6,476,024	5,510,458	5,416,697
Employee Benefits	4	14,538,545	14,538,545	13,900,838	13,900,838
Debt Service – Interest	5	164,027	164,027	203,543	203,543
Depreciation	6	2,766,942	2,766,942	2,768,013	2,768,013
School Lunch Program	7	1,389,126	(249,544)	1,306,675	(302,327)
		$ 64,162,290	$ 58,161,770	$ 59,545,126	$ 52,775,612





Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. The total fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2024				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 673,671	$ 16,216,246	$ 1,956,739	$ 7,187,145	$ 26,033,801
Special Aid	0	0	0	(371)	(371)
School Lunch	24,322	626,034	12,720	0	663,076
Capital Projects	0	9,402,717	0	0	9,402,717
Debt Service	0	71,894	0	0	71,894
	$ 697,993	$ 26,316,891	$ 1,969,459	$ 7,186,774	$ 36,171,117

	June 30, 2023				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 633,992	$ 10,209,913	$ 855,193	$ 12,646,124	$ 24,345,222
Special Aid	0	384	0	0	384
School Lunch	29,510	473,302	3,282	0	506,094
Capital Projects	0	0	0	(597,283)	(597,283)
Debt Service	0	69,807	0	0	69,807
	$ 663,502	$ 10,753,406	$ 858,475	$ 12,048,841	$ 24,324,224

General Fund Budgetary Highlights

The original budget for the General Fund was not revised during the 2023-2024 fiscal year.

In the General Fund for the fiscal year ended June 30, 2024, actual revenues were greater than revised budgeted revenues by $1,976,921 (2.98%). Revenue sources significantly in excess of budget were noted in the state sources and use of money and property. Actual expenditures and encumbrances were less than the revised budgeted expenditures by $8,510,111 (11.04%). Many categories were underspent.

Factors that continue to affect the budget process are as follows:

- New York State Aid revenues may be impacted due to statewide budget constraints.
- Employee benefits, including health benefits and teachers' and employees' retirement continue to rise.
- Changes in legislation regarding school finance and educational standards.
- Costs related to pandemic instructional and safety needs.

The current economic conditions require significant focus to manage spending and maximize revenues.

Management Discussion and Analysis
(Continued)

Management believes that the budget adopted for 2024-2025 is reasonably adaptable to any adverse changes that may arise based on the above factors.

New York State Legislature contains legislation, Chapter 97 of the Laws of 2011 that established a "property tax cap" on the amount that a school district's property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

Other Fund Highlights

The Special Aid Fund ended the year with a deficit fund balance of $371, which is primarily due to summer special education costs in prior years.

The School Lunch Program Fund ended the year with fund balance of $663,076. The increase in fund balance was primarily the result of increased government reimbursement. During the year, the program operated at a surplus of $156,982, due in large part to a General Fund transfer.

The Capital Projects Fund ended the year with a fund balance of $9,402,717. This will be used as voter approved Capital Projects are completed.

Debt Service Fund ended the year with a fund balance of $71,894. This fund balance will be appropriated in future years to offset principal and interest payments on the District's outstanding debt obligations.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2024 was $34,332,249. The total decrease in this net investment was 7.51%, due to an excess of depreciation over capital asset acquisitions for the District as a whole (see schedule below). The District's investment in capital assets, net of accumulated depreciation as of June 30, 2023, was $37,119,117 The District expended $0 to acquire and construct capital assets during the fiscal year ended June 30, 2024, and depreciation expense for the fiscal year was $2,786,868.

CAPITAL ASSETS
Net of Accumulated Depreciation

	School District Activities		
	June 30, 2024	June 30, 2023	% Change
Non-Depreciable Assets:			
Land	$ 38,000	$ 38,000	0.00%
Construction in Progress	0	0	N/A
Depreciable Assets:			
Land Improvements	420,134	439,952	-4.50%
Building and Improvements	33,096,381	35,565,477	-6.94%
Furniture and Equipment	729,864	1,007,884	-27.58%
Vehicles	47,870	67,804	-29.40%
TOTALS	$ 34,332,249	$ 37,119,117	-7.51%

Management Discussion and Analysis
(Continued)

Long-Term Debt

At the end of the fiscal year, the District had total bonded debt outstanding of $3,455,000. This amount is backed by the full faith and credit of the Liberty Central School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Serial Bond – 2009	$ 240,000	$ 0	$ 240,000	$ -
Serial Bond – 2010	2,430,000	0	1,210,000	1,220,000
Serial Bond – 2016	1,595,000	0	790,000	805,000
Serial Bond – Library	1,535,000	0	105,000	1,430,000
Total Bonded Debt Outstanding	$ 5,800,000	$ 0	$ 2,345,000	$ 3,455,000

The balances reflected above do not include the balance of unamortized premiums. The unamortized bond premiums are, however, included in the bonds payable figures shown on Schedule #1.

Bond Ratings

S & P Global Ratings ("Standard & Poor's") has assigned a rating of "A+" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from S & P Global Ratings ("Standard & Poor's"). There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Standard & Poor's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Laurene McKenna, Assistant Superintendent for Business at the District's business offices at 115 Buckley Street, Liberty, New York 12754.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

ASSETS	
Unrestricted Cash	$ 9,856,512
Restricted Cash	26,937,307
State & Federal Aid Receivable	2,482,689
Due from Other Governments	3,135,414
Other Receivables, Net	12,004
Prepaid Expenditures	687,314
Inventories	10,679
Non Depreciable Capital Assets	38,000
Depreciable Capital Assets, Net	34,294,249
TOTAL ASSETS	77,454,168
DEFERRED OUTFLOWS OF RESOURCES	
Pension Plans (ERS & TRS)	9,443,556
Other Postemployment Benefits	7,450,632
Refunding	19,830
DEFERRED OUTFLOWS OF RESOURCES	16,914,018
LIABILITIES	
Accounts Payable	1,076,018
Accrued Liabilities	39,943
Due to Other Governments	1,754,760
Due to Teachers' Retirement System	2,115,366
Due to Employees' Retirement System	179,607
Other Liabilities	4,378
Unearned Revenues	90,703
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (includes Unamortized Premium of $10,234)	2,145,234
Installment Purchase Debt	246,984
Due and Payable In More Than One Year:	
Bonds Payable	1,320,000
Installment Purchase Debt	1,905,704
Compensated Absences	1,443,711
Other Postemployment Benefits	75,613,097
Net Pension Liability, Proportionate Share (ERS & TRS)	3,064,797
TOTAL LIABILITIES	91,000,301
DEFERRED INFLOWS OF RESOURCES	
Pension Plans (ERS & TRS)	1,680,457
Other Postemployment Benefits	20,289,617
TOTAL DEFERRED INFLOWS OF RESOURCES	21,970,074
NET POSITION	
Net Investment in Capital Assets	28,734,157
Restricted (See Note 1)	26,316,891
Unrestricted Deficit	(73,653,238)
TOTAL NET POSITION	$ (18,602,189)

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
FUNCTIONS & PROGRAMS				
General Support	$ (7,553,109)	$ 0	$ 0	$ (7,553,109)
Instruction	(48,038,219)	103,665	4,121,683	(43,812,871)
Pupil Transportation	(6,642,178)	0	136,502	(6,505,676)
Debt Service – Interest	(164,027)	0	0	(164,027)
School Lunch Program	(1,764,757)	77,470	1,561,200	(126,087)
TOTAL FUNCTIONS & PROGRAMS	$ (64,162,290)	$ 181,135	$ 5,819,385	(58,161,770)
GENERAL REVENUES				
Real Property Taxes				16,667,327
Other Tax Items				1,517,991
Use of Money & Property				1,004,054
Sale of Property & Compensation for Loss				2,207
Miscellaneous				1,239,299
State Sources				47,205,163
Federal Sources				177,650
TOTAL GENERAL REVENUES				67,813,691
CHANGE IN NET POSITION				9,651,921
NET POSITION, BEGINNING OF YEAR				(28,254,110)
NET POSITION, END OF YEAR				$ (18,602,189)

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Unrestricted Cash	$ 9,856,512	$ 0	$ 0	$ 0	$ 0	$ 9,856,512
Restricted Cash	16,216,246	49,618	548,139	10,090,260	33,044	26,937,307
State & Federal Aid Receivable	1,006,920	1,350,988	124,781	0	0	2,482,689
Due from Other Governments	1,705,414	0	0	0	0	1,705,414
Due from Other Funds	1,730,177	0	0	0	38,850	1,769,027
Other Receivables, Net	10,813	0	1,191	0	0	12,004
Prepaid Expenditures	673,671	0	13,643	0	0	687,314
Inventories	0	0	10,679	0	0	10,679
TOTAL ASSETS	$ 31,199,753	$ 1,400,606	$ 698,433	$ 10,090,260	$ 71,894	$ 43,460,946
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 1,008,198	$ 59,660	$ 8,160	$ 0	$ 0	$ 1,076,018
Accrued Liabilities	20,248	13,517	1,035	0	0	34,800
Due to Other Governments	1,534,136	205,539	15,085	0	0	1,754,760
Due to Other Funds	38,849	1,031,558	11,077	687,543	0	1,769,027
Due to Teachers' Retirement System	2,115,366	0	0	0	0	2,115,366
Due to Employees' Retirement System	179,607	0	0	0	0	179,607
Compensated Absences	114,201	0	0	0	0	114,201
Unearned Revenues	0	90,703	0	0	0	90,703
Other Liabilities	4,378	0	0	0	0	4,378
TOTAL LIABILITIES	5,014,983	1,400,977	35,357	687,543	0	7,138,860
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	150,969	0	0	0	0	150,969
TOTAL DEFERRED INFLOWS OF RESOURCES	150,969	0	0	0	0	150,969
FUND BALANCES						
Fund Balance:						
Nonspendable	673,671	0	24,322	0	0	697,993
Restricted	16,216,246	0	626,034	9,402,717	71,894	26,316,891
Assigned	1,956,739	0	12,720	0	0	1,969,459
Unassigned	7,187,145	(371)	0	0	0	7,186,774
TOTAL FUND BALANCES	26,033,801	(371)	663,076	9,402,717	71,894	36,171,117
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES	$ 31,199,753	$ 1,400,606	$ 698,433	$ 10,090,260	$ 71,894	$ 43,460,946

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS				
Unrestricted Cash	$ 9,856,512	$ 0	$ 0	$ 9,856,512
Restricted Cash	26,937,307	0	0	26,937,307
State & Federal Aid Receivable	2,482,689	0	0	2,482,689
Due from Other Governments	1,705,414	1,430,000	0	3,135,414
Due from Other Funds	1,769,027	0	(1,769,027)	0
Other Receivables, Net	12,004	0	0	12,004
Prepaid Expenditures	687,314	0	0	687,314
Inventories	10,679	0	0	10,679
NonDepreciable Capital Assets	0	38,000	0	38,000
Depreciable Capital Assets, Net	0	34,294,249	0	34,294,249
TOTAL ASSETS	43,460,946	35,762,249	(1,769,027)	77,454,168
DEFERRED OUTFLOWS OF RESOURCES				
Pension Plans (ERS & TRS)	0	9,443,556	0	9,443,556
Other Postemployment Benefits	0	7,450,632	0	7,450,632
Deferred Charges - Refunding	0	19,830	0	19,830
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 43,460,946	$ 52,676,267	$ (1,769,027)	$ 94,368,186
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	$ 1,076,018	$ 0	$ 0	$ 1,076,018
Accrued Liabilities	34,800	5,143	0	39,943
Due to Other Governments	1,754,760	0	0	1,754,760
Due to Other Funds	1,769,027	0	(1,769,027)	0
Due to Teachers' Retirement System	2,115,366	0	0	2,115,366
Due to Employees' Retirement System	179,607	0	0	179,607
Compensated Absences	114,201	1,329,510	0	1,443,711
Other Liabilities	4,378			4,378
Bonds Payable	0	3,465,234	0	3,465,234
Installment Purchase Debt	0	2,152,688	0	2,152,688
Other Postemployment Benefits	0	75,613,097	0	75,613,097
Unearned Revenues	90,703	0	0	90,703
Net Pension Liability, Proportionate Share (ERS & TRS)	0	3,064,797	0	3,064,797
TOTAL LIABILITIES	7,138,860	85,630,468	(1,769,027)	91,000,301
DEFERRED INFLOWS OF RESOURCES				
Pension Plans (ERS & TRS)	0	1,680,457	0	1,680,457
Other Postemployment Benefits	0	20,289,617	0	20,289,617
Unavailable Revenues	150,969	(150,969)	0	0
TOTAL DEFERRED INFLOWS OF RESOURCES	150,969	21,819,105	0	21,970,074
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	7,289,829	107,449,573	(1,769,027)	112,970,375
FUND BALANCES / NET POSITION	36,171,117	(54,773,306)	0	(18,602,189)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES / NET POSITION	$ 43,460,946	$ 52,676,267	$ (1,769,027)	$ 94,368,186

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Real Property Taxes	$ 16,667,327	$ 0	$ 0	$ 0	$ 0	$ 16,667,327
Other Tax Items	1,517,991	0	0	0	0	1,517,991
Charges for Services	235,868	0	77,470	0	0	313,338
Use of Money & Property	1,001,967	0	0	0	2,087	1,004,054
Sale of Property & Compensation for Loss	2,207	0	0	0	0	2,207
Miscellaneous	1,344,284	13,759	14	0	0	1,358,057
State Sources	47,325,989	959,834	49,341	0	0	48,335,164
Federal Sources	177,650	3,163,767	1,511,859	0	0	4,853,276
TOTAL REVENUES	68,273,283	4,137,360	1,638,684	0	2,087	74,051,414
EXPENDITURES						
General Support	5,818,850	78,240	0	0	0	5,897,090
Instruction	29,364,302	3,499,452	0	0	0	32,863,754
Pupil Transportation	6,441,898	170,628	0	0	0	6,612,526
Employee Benefits	11,987,627	529,575	192,576	0	0	12,709,778
Debt Service:						
Principal	2,586,113	0	0	0	0	2,586,113
Interest	146,134	0	0	0	0	146,134
Cost of Sales	0	0	1,389,126	0	0	1,389,126
Capital Outlay	0	0	0	0	0	0
TOTAL EXPENDITURES	56,344,924	4,277,895	1,581,702	0	0	62,204,521
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	11,928,359	(140,535)	56,982	0	2,087	11,846,893
OTHER SOURCES & USES						
Operating Transfers In	0	139,780	100,000	10,000,000	0	10,239,780
Operating Transfers Out	(10,239,780)	0	0	0	0	(10,239,780)
TOTAL OTHER SOURCES & USES	(10,239,780)	139,780	100,000	10,000,000	0	0
EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	1,688,579	(755)	156,982	10,000,000	2,087	11,846,893
FUND BALANCES, BEGINNING OF YEAR	24,345,222	384	506,094	(597,283)	69,807	24,324,224
FUND BALANCES, END OF YEAR	$ 26,033,801	$ (371)	$ 663,076	$ 9,402,717	$ 71,894	$ 36,171,117

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 16,667,327	$ 0	$ 0	$ 0	$ 0	$ 16,667,327
Other Tax Items	1,517,991	0	0	0	0	1,517,991
Charges for Services	313,338	(132,203)	0	0	0	181,135
Use of Money & Property	1,004,054	0	0	0	0	1,004,054
Sale of Property & Compensation for Loss	2,207	0	0	0	0	2,207
Miscellaneous	1,358,057	0	0	(105,000)	0	1,253,057
State Sources	48,335,164	0	0	0	0	48,335,164
Federal Sources	4,853,276	0	0	0	0	4,853,276
TOTAL REVENUES	74,051,414	(132,203)	0	(105,000)	0	73,814,211
EXPENDITURES						
General Support	5,897,090	(897)	402,036	0	1,254,880	7,553,109
Instruction	32,863,754	(88,749)	2,267,677	0	12,995,537	48,038,219
Pupil Transportation	6,612,526	0	19,926	0	9,726	6,642,178
Employee Benefits	12,709,778	1,828,767	0	0	(14,538,545)	0
Debt Service:						
Principal	2,586,113	0	0	(2,586,113)	0	0
Interest	146,134	(1,298)	0	19,191	0	164,027
Cost of Sales	1,389,126	0	97,229	0	278,402	1,764,757
Capital Outlay	0	0	0	0	0	0
TOTAL EXPENDITURES	62,204,521	1,737,823	2,786,868	(2,566,922)	0	64,162,290
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	11,846,893	(1,870,026)	(2,786,868)	2,461,922	0	9,651,921
OTHER SOURCES & USES						
Operating Transfers In	10,239,780	0	0	0	(10,239,780)	0
Operating Transfers (Out)	(10,239,780)	0	0	0	10,239,780	0
TOTAL OTHER SOURCES & USES	0	0	0	0	0	0
NET CHANGE FOR THE YEAR	$ 11,846,893	$ (1,870,026)	$ (2,786,868)	$ 2,461,922	$ 0	$ 9,651,921

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	CUSTODIAL
ASSETS	
Cash	$ 79,068
TOTAL ASSETS	$ 79,068
LIABILITIES & NET POSITION	
NET POSITION	
Reserved for Individuals, Organizations and Other Governments	79,068
TOTAL LIABILITIES & NET POSITION	$ 79,068

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	CUSTODIAL
ADDITIONS	
Extra Classroom Receipts	$ 108,416
Library Taxes Collected	501,866
TOTAL ADDITIONS	610,282
DEDUCTIONS	
Extra Classroom Disbursements	113,256
Remittance to Library	501,866
TOTAL DEDUCTIONS	615,122
CHANGE IN NET POSITION	(4,840)
NET POSITION, BEGINNING OF YEAR	83,908
NET POSITION, END OF YEAR	$ 79,068

See notes to financial statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Liberty Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year's presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

The Liberty Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the 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 District's reporting entity.

1. Extraclassroom Activity Funds

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

The District is a component district in the Sullivan County BOCES. A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year ended June 30, 2024, the Liberty Central School District was billed $8,304,018 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $2,862,593. Financial statements for BOCES are available from the BOCES administrative office at 52 Ferndale Loomis Road, Liberty, NY 12754.

C. Basis of Presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, 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 program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in 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.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Fund Statements

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

The District reports the following major governmental funds:

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

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

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

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary funds:

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

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

The 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 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 District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 16, 2023. Taxes were collected during the period September 1, 2023 through November 15, 2023.

Uncollected real property taxes are subsequently enforced by Sullivan County. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions

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

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

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

Refer to NOTE 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. 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, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of United States and its agencies and obligations of the State and its municipalities and Districts.

J. Accounts Receivable

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

K. Inventories and Prepaid Items

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

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

L. Other Assets/Restricted Assets

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

M. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction-in-process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$ 5,000	Straight Line	50 years
Buildings and Improvements	5,000	Straight Line	50 years
Furniture and Equipment	5,000	Straight Line	5 – 20 years
Vehicles	5,000	Straight Line	5 – 20 years

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is deferred charges on refunding reported in the government – wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third deferred outflow is related to other postemployment benefits reported in the Statement of Net Position.

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. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second 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 (ERS System) 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 third is related to other postemployment benefits reported in the Statement of Net Position.

O. Unavailable/Unearned Revenue

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

Statute provides the authority for the 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.

Unavailable revenues recorded in governmental funds are typically adjusted and not included in the district-wide statements.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical/personal time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

2. Other Benefits

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 postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's full-time employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Short-Term Debt (Continued)

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

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

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

S. Equity Classifications

1. District-wide Statements

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

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

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Fund Statements

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

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance in the General Fund includes prepaid items of $673,671 and in the School Lunch Fund includes prepaid items of $13,643 and inventory of $10,679.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Capital Reserve

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

Unemployment Insurance Reserve

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. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Fund Statements (Continued)

Property Loss Reserve and Liability Reserve

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

Tax Certiorari Reserve

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions to the Employees Retirement System (ERS). This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. 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 the New York State Teacher's Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Encumbrances

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Fund Statements (Continued)

Restricted fund balance at June 30, 2024 consisted of:

General Fund:	
Capital Reserve	$ 10,538,823
Unemployment Insurance Reserve	148,023
Property Loss and Liability Reserve	164,570
Tax Certiorari Reserve	1,145,468
Employee Benefit Accrued Liability Reserve	1,671,473
Retirement Contribution Reserve	2,547,889
School Lunch Fund	626,034
Capital Fund	9,402,717
Debt Service Fund	71,894
Total Restricted Fund Balance	$ 26,316,891

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2024.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

General Fund	$ 1,956,739
School Lunch Fund	12,720
Total Encumbrances	$ 1,969,459

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Fund Statements (Continued)

Limitation on Unexpended Surplus Funds:

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund budget 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.

T. New Accounting Standards

GASB has issued Statement 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has implemented GASB Statement 99, as required.

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District has implemented GASB Statement 100, as required.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

GASB has issued Statement 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of governmental financial statements with essential information about risk related to government's vulnerabilities due to certain concentrations or constraints. The Statement requires a government that reports a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event or events that could have a substantial impact, have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

NOTE 2. EXPLANATION OF CERTAIN 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 focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

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

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

1. The costs of building and acquiring capital assets (land, buildings, and equipment) 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 assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2024 were as follows:

Original Cost of Capital Assets	$ 76,615,445
Accumulated Depreciation	(42,283,196)
	$ 34,332,249

2. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expensed when it is due, and thus requires the use of current financial resources. This liability at June 30, 2024 was as follows:

Accrued Interest Payable	$ 5,143

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

3. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because they are not due and payable in the current period. The balances at June 30, 2024 were as follows:

Bonds Payable	$	3,465,234
Installment Purchase Debt		2,152,688
Compensated Absences		1,329,510
Other Postemployment Benefits		75,613,097
Deferred Outflows - OPEB		(7,450,632)
Deferred Inflows - OPEB		20,289,617
	$	95,399,514

4. Unavailable Revenues are reported in the governmental funds Balance Sheet, but not in the Statement of Net Position, because they may not be collected and available in the current period. The balance at June 30, 2024 was as follows:

Unavailable Revenues	$	150,969

5. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily resulting from contributions subsequent to the measurement date and changes in the components of the net pension liability or asset are recorded. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2024 were as follows:

Deferred Outflows of Resources - Pension	$	9,443,556
Net Pension Liability, Proportionate Share (ERS & TRS)		(3,064,797)
Deferred Inflows of Resources - Pension		(1,680,457)
	$	4,698,302

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

6. The Statement of Net Position reflects a receivable from the Library for the amount of the outstanding debt related to the financing of the new library building. The receivable as June 30, 2024 was as follows:

Due From Other Governments	$ 1,430,000

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. 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 five broad categories. The amounts shown below represent:

1. 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.

2. Capital Related Differences

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

3. 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.

4. Pension Plan Related Differences

Pension plan transaction 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

5. Other Postemployment Benefits (OPEB) Related 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.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues and other funding sources reported in Governmental Funds (Schedule 5)	$ 84,291,194
Because some revenue will not be collected for several months after the District's fiscal year-end, they are not considered as "available" revenues in the governmental funds. However, they are considered to be earned in the Statement of Activities. This is the amount by which unavailable revenues last year exceeded unavailable revenues this year.	(132,203)
Proceeds from another Governmental Entity received as payment for their portion of the debt service are recognized in the governmental fund. This is the amount of the payment received.	(105,000)
Operating transfers from other funds are recognized as other funding sources in the governmental fund statements, but are eliminated in the Statement of Activities.	(10,239,780)
Total revenues in the Statement of Activities (Schedule 2)	$ 73,814,211

Total Expenditures & Other Uses/Expenses

Total expenditures and other uses reported in Governmental Funds (Schedule 5)	$ 72,444,301
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $0 were less than depreciation of $2,786,868 in the current year.	2,786,868
In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which compensated absences used during the year exceeded the amount earned.	(89,646)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Total Expenditures & Other Uses (Continued)

In the Statement of Activities, the expense for other post-employment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost, and changes in the benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	430,086
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable last year exceeded the interest payable this year.	(1,298)
Premiums and discounts on long-term debt issuances, bond issuance costs, and deferred amounts from debt refundings are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the net amount that was amortized during the fiscal year.	19,191
Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(2,586,113)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds (TRS of \$370,392 and ERS of \$1,028,289).	1,398,681
Operating transfers to other funds are recognized as other uses of funds in the governmental fund statements, but are eliminated in the Statement of Activities.	(10,239,780)
Total expenses in the Statement of Activities. (Schedule 2)	\$ 64,162,290

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

- The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. During the fiscal year, supplemental appropriations were made through Board authorized appropriations as shown on Supplemental Schedule #5.

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.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

B. 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 restrictions or assignments 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.

NOTE 4. CASH – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	$	0
Insured	$	1,349,012
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$	35,832,453

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $32,291,079 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

NOTE 5. CAPITAL ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 38,000	$ 0	$ 0	$ 38,000
Construction in Progress	0	0	0	0
Total Nondepreciable Assets	38,000	0	0	38,000
Capital assets that are depreciated:				
Land Improvements	986,381	0	0	986,381
Buildings & Improvements	70,944,019	0	0	70,944,019
Furniture & Equipment	4,274,182	0	0	4,274,182
Vehicles	372,863	0	0	372,863
Total Depreciable Assets	76,577,445	0	0	76,577,445
Less: Accumulated Depreciation	(39,496,328)	(2,786,868)	0	(42,283,196)
Capital Assets, Net	$ 37,119,117	$ (2,786,868)	$ 0	$ 34,332,249

NOTE 5. CAPITAL ASSETS. (Continued)

Depreciation expense was charged to governmental functions as follows:

General Support	$ 402,036
Instruction	2,267,677
Transportation	19,926
Cost of Sales	97,229
Total Depreciation	$ 2,786,868

NOTE 6. LONG-TERM LIABILITIES.

Long-term liability balances and activity for the year ended June 30, 2024 are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable*	$ 5,830,702	$ 0	$ 2,365,468	$ 3,465,234	$ 2,145,234
Installment Purchase Debt	2,393,801	0	241,113	2,152,688	246,984
Total Bonds and Notes Payable	8,224,503	0	2,606,581	5,617,922	2,392,218
Other Liabilities:					
Compensated Absences	1,419,156	0	89,646	1,329,510	0
Other Postemployment Benefits	73,080,652	5,708,648	3,176,203	75,613,097	0
Net Pension Liability Proportionate Share	4,481,467	0	1,416,670	3,064,797	0
Total Other Liabilities	78,981,275	5,708,648	4,682,519	80,007,404	0
Total Long-Term Liabilities	$ 87,205,778	$ 5,708,648	$ 7,289,100	$ 85,625,326	$ 2,392,218

*At June 30, 2024, Bonds Payable includes unamortized premiums of $10,234. This amount is being amortized over the life of the debt issuance to which it relates.

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences. Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Activity for Other Postemployment Benefits and Net Pension Liability have also been shown as net figures.

NOTE 6. LONG-TERM LIABILITIES. (Continued)

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bonds	04/26/10	06/15/25	0.800%	$ 1,220,000
Serial Bonds	10/13/16	12/01/24	Various	805,000
Serial Bonds - Library	02/28/19	06/15/35	3.0000%	1,430,000
				3,455,000
Energy Performance Contract	12/15/16	06/15/32	2.420%	2,152,688
TOTAL				$ 5,607,688

The following is a summary of maturing debt service requirements:

	Bonds Payable		Other Debt	
For the Year Ended June 30,	Principal	Interest	Principal	Interest
2025	$ 2,135,000	$ 136,196	$ 246,984	$ 56,480
2026	115,000	76,598	252,997	50,610
2027	115,000	39,600	259,156	44,597
2028	120,000	36,150	265,466	38,437
2029	675,000	32,700	271,929	32,128
2030 – 2034	295,000	93,300	856,156	62,286
2035 – 2039	-	13,350	0	0
TOTAL	$ 3,455,000	$ 427,894	$ 2,152,688	$ 284,538

The following is a summary of obligations of government activities under capital leases (also included in the above summary of debt service requirements):

For the Year Ended June 30,	Total
2025	$ 303,464
2026	303,607
2027	303,753
2028	303,903
2029	304,057
2030 – 2034	918,443
Total Minimum Lease Payments	2,437,225
Less: Amount Representing Interest	(284,538)
Present Value of Minimum Lease Payments	$ 2,152,688

NOTE 6. LONG-TERM LIABILITIES. (Continued)

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

Interest paid	$	146,134
Less: Interest accrued in the prior year		(6,441)
Plus: Amortization of premium and deferred amount		19,191
Plus: Interest accrued in the current year		5,143
Total interest expense	$	164,027

NOTE 8. PENSION PLANS.

Pension Obligations

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

Plan Description & Benefits Provided

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System s website located at www.nystrs.org.

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous two years.

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied 1for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members' tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by 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 are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credit service times final average salary.

Under Article 19 of the RSSL, eligible Tiers 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of two additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2% per year for 25 - 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 5 years of service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 5 years of state service credit. An age factor applies for Tier 6 members who retire before age 63. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

Vested Benefits
Retirement benefits for Tiers 1-6 are vested after five years of credited service. Prior to April 9, 2022, Tier 5-6 members needed to attain 10 years of state service credited to be vested. Benefits are payable at age 55 or greater with the limitations noted for service retirement above.

Death Benefits
Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service
After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service.

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future
Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future
retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI) not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the maximum annual benefit. The applicable percentage payable beginning September 2022 is 3.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the Consumer Price Index (CPI) with a maximum per annum increase of 3.0%.

Contributions

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

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

Year	NYSTRS	NYSERS
2023 – 2024	$ 1,668,111	$ 464,336
2022 – 2023	1,721,603	399,303
2021 – 2022	1,593,561	489,538

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

NOTE 8. PENSION PLANS. (Continued)

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

At March 31, 2024, the District's proportion of the NYSERS net pension asset/(liability) was .0123665%, which was an increase of .000198% from its proportion measured as of March 31, 2023.

At June 30, 2023, the District's proportion of the NYSTRS net pension asset/(liability) was .095346%, which was a increase of .000047% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $889,372 and $2,706,491 for ERS and TRS, respectively. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 633,270	$ 2,664,113	$ 3,297,383
Changes of Assumptions	743,328	2,365,520	3,108,848
Net difference between projected and actual earnings on pension plan investments	0	561,646	561,646
Changes in proportion	155,831	24,875	180,706
District's contributions subsequent to the measurement date	179,607	2,115,366	2,294,973
Total	$ 1,712,036	$ 7,731,520	$ 9,443,556

	Deferred Inflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 53,610	$ 6,584	$ 60,194
Changes of Assumptions	0	515,552	515,552
Net difference between projected and actual earnings on pension plan investments	960,416	0	960,416
Changes in proportion	35,419	108,876	144,295
Total	$ 1,049,445	$ 631,012	$ 1,680,457

NOTE 8. PENSION PLANS. (Continued)

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

Year Ended:	ERS	TRS
2024	$ 0	$ (420,414)
2025	(302,578)	600,306
2026	397,889	(4,416,453)
2027	588,264	(332,124)
2028	(200,589)	(256,435)
Thereafter	0	(160,022)

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Inflation Rate	2.9%	2.40%
Projected Salary Increases	4.4%	1.90% - 5.18% Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
Projected Cost of Living Adjustments	1.3%, compounded annually	1.3%, compounded annually
Investment Rate of Return	5.9% compounded annually, net of investment expenses	6.95% compounded annually, net of investment expenses
Decrements	Actuarial experience study for the period April 1, 2015 to March 31, 2020	Actuarial experience study for the period July 1, 2015 to June 30, 2020
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate 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. The Long Term Expected Real Rates of Return are presented by asset allocation classification, which differ from the financial statement of presentation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

NOTE 8. PENSION PLANS. (Continued)

	ERS	
Measurement Date	March 31, 2024	
	Target Allocation	Long-term expected real rate of return*
Asset Class:		
Domestic Equity	32%	4.00%
International Equity	15%	6.65%
Private Equity	10%	7.25%
Real Estate	9%	4.60%
Opportunistic/ARS Portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	25.00%
Total	100%	

	TRS	
Measurement Date	June 30, 2023	
	Target Allocation	Long-term expected real rate of return*
Asset Class:		
Domestic Equities	33%	6.80%
International Equities	15%	7.60%
Global Equities	4%	7.20%
Real Estate Equities	11%	6.30%
Private Equities	9%	10.10%
Domestic fixed income securities	16%	2.20%
Global bonds	2%	1.60%
Private Debt	2%	6.00%
Real Estate Debt	6%	3.20%
High-Yield Bonds	1%	4.40%
Cash Equivalents	1%	0.30%
	100%	

*Real rates of return are net of a long-term inflation assumption of 2.5% for ERS and 2.4% for TRS

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability)would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 6.10% for TRS) or 1-percentage-point higher (5.95% for ERS and 7.95% for TRS) than the current rate:

NOTE 8. PENSION PLANS. (Continued)

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (6,181,533)	$ (1,966,073)	$ 1,554,712

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (16,734,124)	$ (1,098,724)	$ 12,051,324

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	$ (240,696,851)	$ (138,365,122)
Plan net position	225,972,801	137,221,537
Employers' net pension asset/(liability)	$ (14,724,050)	$ (1,143,585)
Ration of plan net position to the employers' total pension asset/(liability)	93.88%	99.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contributions for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $127,393.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions as of June 30, 2024 amounted to $2,137,154

NOTE 9. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 1,730,178	$ 38,849	$ 0	$ 10,239,779
Special Aid Fund	0	1,031,558	139,780	0
School Lunch Fund	0	11,077	100,000	0
Capital Fund	0	687,543	9,999,999	0
Debt Service Fund	38,849	0	0	0
Total Governmental Activities	1,769,027	1,769,027	10,239,779	10,239,779
Fiduciary Agency Fund	0	0	0	0
Totals	$ 1,769,027	$ 1,769,027	$ 10,239,779	$ 10,239,779

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for eligible retired employees, their spouses and their dependent children. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District's OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. Minimum eligibility requirements for postemployment benefits are as follows:

- The retiree has attained age 55 years while in the employment of the District and meets the follow service requirements:
    - Service requirements range from 5 to 10 years of service based on the employment category (contract) and date of hire.
- The retiree is receiving retirement benefits from the NYS Employees' Retirement System or the NYS Teachers' Retirement System

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

The retiree is required to make a contribution towards the cost of coverage; contributions vary according to employment category (contract). The District reimburses Medicare Part B premiums for retirees who met the eligibility requirements at the time of retirement. In addition, the District will reimburse Medicare Part B premiums for future retirees.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	243
Active employees	285
Total Employees Covered by Benefit Terms	528

Total OPEB Liability

The District's total OPEB liability of $73,080,652 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	4.0%
Discount Rate	3.54%
Healthcare Cost Trend Rates	Pre-65: 7.20% for 2020, decreasing to an ultimate rate of 4.50% for 2027 and later years
	Post-65: 8.70% for 2020, decreasing to an ultimate rate of 4.50% for 2027 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 42% - 85% of the cost of single/family coverage and 42% - 75% for the spouse/family based on years of service with the District.
Future Retirees' Share of Benefit Related Costs	Retirees pay 42% - 85% of the cost of single/family coverage and 42% - 75% for the spouse/family based on years of service with the District.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index.

Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 - June 30, 2022.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 73,080,652
Changes for the Year:	
Service cost	3,013,400
Interest	2,663,344
Changes of benefit terms	0
Differences between expected and actual experience	31,904
Changes in assumptions or other inputs	(1,444,503)
Benefit payments	(1,731,700)
Net Changes	2,532,445
Balance at June 30, 2024	$ 75,613,097

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 (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 90,299,552	$ 75,613,097	$ 64,083,568

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 62,298,986	$ 75,613,097	$ 93,275,938

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

For the year ended June 30, 2024, the District recognized OPEB expense of $780,477. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,007,824	$ 1,844,205
Changes of assumptions or other inputs	4,711,108	18,445,412
District's contributions subsequent to the measurement date	1,731,700	0
Total	$ 7,450,632	$ 20,289,617

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2025	$ 2,373,799
2026	2,211,469
2027	2,475,642
2028	2,759,419
2029	2,700,993
Thereafter	2,049,363

NOTE 11. RISK MANAGEMENT.

General Information

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

NOTE 12. COMMITMENTS AND CONTINGENCIES.

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

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB #16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports $1,329,510 for accumulating, non-vesting sick leave.

NOTE 13. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. Encumbrances of appropriations of budgets for the year ended June 30, 2024 have been included in the assigned fund balance of the General Fund and in the restricted fund balance of all other funds at June 30, 2024 as follows:

General Fund	$ 1,956,739
School Lunch Fund	12,720
Total Encumbrances	$ 1,969,459

NOTE 14. TAX ABATEMENTS.

The District negotiates property tax abatement agreements on an individual basis. The District has tax abatement agreements with eleven entities as of June 30, 2024:

Full Assessed Value	Full Tax	PILOT's Received	Tax Abated
$ 22,424,585	$ 936,661	755,124	$ 181,537

Each agreement was negotiated under municipal law, allowing localities to abate property taxes for a variety of development purposes, including business relocation, retention and expansion. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. Localities may grant abatements up to 50% of annual property taxes through a direct reduction of the entity's property tax bill. The municipal law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

The District has not made any commitments as part of the agreements other than to reduce property taxes. The District is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 15. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 8, 2024, the date that the financial statements were available to be issued. As of this date, there are no subsequent events to report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Total OPEB Liability							
Service Cost	$ 3,013,400	$ 4,155,915	$ 3,630,702	$ 3,356,272	$ 2,900,444	$ 2,017,147	$ 2,482,066
Interest	2,663,344	2,021,442	1,900,800	2,899,330	2,829,150	2,522,295	2,226,864
Differences Between Expected and Actual Experiences	31,904	469,683	111,189	(3,779,103)	(174,370)	5,703,395	-
Changes of Benefit Terms	-	217,331	-	-	-	155,507	-
Changes of Assumptions	(1,444,503)	(22,341,787)	3,126,747	2,316,666	4,942,013	(7,341,401)	(10,671,559)
Benefit Payments	(1,731,700)	(1,733,282)	(1,703,505)	(1,613,028)	(1,300,000)	(1,282,556)	(1,225,859)
Net change in total OPEB liability	2,532,445	(17,210,698)	7,065,933	3,180,137	9,197,237	1,774,387	(7,188,488)
Total OPEB liability - beginning	73,080,652	90,291,350	83,225,417	80,045,280	70,848,043	69,073,656	76,262,144
Total OPEB liability - ending	$ 75,613,097	$ 73,080,652	$ 90,291,350	$ 83,225,417	$ 80,045,280	$ 70,848,043	$ 69,073,656
Covered-employee payroll	$ 18,567,601	$ 18,254,466	$ 17,627,981	$ 17,627,981	$ 19,949,227	$ 18,904,236	$ 18,337,336
Total OPEB liability as a percentage of covered-employee payroll	407.23%	400.34%	512.20%	472.12%	401.25%	374.77%	376.68%

Notes to Schedule:
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits

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

06/30/24	3.54%
06/30/23	3.54%
06/30/22	3.54%
06/30/21	2.16%
06/30/20	2.21%
06/30/19	3.51%
06/30/18	3.87%
06/30/17	3.58%
06/30/16	2.85%

Underlying claims were updated to reflect the most recent claims experience for the 6/30/22 period.

For the 6/30/22 period, the mortality assumption was the PUB-2010 Headcount Weighted Mortality Table with projection scale MP-2020 varying based on Bargaining Unit Classification.

For the 6/30/22 period, the salary scale was updated to service-based tables from ERS and TRS.

For the 6/30/22 period, healthcare cost trend rates were updated based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on provisions of the benefits sponsored by the District.

*GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) FINAL BUDGET
REVENUES				
LOCAL SOURCES:				
Real Property Taxes	$ 16,760,162	$ 16,760,162	$ 16,667,327	$ (92,835)
Other Tax Items	1,380,000	1,380,000	1,517,991	137,991
Charges for Services	35,000	35,000	235,868	200,868
Use of Money & Property	177,000	177,000	1,001,967	824,967
Sale of Property & Compensation for Loss	0	0	2,207	2,207
Miscellaneous	984,200	984,200	1,344,284	360,084
STATE SOURCES	46,800,000	46,800,000	47,325,989	525,989
FEDERAL SOURCES	160,000	160,000	177,650	17,650
TOTAL REVENUES	66,296,362	66,296,362	$ 68,273,283	$ 1,976,921
Appropriated Fund Balance and Reserves	855,192	855,192		
TOTAL REVENUES & OTHER FINANCING SOURCES	$ 67,151,554	$ 77,051,554		

See paragraph on supplementary schedules included in auditor's report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
EXPENDITURES					
GENERAL SUPPORT:					
Board of Education	$ 73,901	$ 68,605	$ 59,548	$ 1,401	$ 7,656
Central Administration	284,238	332,469	328,252	1,429	2,788
Finance	672,910	885,998	829,901	3,820	52,277
Staff	644,637	658,197	608,737	10,000	39,460
Central Services	3,843,174	3,708,293	2,846,144	332,521	529,628
Special Items	1,136,710	1,175,986	1,146,268	0	29,718
INSTRUCTIONAL:					
Instruction, Administration & Improvement	3,166,373	3,300,099	3,075,378	54,851	169,870
Teaching – Regular School	15,708,574	15,997,375	13,788,268	559,452	1,649,655
Programs for Children with Handicapping Conditions	9,695,363	8,943,468	8,157,447	97,472	688,549
Occupational Education	451,365	440,673	387,100	0	53,573
Teaching – Special Schools	147,784	127,784	29,963	0	97,821
Instructional Media	2,619,305	3,131,537	1,667,258	517,077	947,202
Pupil Services	2,755,081	2,699,712	2,258,888	223,600	217,224
PUPIL TRANSPORTATION	7,364,411	7,314,411	6,441,898	37,153	835,360
COMMUNITY SERVICES	0	0	0	0	0
EMPLOYEE BENEFITS	15,304,528	15,096,427	11,987,627	117,963	2,990,837
DEBT SERVICE:					
Debt Service – Principal	2,578,800	2,586,120	2,586,079	0	41
Debt Service – Interest	344,400	324,400	146,168	0	178,232
TOTAL EXPENDITURES	66,791,554	66,791,554	56,344,924	1,956,739	8,489,891
OTHER USES:					
Operating Transfers Out	360,000	10,260,000	10,239,780	0	20,220
TOTAL EXPENDITURES & OTHER USES	$ 67,151,554	$ 77,051,554	66,584,704	$ 1,956,739	$ 8,510,111
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			$ 1,688,579		

See paragraph on supplementary schedules included in auditor's report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION ASSET/LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

NYSERS Pension Plan
Last 10 Fiscal Years

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
District's proportion of the net pension asset/(liability)	0.0133528%	0.0123665%	0.0112664%	0.0112518%	0.0099737%	0.0110732%	0.011914%	0.011170%	0.011183%	0.0119841%
District's proportionate share of the net pension asset/(liability)	$ 1,966,073	$ (2,651,880)	$ 920,978	$ (11,204)	$ (2,641,095)	$ (784,568)	$ (384,510)	$ (1,049,562)	$ (1,794,958)	$ (404,852)
District's covered-employee payroll	$ 4,328,446	$ 4,203,091	$ 4,233,092	$ 3,745,267	$ 3,622,116	$ 3,162,819	$ 3,218,440	$ 2,949,577	$ 2,818,712	$ 2,936,499
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	45.42%	-63.09%	21.76%	-0.30%	-72.92%	-24.81%	-11.95%	-35.58%	-63.68%	-13.79%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	97.95%	97.95%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension asset/(liability)	0.960770%	0.095346%	0.095299%	0.096194%	0.096135%	0.092801%	0.093355%	0.093532%	0.093330%	0.093884%
District's proportionate share of the net pension asset/(liability)	$ 1,098,724	$ (1,829,587)	$ 1,651,442	$ (2,658,090)	$ 2,497,595	$ 1,678,091	$ 709,588	$ (1,001,770)	$ 9,694,034	#########
District's covered-employee payroll	$ 18,567,601	$ 18,202,206	$ 17,212,209	$ 16,175,331	$ 16,327,111	$ 16,046,500	$ 15,116,283	$ 14,432,979	$ 14,263,564	#########
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	5.92%	-10.05%	9.59%	-16.43%	15.30%	10.46%	4.69%	-6.94%	67.96%	75.41%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	111.48%	111.48%

See paragraph on supplementary schedules included in auditor's report

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

NYSERS Pension Plan
Last 10 Fiscal Years

	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	$ 484,704	$ 398,505	$ 533,597	$ 496,200	$ 433,410	$ 450,523	$ 457,360	$ 442,452	$ 475,136	$ 515,672
Contributions in relation to the contractually required contribution	484,704	398,505	533,597	496,200	433,410	450,523	457,360	442,452	475,136	515,672
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 4,328,446	$ 4,203,091	$ 4,233,092	$ 3,745,267	$ 3,622,116	$ 3,162,819	$ 3,218,440	$ 2,949,577	$ 2,818,712	$ 2,936,499
Contributions as a percentage of its covered-employee payroll	11.20%	9.48%	12.61%	13.25%	11.97%	14.24%	14.21%	15.00%	16.86%	17.56%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Contractually required contribution	$ 1,825,921	$ 1,655,300	$ 1,541,509	$ 1,446,582	$ 1,704,138	$ 1,481,396	$ 1,733,815	$ 1,913,813	$ 2,457,612	$ 2,253,564
Contributions in relation to the contractually required contribution	1,825,921	1,655,300	1,541,509	1,446,582	1,704,138	1,481,396	1,733,815	1,913,813	2,457,612	2,253,564
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 18,567,601	$ 18,202,206	$ 17,212,209	$ 16,175,331	$ 16,327,111	$ 16,046,500	$ 15,116,283	$ 14,432,979	$ 14,263,564	$ 13,868,086
Contributions as a percentage of its covered-employee payroll	9.83%	9.09%	8.96%	8.94%	10.44%	9.23%	11.47%	13.26%	17.23%	16.25%

See paragraph on supplementary schedules included in auditor's report

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET		$ 66,296,362
ADDITIONS:		
Encumbrances from Prior Year		855,192
FINAL BUDGET		$ 67,151,554
BUDGET REVISIONS:		
Budget Amendment for Appropriation from Fund Balance:		
Building & Facilities Capital Project		
Voter Approved		9,900,000
REVISED BUDGET		$ 77,051,554

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024–2025 Voter-Approved Expenditure Budget Maximum Allowed		
(4% of 2024–2025 Budget, $68,034,294)		$ 2,721,372
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 1,956,739	
Unassigned Fund Balance	7,187,145	
Total Unrestricted Fund Balance	9,143,884	
Less:		
Encumbrances Included in Committed and Assigned Fund Balance	1,956,739	
Total Adjustments	1,956,739	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 7,187,145
Actual Percentage		10.56%

See paragraph on supplementary schedules included in auditor's report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2024

			EXPENDITURES TO DATE				METHODS OF FINANCING			
	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	CURRENT YEAR	TOTAL	UNEXPENDED BALANCE	PROCEEDS FROM DEBT	LOCAL SOURCES	TOTAL	FUND BALANCE JUNE 30, 2024
Smart Schools Bond Act	$ 2,002,780	$ 2,002,780	$ 958,322	$ 0	$ 958,322	$ 1,044,458	$ 0	$ 277,999	$ 277,999	$ (680,323)
2019-2020 Capital Outlay Project	100,000	100,000	0	0	0	100,000	0	65,000	65,000	65,000
2019-2020 Security Project	35,000	35,000	16,959	0	16,959	18,041	0	35,000	35,000	18,041
Maintenance Building	1,469,131	1,469,131	0	0	0	1,469,131	0	100,000	100,000	100,000
Building & Facilities Capital Project - 1/17/2024	42,689,222	42,689,222	0	0	0	42,689,222	0	9,900,000	9,900,000	9,900,000
	$ 46,296,133	$ 46,296,133	$ 975,281	$ 0	$ 975,281	$ 45,320,852	$ 0	$ 10,377,999	$ 10,377,999	$ 9,402,718

See paragraph on supplementary schedules included in auditor's report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS, NET		$ 34,332,249
ADDITIONS:		
Deferred Amount of Refunding	$ 19,830	
Total Additions		19,830
DEDUCTIONS:		
Short-term Portion of Bonds Payable (includes Unamortized Premium of $10,234)	$ 2,145,234	
Long-term Portion of Bonds Payable	1,320,000	
Short-term Portion of Installment Debt	246,984	
Long-term Portion of Installment Debt	1,905,704	
Total Deductions		5,617,922
NET INVESTMENT IN CAPITAL ASSETS		$ 28,734,157

See paragraph on supplementary schedules included on auditor's report.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
STATEMENT OF INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2024

	DATE OF ORIGINAL ISSUE	MATURITY	INTEREST RATE	OUTSTANDING BEGINNING OF FISCAL YEAR	ISSUED DURING YEAR	PAID DURING YEAR	OUTSTANDING END OF YEAR	AMOUNT OF INTEREST PAID DURING FISCAL YEAR	AMOUNT OF INTEREST ACCRUED AT JUNE 30, 2024
BONDS & OTHER DEBT									
Serial Bonds – QZAB	9/15/2009	6/15/2024	0.500%	$ 240,000	$ 0	$ 240,000	$ 0	$ 1,166	$ 0
Serial Bonds – QZAB	4/26/2010	6/15/2025	0.800%	2,430,000	0	1,210,000	1,220,000	19,426	401
Refunding Serial Bonds - 2016	10/13/2016	12/1/2024	Various	1,595,000	0	790,000	805,000	23,012	1,279
Energy Performance Contract - 2016	12/15/2016	6/15/2032	2.420%	2,393,801	0	241,113	2,152,688	56,480	2,141
Serial Bonds - Library	2/28/2019	6/15/2035	3.000%	1,535,000	0	105,000	1,430,000	46,050	1,322
TOTAL INDEBTEDNESS				$ 8,193,801	$ 0	$ 2,586,113	$ 5,607,688	$ 146,134	$ 5,143

See paragraph on supplementary schedules included in auditor's reprot.

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

To the President and Members
of the Board of Education of the
Liberty Central School District
Liberty, New York 12754

We have audited, in accordance with the 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 and each major fund of Liberty Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Liberty Central School District's basic financial statements and have issued our report thereon dated October 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Liberty 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 Liberty Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Liberty Central School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Liberty 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nugent & Haeussler PC

Montgomery, New York
October 8, 2024

Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members
of the Board of Education of the
Liberty Central School District
Liberty, New York 12754

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Nugent & Haeussler PC

Montgomery, New York
October 8, 2024

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE		FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE					
Passed-through NYS Education Department:					
Child Nutrition Cluster:					
Cash Assistance					
National School Lunch Program		10.555	N/A		925,306
National School Breakfast Program		10.553	N/A		401,937
Child Nutrition Discretionary Grant		10.579	N/A		52,268
Fresh Fruit and Vegetable Program (FFVP)		10.582	N/A		39,429
Cash Assistance Subtotal				0	1,418,940
Non-Cash Assistance (food distribution)					
Commodity Supplemental Food Service Program		10.555	N/A		40,525
TOTAL CHILD NUTRITION CLUSTER				0	1,459,465
Local Food for Schools Cooperative Agreement Program		10.185	N/A		15,867
Summer Food Service Program for Children		10.559	N/A		36,527
TOTAL U.S. DEPT. OF AGRICULTURE				0	1,511,859
U.S. DEPARTMENT OF EDUCATION					
Passed-through NYS Education Department:					
Special Education Cluster:					
IDEA – Part B, Section 611		84.027	0032-24-0965	$ 32,436	$ 729,266
IDEA – Part B, Section 619		84.173	0033-24-0965	4,263	15,855
Total Special Education Cluster				36,699	745,121
Title I Parts A&D, Basic Program		84.010	0021-24-3300	0	656,132
Title I Parts A&D, Basic Program		84.010	0021-23-3300	0	153
Title I School Improvement		84.010	0011-24-2116	0	105,870
Title I School Improvement		84.010	0011-23-2116	0	3,178
Title I School Improvement		84.010	0011-24-8084	0	13,872
Title I School Improvement		84.010	0011-23-8084	0	21,261
McKinney-Vento Homeless Assistance		84.196A	0212-24-3126	0	65,549
McKinney-Vento Homeless Assistance		84.196A	0212-23-3126	0	36,622
Title II Part A, Teacher & Principal Training & Recruiting		84.367	0147-24-3300	0	65,677
Title III Part A, LEP		84.365	0293-24-3300	0	16,865
Title III Part A, LEP		84.365	0293-23-3300	0	2
Title III Part A, Immigrant Education		84.365	0149-24-3300	0	25,736
Title IV Part A, Safe and Drug Free Schools		84.186	0204-23-3300	0	4,785
Title IV Part A, Safe and Drug Free Schools		84.424	0204-24-3300	0	51,354
Education Stabilization Funds					
Governor's Emergency Education Relief (GEER 2)	Covid - 20	84.425C	5896-21-3300	0	18,426
Elementary and Secondary School Emergency Relief Fund (ESSER II)	Covid - 21	84.425D	5891-21-3300	0	90,241
Elementary and Secondary School Emergency Relief Fund (ESSER III)	Covid - 22	84.425U	5880-21-3300	0	688,313
ARP Homeless II	Covid - 23	84.425U	5218-21-3300	0	10,397
ARP Comprehensive After School Grant (ESSER 1%)	Covid - 24	84.425U	5883-21-3300	0	25,233
ARP Summer Enrichment	Covid - 25	84.425U	5882-21-3300	0	173,644
ARP Learning Loss	Covid - 26	84.425U	5884-21-3300	0	310,639
Total Education Stabilization Funds				0	1,316,893
TOTAL U.S. DEPARTMENT OF EDUCATION				36,699	3,163,767
TOTAL FEDERAL AWARDS EXPENDED				$ 36,699	$ 4,623,232

The accompanying notes are an integral part of the schedule.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $40,525 of commodities under the Commodity Supplemental Food Program (Federal Assistance Listing Number 10.555).

NOTE 3. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS
Type of Auditor's Opinion Issued: Unmodified

Internal Control over Financial Reporting:	
Material weakness(es) identified?	_____ Yes _X_ No
Significant deficiencies identified that are not considered to be material weaknesses	_____ Yes _X_ None Reported
Noncompliance material to financial statements noted?	_____ Yes _X_ No

FEDERAL AWARDS

Internal Control over Major Programs:	
Material weakness(es) identified?	_____ Yes _X_ No
Significant deficiencies identified that are not considered to be material weaknesses	_____ Yes _X_ None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR-200.516(a)?	_____ Yes _X_ No

IDENTIFICATION OF MAJOR PROGRAMS:

FEDERAL ASSISTANCE LISTING NUMBERS	NAME OF FEDERAL PROGRAM OR CLUSTER
10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? _X_ Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements which were required to be reported.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance.

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance.

Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Liberty Central School District
Liberty, New York 12754

Opinion

We have audited the accompanying financial statements of Liberty Central School District extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2023 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of Liberty Central School District extraclassroom activity funds as of June 30, 2023, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Liberty Central School District extraclassroom activity funds 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 opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, 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 Liberty Central School District's extraclassroom activity funds 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 Liberty Central School District's extraclassroom activity funds 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.

Nugent & Haeussler PC

Montgomery, New York
October 8, 2024

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE – CASH BASIS
JUNE 30, 2024

ASSETS

Cash	$ 79,068

FUND BALANCE

Fund Balance, Beginning of Year	$ 83,908
Excess of Disbursements over Receipts	(4,840)
Fund Balance, End of Year	$ 79,068

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF RECEIPTS & DISBURSEMENTS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	CASH BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2024
Art Honor Society	$ 318	$ 0	$ 0	$ 318
Class of 2023	1,630	0	1,630	0
Class of 2024	8,822	34,034	42,856	0
Class of 2025	3,313	4,176	2,417	5,072
Class of 2026	3,272	15,911	11,124	8,059
Class of 2027	526	5,375	3,614	2,287
Class of 2028	0	2,703	2,420	283
Debate Club	24	1	0	25
Disc Jockey Club	2,149	600	1,826	923
Elementary School Student Council	0	9,927	9,871	56
Future Business Leaders of America (FBLA)	740	0	0	740
Pride Coalition	581	2	0	583
Heartland Reimbursment	1	1,672	1,543	130
High School Band	1,010	20	0	1,030
High School Chorus	7,693	36	5,050	2,679
High School Student Council	6,091	2,675	2,165	6,601
High School Yearbook (Libertas)	2,263	3,998	4,714	1,547
Interact	2,685	250	296	2,639
Junior National Honor Society	416	0	0	416
Liberty Performing Arts	9,019	7,175	7,663	8,531
LifeSkills	475	531	5	1,001
Middle School Band	13,924	9,077	8,779	14,222
Middle School Student Council	4,460	5,197	3,412	6,245
Middle School Yearbook	163	1,208	1,270	101
National Honor Society	179	165	218	126
Orchestra Club	6,527	575	355	6,747
Photography Club	459	0	0	459
Sales Tax	3,538	2,200	1,516	4,222
Science Olympiad	639	488	412	715
Students Against Destructive Decisions	1,743	0	0	1,743
Technology Club	841	20	0	861
Visual Arts Club	407	400	100	707
	$ 83,908	$ 108,416	$ 113,256	$ 79,068

See notes to financial statements.

LIBERTY CENTRAL SCHOOL DISTRICT
LIBERTY, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Liberty Central School District. We have included the Extraclassroom Activity Fund balances within the fiduciary funds of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.

(b) The books and records of the Liberty Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

(c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.

FORM OF BOND COUNSEL'S OPINION

June 26, 2025

Liberty Central School District
Sullivan County
State of New York

Re: Liberty Central School District, Sullivan County, New York
$3,875,000 Bond Anticipation Notes, 2025 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $3,875,000 Bond Anticipation Notes, 2025 (Renewals) (the "Obligation"), of the Liberty Central School District, Sullivan County, New York (the "Obligor"), dated June 26, 2025, of the denomination of $3,875,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing June 26, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP