

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUES

BOND ANTICIPATION NOTES

In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel, assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not an "item of tax preference" for purposes of the alternative minimum tax imposed on individuals by the Code. However, interest on the Notes that is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax imposed under the Code. So long as interest on the Notes is excluded from gross income for Federal income tax purposes, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision therein (including the City of New York). See "TAX MATTERS" herein for discussion of certain Federal taxes applicable to corporate owners of the Notes.

The Notes will not be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$16,411,944



**LIVERPOOL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK
GENERAL OBLIGATIONS**

\$10,000,000 Bond Anticipation Notes, 2024 Series A
(the "Series A Notes")

Dated: September 19, 2024

Due: June 27, 2025

&

\$6,411,944 Bond Anticipation Notes, 2024 Series B
(the "Series B Notes")
(collectively referred to herein as the "Notes")

Dated: September 19, 2024

Due: September 19, 2025

The Notes are general obligations of the Liverpool Central School District, Onondaga County, New York (the "District"), all of 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 "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for one necessary odd denomination which is or includes \$9,621, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$6,944, with respect to the Series B Notes, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to 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 Beneficial Owners will be the responsibility of Direct and Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), or about September 19, 2024.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on September 4, 2024 by no later than 10:30 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.

August 29, 2024

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 ENUMERATED EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

**LIVERPOOL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**



DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

NICHOLAS BLANEY
President

JECENIA BRESETT
Vice President

STACEY CHILBERT
HAYLEY DOWNS
MATT JONES
KIMBERLY MARTIN
DAN MCKEEVER
KIMBERLY MELNIK
JOHN SOLAZZO

* * * * *

DANIEL G. HENNER
Superintendent of Schools

DOUGLAS LAWRENCE
Deputy Superintendent

JENNIFER WOODY
Assistant Superintendent of Business Administration

TAMMY FIORAMONTI
School District Treasurer

GAIL MASSETT
School District Clerk



FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisors

BOND SCHOENECK
& KING
Bond Counsel

No person has been authorized by Liverpool 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 Liverpool Central School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
LIVERPOOL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK

Relating To
\$10,000,000 Bond Anticipation Notes, 2024 Series A
&
\$6,411,944 Bond Anticipation Notes, 2024 Series B

This Official Statement, which includes the cover page and appendices, has been prepared by the Liverpool Central School District, Onondaga County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$10,000,000 principal amount of Bond Anticipation Notes, 2024 Series A (the "Series A Notes") and \$6,411,944 principal amount of Bond Anticipation Notes, 2024 Series B (the "Series B Notes")(collectively referred to herein as 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. See "TAX LEVY LIMITATION LAW" herein.

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

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

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

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

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

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

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

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

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

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 of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “TAX LEVY LIMITATION LAW” herein.

The Series A Notes are dated September 19, 2024 and mature, without option of prior redemption, on June 27, 2025. The Series B Notes are dated September 19, 2024 and mature, without option of prior redemption, on September 19, 2025. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued either as (i) registered in the name of the purchaser(s), in denominations of \$5,000 each or multiples thereof, except for one necessary odd denomination which is or includes \$9,621, with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of 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 Series A Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the School District adopted on April 4, 2022 authorizing a capital project in the amount of \$72,184,922, authorizing the appropriation of \$13,061,116 from capital reserve funds and the issuance of up to \$59,123,806 bonds to pay the costs of reconstruction, renovation and improvements to District buildings and facilities. The Series A Notes are being issued to provide new money for the aforementioned project.

The Series B Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law and pursuant to various bond resolutions adopted by the Board of Education authorizing the purchase of buses and other motor vehicles. The proceeds of the Series B Notes, along with \$1,649,621 available funds of the District, will partially redeem and renew the \$5,579,621 bond anticipation notes maturing September 20, 2024 and provide \$2,481,944 new money for the purchase of buses.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, 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, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, 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 OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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 integral multiples thereof, except for one necessary odd denomination which is or includes \$6,944 with respect to the Series B Notes. 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 District encompasses approximately 50 square miles, is located in Central New York State within the Towns of Salina and Clay and includes the Village of Liverpool, which is situated within the Town of Salina. Major highways serving the District include The New York State Thruway, State Routes #690 and #481. Interstate Route #81 which runs north and south from Tennessee to Canada is located approximately four miles east of the District. Rail passenger service to and from the District is provided by Amtrak while The Central New York Regional Transportation Authority (CENTRO) provides bus service. Major air passenger and freight service are available at Syracuse Hancock International Airport, which is located approximately five miles from the District.

The District is primarily residential and commercial in nature. The Syracuse-Woodard Industrial Park Complex is located in the District and contains over thirty corporate facilities, including medium to heavy industries, and warehousing and wholesaling operations. This industrial park, consisting of fourteen hundred acres of land, was fully planned with utilities including water, sewer, drainage, railroad and the expressway-highway system, which were all constructed before substantial occupancy. In addition to these firms, many of the District residents are employed in the various industries, service companies or commercial establishments that constitute the diverse economic base of the Syracuse metropolitan area.

Police protection is afforded residents by Village, County and State agencies. Fire protection is provided by various volunteer groups. Gas and electricity are furnished by National Grid (formerly Niagara Mohawk Power Corporation). Sewer treatment is provided by the County of Onondaga. Water is supplied by the Town of Clay and by the Onondaga County Water Authority.

Recent Developments and Commercial Projects

There has been significant new commercial construction in the District in the last several years including the construction of a national retail and restaurant chains, multiple home improvement retailers, and big box stores.

The Trammell Crow Co. has completed an Amazon fulfillment center, which was approved by the Clay Planning Board in November 2019. The fulfillment center is located on a 110-acre site previously occupied by the Liverpool Public Golf and Country Club on Morgan Road in Liverpool, New York and cost approximately \$350 million. The fulfillment center had its grand opening in June 2022.

In October 2022, Micron Technology, Inc. (“Micron”) announced their intention to make an investment of \$100 Billion in four new semiconductor chip manufacturing facilities known as fabs over the next 20 years at the White Pines Industrial Park in Clay, New York. This investment is anticipated to result in the creation of up to 9,000 new jobs directly from Micron, and possibly more than 50,000 new jobs in total from suppliers and other firms. This does not include construction jobs and trades that will be used to construct these new chip fab facilities. This project is likely to create new local hiring and training opportunities for skills that will be needed to meet Micron’s goal to begin construction in 2024 and producing chips in Clay by 2026.

Source: District officials.

Population

The current estimated population of the District is 51,597. (Source: 2022 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 the County listed below. The figures set below with respect to such Towns and Counties are 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 are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Clay	\$ 28,637	\$ 36,767	\$ 41,114	\$ 74,777	\$ 94,113	\$ 105,098
Salina	25,864	33,968	37,681	57,883	71,145	80,760
County of:						
Onondaga	27,037	34,600	39,371	65,929	82,368	94,559
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020 and 2018-2022 American Community Survey data.

Banking Facilities

Commercial banks operating branch offices located within the metropolitan area of the School District include:

Bank of America, N.A.	Citizens Bank
JPMorgan Chase Bank, N.A	Solvay Bank
KeyBank, N.A.	Seneca Savings Bank
M&T Bank	

Major Employers

Listed below are the 10 largest major industrial and service-related employers in the County and the number of employees:

<u>Name</u>	<u>Nature of Entity</u>	<u>Approximate Number of Employees</u>
SUNY Upstate University Health System	Hospital	11,298
Syracuse University	Higher Education	5,913
Wegmans Food Markets	Grocery	5,110
Walmart	Retailer	4,600
Lockheed Martin	Technology	4,100
St. Joseph's Hospital Health Center	Hospital	4,000
National Grid	Utility	3,278
Crouse Hospital	Hospital	3,200
Loretto	Elder Care Services	2,000
Syracuse VA Medical Center	Health Care	1,650

Source: CNY Business Journal Book of Lists 2024.

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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 Onondaga and the State of New York. The information set forth below with respect to the County and State is 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, are necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Onondaga County	4.7%	4.0%	3.8%	8.0%	5.0%	3.4%	3.5%
New York State	4.7%	4.1%	3.8%	9.8%	7.1%	4.3%	4.2%

	<u>2024 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Onondaga County	4.1%	4.1%	3.9%	3.5%	3.7%	3.6%	4.0%	N/A
New York State	4.3%	4.5%	4.2%	3.9%	4.2%	4.3%	4.9%	N/A

Note: Unemployment rates for August 2024 are unavailable as of the date 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 School 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 School District and no Board member may hold certain other School 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 School District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

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 “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District 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 School District Tax Cap 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 2023-2024 fiscal year was approved by the qualified voters on May 16, 2023 by a vote of 1,260 to 1,146. The District's adopted budget for 2023-2024 fiscal year remained within the School District Tax Cap imposed by the Tax Cap Law.

The budget for the 2024-2025 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 833 to 658. The District's adopted budget for 2024-2025 fiscal year remained within the School District Tax Cap imposed by the Tax Cap Law.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time 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 School District; (6) obligations of a New York public corporation which are made lawful investments by the School 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 School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by 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 School District's current policy to invest in: (1) savings accounts, now accounts or money market accounts of designated banks, (2) certificates of deposit issued by a bank or trust company located and authorized to do business in New York State, (3) demand deposit accounts in a bank or trust company authorized to do business in New York State, (4) obligations of New York State, (5) obligations of the United States Government (U.S. Treasury Bills and Notes) and (6) repurchase agreements involving the purchase and sale of direct obligations of the United States.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2024-2025 fiscal year, approximately 45.17% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (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 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school

districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State Budget which was not adopted until May 3, 2023 and the 2025-26 State Budget which was not adopted until April 20, 2024. 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.

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 2024-2025 preliminary building aid ratios, the District expects to receive State building aid of approximately 84.3% 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 (2020-2021): Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately \$27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES). With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal

funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department (“SED”) advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, with the State releasing the withheld funds on or about June 30, 2021.

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.

School district fiscal year (2022-2023): The State’s 2022-23 Enacted Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State’s 2022-23 Enacted Budget also programmed \$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, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students’ academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State’s 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State’s 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School District fiscal year (2023-2024): The State’s 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State’s 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State’s 2024-25 Enacted 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 Enacted 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 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* (“CFE”) 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 *CFE* 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 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.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

<u>Fiscal Year</u>	<u>Total State Aid</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u>
2018-2019	\$ 64,315,950	\$ 154,017,016	41.76%
2019-2020	62,063,442	154,071,033	40.28
2020-2021	65,061,294	159,596,525	40.77
2021-2022	68,503,308	163,367,637	41.93
2022-2023	73,137,531	177,933,526	41.10
2023-2024 (Budgeted)	81,148,193	180,117,102	45.05
2023-2024 (Unaudited)	82,989,095	186,103,819	44.59
2024-2025 (Budgeted)	83,333,113	184,468,769	45.17

⁽¹⁾ General fund only, does not include inter-fund transfers and use of reserve funds.

Source: Audited financial statements for the 2018-2019 through 2022-2023 fiscal years, District officials with respect to the 2023-2024 unaudited figures, and the adopted budgets for the 2023-2024 and 2024-2025 fiscal years. The 2023-2024 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom. This table is not audited.

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District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions/Renovations</u>
Chestnut Hill Elementary	3-5	620	1956, '78 (A/R), '95 (T), '14 (R), '19 (R)
Donlin Drive Elementary	K-2	665	1971, '95 (R), '95 (T), '05 (R), '19 (R)
Elmcrest Elementary	K-2	640	1963, '89 (A/R), '95 (T), '14 (R)
Liverpool Elementary	3-5	475	1952, '75 (R), '80 (R), '95 (R), '95 (T), '10 (R), '20 (R)
Long Branch Elementary	K-2	665	1971, '95 (R), '95 (T), '05 (R), '19 (R), '20 (R)
Morgan Road Elementary	3-5	665	1969, '91 (A/R), '95 (T), '12 (R), '14 (R), '18 (R)
Soule Road Elementary	3-5	665	1969, '92 (R), '95 (R), '95 (T), '04 (R), '14 (R)
Wetzel Road Elementary ⁽¹⁾	9-12	615	1962, '83 (R), '86 (R), '93 (R), '95 (T), '09 (R), '19 (R), '20 (R)
Willowfield Elementary	K-2	700	1989, '95 (T), '12 (R), '14 (R)
Chestnut Hill Middle School	6-8	684	1956, '77 (A/R), '81 (R), '95 (R), '95 (T), '14 (R), '18 (R)
Liverpool Middle	6-8	654	1952, '61 (A), '76 (R), '95 (R), '95 (T), '10 (R), '20 (R)
Soule Road Middle	6-8	846	1969, '92 (R), '95 (R), '95 (T), '03 (R), '14 (R), '20 (R)
Morgan Road Middle ⁾	6-8	780	1969, '91 (R), '97-98 (R), '97-98 (T), '14 (R)
Liverpool High School	9-12	3,066	1966, '69 (A), '80 (A/R), '83 (R), '98-00 (R/T), '10 (R), '14 (R), '16(R), '18 (R), '20 (R)

A - Addition

R - Renovation

T - Technology Renovation

⁽¹⁾ Houses Liverpool High School students.

Source: District officials and Final Cost Reports.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2019-2020	6,928	2024-2025	6,830
2020-2021	6,889	2025-2026	6,825
2021-2022	6,878	2026-2027	6,810
2022-2023	6,876	2027-2028	6,815
2023-2024	6,839	2028-2029	6,830

Source: District officials.

Employees

The School District employs approximately 1,176 full-time and 405 part-time employees. The following table sets forth a breakdown of employee representation by collective bargaining agreement and the dates of expiration of the various collective bargaining agreements:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Expiration Date</u>
1,250	United Liverpool Faculty Association	June 30, 2024 ⁽¹⁾
230	Service Employees' International Union	June 30, 2025
32	Liverpool Administrators' Association	June 30, 2028
17	Liverpool Association of Middle Managers	June 30, 2028
39	Liverpool Cafeteria Employees	June 30, 2024 ⁽¹⁾

⁽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 vest after ten years of credited service. 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.
- 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 will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2023-2024 and 2024-2025 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2017-2018	\$ 2,385,950	\$ 5,428,411
2018-2019	2,237,011	5,943,554
2019-2020	2,102,099	5,060,835
2020-2021	2,294,206	5,505,572
2021-2022	2,078,098	5,777,253
2022-2023	1,855,288	6,222,365
2023-2024 (Budgeted)	2,755,170	6,896,010
2023-2024 (Unaudited)	3,152,924	6,278,754
2024-2025 (Budgeted)	3,397,735	6,852,079

Note: The 2023-2024 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Source: District records.

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 (2020-21 to 2024-25) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02

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 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.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve 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. On June 3, 2019 the District established a Retirement Contribution Reserve Sub-Fund.

Other Post Employee 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 ("GASB 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 an actuarial firm to calculate its actuarial valuation under GASB 75. The table on the following page outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

Balance beginning at:	June 30, 2021	June 30, 2022
	\$ 490,696,129	\$ 410,938,435
<u>Changes for the year:</u>		
Service cost	20,237,784	11,364,477
Interest on total OPEB liability	10,873,075	14,683,137
Changes in Benefit Terms	-	(1,599,583)
Differences between expected and actual experience	42,434,992	-
Changes in Assumptions or other inputs	(138,201,949)	6,472,536
Benefit payments	(15,101,596)	(15,050,070)
Net Changes	\$ (79,757,694)	\$ 15,870,497
Balance ending at:	June 30, 2022	June 30, 2023
	\$ 410,938,435	\$ 426,808,932

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX – D" attached hereto.

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.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Other Information

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

The District is in compliance 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 ended June 30, 2023 and is attached hereto as “APPENDIX – D”. The audit for the fiscal year ended June 30, 2024 is not available as of the date of this Official Statement. In addition, 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. 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 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 of Operations for the Fiscal Year Ending June 30, 2024

The District expects to conclude the fiscal year ending June 30, 2024 with an unappropriated unreserved fund balance of approximately \$7,686,330. Summary unaudited projected information for the General Fund for the period ending June 30, 2024 is as follows:

Projected Revenues:	\$ 186,103,819
Projected Expenditures:	<u>182,194,123</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 3,909,696</u>
Total Fund Balance at June 30, 2023:	\$ 45,685,756
Total Projected General Fund Balance at June 30, 2024:	\$ 49,595,452

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

Source: District officials.

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 audit report of the District on July 10, 2020. The purpose of the audit was to determine whether the District officials effectively managed hardware and software inventory to ensure that information technology (IT) assets are safeguarded for the period from July 1, 2018 to November 30, 2019.

Key findings and recommendations of the audit report are summarized below:

Key Findings:

District officials did not maintain complete and accurate hardware or software inventory records and did not perform comprehensive inventory counts.

- The Comptroller’s review of 529 purchased items, totaling about \$448,000, found that 123 items, totaling \$76,425, were not recorded in the District’s inventory records.
- Officials could not locate three of the 48 IT items we tested: a laptop and two cameras, totaling \$1,444.
- The last comprehensive physical inventory count was conducted in 2003.

District officials cannot be assured that IT assets are adequately accounted for and protected from loss, theft, misuse and obsolescence.

Key Recommendations:

- Ensure IT inventory records include the necessary detail for recording IT purchases and tracking hardware assets.
- Maintain a complete, comprehensive software inventory and applicable licenses.
- Perform physical inventories of hardware and compare them to inventory records, and review software installed on District computers.

The District provided a complete response to the State Comptroller’s office on June 11, 2020. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other recent State Comptrollers audits of the District nor any that are currently in progress or pending release.

Note: 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 three fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	3.3
2022	No Designation	0.0
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.

TAX INFORMATION

Taxable Assessed Valuations

<u>Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Clay	\$ 82,739,154	\$ 82,115,500	\$ 82,247,327	\$ 82,408,727	\$ 82,793,683
Salina	<u>1,323,322,769</u>	<u>1,378,911,876</u>	<u>1,531,134,455</u>	<u>1,563,496,178</u>	<u>1,569,244,739</u>
Totals	<u>\$ 1,406,061,923</u>	<u>\$ 1,461,027,376</u>	<u>\$ 1,613,381,782</u>	<u>\$ 1,645,904,905</u>	<u>\$ 1,652,038,422</u>
New York State Equalization Rates					
Towns of:					
Clay	3.95%	3.67%	3.34%	2.98%	2.75%
Salina	100.00%	100.00%	100.00%	89.00%	81.00%
Total Full Valuation	\$ 3,418,757,889	\$ 3,617,222,379	\$ 3,994,629,299	\$ 4,523,302,003	\$ 4,949,237,084

Tax Rates Per \$1,000 (Assessed)

<u>Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Clay	\$ 665.68	\$ 682.90	\$ 693.23	\$ 708.74	\$ 716.96
Salina	26.27	25.05	23.14	23.72	24.33

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returned to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said County.

Tax Levy and Tax Collection Record

<u>Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Tax Levy	\$ 89,870,437	\$ 90,640,892	\$ 92,454,745	\$ 95,541,686	\$ 97,550,331
Uncollected ⁽¹⁾	3,514,957	3,321,047	3,445,561	2,648,345	N/A
% Uncollected	3.91%	3.67%	3.73%	2.77%	N/A

⁽¹⁾ School District taxes are made whole by the County. See "Tax Collection Procedure" hereunder.

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Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Revenues Consisting of Property Taxes</u>
2018-2019	\$ 86,132,146	\$ 154,017,019	55.92%
2019-2020	89,269,450	154,071,033	57.94
2020-2021	90,151,825	159,596,525	56.49
2021-2022	91,366,749	163,367,637	55.93
2022-2023	93,295,627	177,933,526	52.43
2023-2024 (Budgeted)	96,445,849	180,117,102	53.55
2023-2024 (Unaudited)	96,325,782	186,103,819	51.76
2024-2025 (Budgeted)	98,508,596	184,468,769	53.40

⁽¹⁾ General fund only, does not include inter-fund transfers or use of reserve funds.

Source: Audited financial statements for the 2018-2019 through 2022-2023 fiscal years, District officials with respect to the 2023-2024 unaudited figures, and the adopted budgets for the 2023-2024 and 2024-2025 fiscal years. The 2023-2024 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom. This table is not audited.

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

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid (Town of Clay)	Utility	\$ 146,879,720
Campus FSC, LLC	Private	47,563,636
Wegmans	Supermarket	37,192,727
East Coast Grenadier Vill. LLC	Apartments	36,259,259
Rivers Pointe	Senior Living	26,312,436
Morgan Woodlands Acres	Town Homes	25,487,273
Harbor Pearl DHM LLC	Apartments	23,827,162
Syracuse NY Warehouse LLC	Warehouse	22,914,400
Norstar Apartments DE LLC	Apartments	22,560,000
Verizon	Utility	<u>21,723,769</u>
	Total	<u>\$ 410,720,382</u>

The ten largest taxpayers listed above have a total taxable full valuation of \$410,720,382 which represents 8.30% of the 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 and are not anticipated or believed to have a material impact on the District's finances. Historically, the average settlement has been 30% of the maximum impact. The District maintains a Tax Certiorari reserve that has a balance of approximately \$2.46 million as of June 30, 2024.

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.

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 \$93,200 or less in

2023-2024 and \$98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 of the full value of a home for the 2023-2024 school year and 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 2022-23 Enacted State Budget provided \$2.2 billion in State funding for a new 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 District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Clay	\$ 2,500	\$ 890	4/9/2024
Salina	74,760	26,700	4/9/2024

\$8,576,388 of the District’s \$95,541,686 school tax levy for 2023-2024 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2024.

Approximately \$7,998,648 of the District’s \$97,550,331 school tax levy for 2024-2025 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January, 2025.

Additional Tax Information

Real property located in the School District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: 62% residential, 30% commercial, and 8% industrial.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the School District is approximately \$2,650 including State, County, Town, School District and Fire District taxes.

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. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. 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, applicable to the Notes.

See "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.

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 federal 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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Debt Limit. The District has the power to contract indebtedness for any 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 District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied 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 Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending June 30th:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 67,290,000	\$ 59,130,000	\$ 52,945,000	\$ 78,075,000	\$ 69,925,000
Energy Performance Contracts	0	0	0	0	0
Bond Anticipation Notes	44,722,616	44,497,227	41,683,293	4,515,463	5,579,621
Revenue Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$112,012,616</u>	<u>\$103,627,227</u>	<u>\$ 94,628,293</u>	<u>\$ 82,590,463</u>	<u>\$ 75,504,621</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 29, 2024.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2037	\$ 69,925,000
<u>Bond Anticipation Notes</u>		
Purchase of Buses	September 20, 2024	<u>5,579,621</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 75,504,621</u>

⁽¹⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$1,649,621 available funds of the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 29, 2024:

Full Valuation of Taxable Real Property	\$ 4,949,237,084
Debt Limit 10% thereof	494,923,708

Inclusions:

Bonds.....	\$ 69,925,000	
Bond Anticipation Notes (BANs):.....	<u>5,579,621</u>	
Total Inclusions prior to issuance of the Notes	<u>75,504,621</u>	
Less: BANs being redeemed from appropriations	(1,649,621)	
Add: New money proceeds of the Notes	<u>12,481,944</u>	
Total Net Inclusions after issuance of the Notes		<u>\$ 86,336,944</u>

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	
Total Exclusions		<u>\$ 0</u>

Total Net Indebtedness after issuance of the Notes..... \$ 86,336,944

Net Debt-Contracting Margin

	<u>\$ 408,586,764</u>
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The percent of debt contracting power exhausted is 17.44%

⁽¹⁾ Based on preliminary 2024-2025 building aid estimates, the District anticipates State Building aid of 84.3% 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.

Bonded Debt Service

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

Capital Project Plans

The District annually authorizes bus purchases at the time of the budget vote. Currently \$5,579,621 bond anticipation notes are outstanding for bus purchases which mature on September 20, 2024. On May 21, 2024 the District voters approved \$2,481,944 for the purchase of buses by a vote of 936 to 573. The Series B Notes are being issued, along with \$1,649,621 available funds of the District, to partially redeem and renew the \$5,579,621 bond anticipation notes maturing September 20, 2024 and provide \$2,481,944 new money for the purchase of buses.

On March 14, 2022 the District voters approved a \$72,184,922 capital project by a vote of 383 to 111 for the various reconstruction and improvements to Wetzel Road Elementary School, Long Branch Elementary School, Liverpool High School, the Morgan Road Complex and the District Transportation Center. The District is using \$13,061,116 capital reserve monies with the remaining \$59,123,806 coming from borrowings. The Series A Notes are being issued as the first borrowing for the aforementioned project. Future borrowings will be pursuant to State approval and construction cash flow needs.

On May 16, 2023 the District voters approved a \$9 million capital project and using \$1 million available funds for various reconstruction and improvements District buildings and facilities. Borrowings will be pursuant to State approval and construction cash flow needs.

On March 14, 2024 the District voters approved a \$50,343,941 capital project and using \$8 million capital reserve monies with the remaining \$42,343,941 coming from borrowings, for various reconstruction and improvements District buildings and facilities. Borrowings will be pursuant to State approval and construction cash flow needs.

The District is in the planning stages of a referendum expected to go to voters in May 2025. It is anticipated the referendum will be approximately \$15 million various reconstruction and improvements District buildings and facilities. Borrowings will be pursuant to State approval and construction cash flow needs.

Cash Flow Borrowings

The District has not borrowed for cash flow purposes since the 2015-16 fiscal year and does not expect to borrow for cash flow purposes for the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Onondaga	6/26/2024	\$ 663,463,361 ⁽³⁾	\$ 231,097,343	\$ 432,366,018	11.54%	\$ 49,895,038
Town of:						
Clay	6/27/2024	2,845,000 ⁽³⁾	618,471	2,226,529	53.34%	1,187,631
Salina	6/10/2024	29,175,102 ⁽³⁾	702,063	28,473,039	68.53%	19,512,574
Village of:						
Liverpool	5/31/2023	1,582,026 ⁽⁴⁾	- ⁽⁵⁾	1,582,026	100.00%	<u>1,582,026</u>
					Total:	<u>\$ 72,177,269</u>

- ⁽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 August 29, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 86,336,944	\$ 1,673.29	1.74%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	157,514,213	3,052.78	3.18

- ^(a) The current estimated population of the District is 51,597. (See “THE SCHOOL DISTRICT – Population” herein.)
- ^(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$4,949,237,084. (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 \$72,177,269. (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 bonds 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.

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

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The District will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Notes. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Notes is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Notes.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed by the Code. However, interest on the Notes that is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax imposed under the Code. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition, in the opinion of Bond Counsel, under existing laws, so long as interest is excluded from gross income for Federal income tax purposes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable 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 amounts (ii) 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; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Code; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

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 Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

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, the form 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 Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in registered book-entry form, 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, that 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. (See "APPENDIX – C", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA-" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Moody's Investors Service ("Moody's") has assigned its underlying rating of "Aa3" to the District's outstanding bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. 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 bonds may have an adverse effect on the market price of the Notes.

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.

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

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

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

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

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

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's contact information is as follows: Mr. Douglas Lawrence, Deputy Superintendent, District Offices, 195 Blackberry Road, Liverpool, New York 13090 telephone (315) 622-7148, fax (315) 622-7982, email DLawrence@liverpool.k12.ny.us.

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.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Dated: August 29, 2024

***/s/* _____
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash - Unrestricted	\$ 16,197,242	\$ 16,700,620	\$ 14,530,468	\$ 17,272,534	\$ 8,245,855
Cash - Restricted	16,816,712	21,492,879	30,584,484	23,491,958	39,787,189
Due from Other Funds	1,301,743	3,011,925	2,134,026	3,207,320	5,190,702
Due from Other Governments	2,073,640	1,886,289	2,289,280	2,413,272	2,727,407
State and Federal Aid Receivable	2,222,939	2,173,604	4,265,197	2,954,866	4,675,147
Other Receivables	118,727	111,881	56,127	92,044	119,445
Prepaid Expenditures & Inventories	592,592	585,800	655,219	627,863	665,936
TOTAL ASSETS	\$ 39,323,595	\$ 45,962,998	\$ 54,514,801	\$ 50,059,857	\$ 61,411,681
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 1,442,514	\$ 1,342,621	\$ 1,294,381	\$ 2,188,770	\$ 1,925,126
Accrued Liabilities	3,416,592	3,551,818	4,653,051	5,327,637	6,148,242
Due to Other Funds	24,973	-	10,134	-	-
Due to Other Governments	-	-	-	-	-
Notes Payable	-	-	-	-	-
Due to Teachers' Retirement System	6,267,167	5,338,287	5,817,349	6,253,870	6,803,806
Due to Employees' Retirement System	615,259	653,862	679,144	569,129	815,385
Overpayments & Collections in Advance	-	-	-	-	-
TOTAL LIABILITIES	11,766,505	10,886,588	12,454,059	14,339,406	15,692,559
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	775,252	-	-	33,366
TOTAL DEFERRED INFLOWS OF RESOURCES	-	775,252	-	-	33,366
FUND EQUITY					
Nonspendable	\$ 592,592	\$ 585,800	\$ 655,219	\$ 627,863	\$ 665,936
Restricted	16,767,023	21,436,530	30,527,651	23,132,524	33,501,687
Assigned	3,778,951	5,312,745	4,143,324	5,022,950	4,143,555
Unassigned	6,418,524	6,966,083	6,734,548	6,937,114	7,374,578
TOTAL FUND EQUITY	27,557,090	34,301,158	42,060,742	35,720,451	45,685,756
TOTAL LIABILITIES and FUND EQUITY	\$ 39,323,595	\$ 45,962,998	\$ 54,514,801	\$ 50,059,857	\$ 61,411,681

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 70,434,915	\$ 72,492,851	\$ 76,426,985	\$ 79,053,215	\$ 80,547,604
Other Tax Items	13,911,540	13,639,295	12,842,465	11,098,610	10,819,145
Nonproperty Tax Items	242,336	249,619	245,057	264,243	295,138
Charges for Services	117,228	177,130	85,085	296,972	284,186
Use of Money & Property	195,069	407,946	342,289	59,622	149,038
Sale of Property and Compensation for Loss	133,621	63,881	65,124	257,427	230,494
Miscellaneous	782,774	903,179	568,787	709,788	771,772
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	62,756,092	64,315,950	62,063,442	65,061,295	68,503,308
Revenues from Federal Sources	1,296,794	1,767,165	1,431,799	2,795,384	1,766,952
Total Revenues	<u>\$ 149,870,369</u>	<u>\$ 154,017,016</u>	<u>\$ 154,071,033</u>	<u>\$ 159,596,556</u>	<u>\$ 163,367,637</u>
Other Sources:					
Proceeds from Capital Leases	-	-	-	-	1,182,633
Interfund Transfers	389,745	418,143	418,337	439,312	553,041
Total Revenues and Other Sources	<u>150,260,114</u>	<u>154,435,159</u>	<u>154,489,370</u>	<u>160,035,868</u>	<u>165,103,311</u>
EXPENDITURES					
General Support	\$ 12,736,136	\$ 12,492,647	\$ 12,975,751	\$ 12,812,748	\$ 14,191,113
Instruction	73,844,922	73,219,455	73,462,131	75,431,812	76,000,465
Pupil Transportation	6,389,711	6,314,392	5,839,969	5,737,498	6,976,178
Employee Benefits	43,896,397	44,082,135	41,541,411	43,603,454	44,284,475
Capital Outlay	-	-	-	-	1,182,633
Debt Service	13,139,912	13,640,077	11,911,680	14,458,173	14,516,677
Total Expenditures	<u>\$ 150,007,078</u>	<u>\$ 149,748,706</u>	<u>\$ 145,730,942</u>	<u>\$ 152,043,685</u>	<u>\$ 157,151,541</u>
Other Uses:					
Interfund Transfers	2,668,430	1,455,174	2,014,360	232,599	14,292,061
Total Expenditures and Other Uses	<u>152,675,508</u>	<u>151,203,880</u>	<u>147,745,302</u>	<u>152,276,284</u>	<u>171,443,602</u>
Excess (Deficit) Revenues Over Expenditures	<u>(2,415,394)</u>	<u>3,231,279</u>	<u>6,744,068</u>	<u>7,759,584</u>	<u>(6,340,291)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	26,741,205	24,325,811	27,557,090	34,301,158	42,060,742
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 24,325,811</u>	<u>\$ 27,557,090</u>	<u>\$ 34,301,158</u>	<u>\$ 42,060,742</u>	<u>\$ 35,720,451</u>

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:	2023			2024	2025
	Adopted Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 92,454,745	\$ 83,052,385	\$ 83,048,088	\$ 95,541,686	\$ 97,550,331
Other Tax Items	875,629	10,277,989	10,247,539	904,163	958,265
Nonproperty Tax Items	150,000	150,000	301,364	250,000	250,000
Charges for Services	148,030	148,030	312,812	191,010	191,010
Use of Money & Property	152,500	152,500	1,826,238	775,500	879,500
Sale of Property and Compensation for Loss	46,550	115,565	4,020,139	46,550	46,550
Miscellaneous	860,000	332,441	1,227,056	860,000	860,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	74,692,024	74,692,024	75,137,531	81,148,193	83,333,113
Revenues from Federal Sources	300,000	888,052	1,812,759	400,000	400,000
Total Revenues	<u>\$ 169,679,478</u>	<u>\$ 169,808,986</u>	<u>\$ 177,933,526</u>	<u>\$ 180,117,102</u>	<u>\$ 184,468,769</u>
Other Sources:					
Proceeds from Capital Leases	-	-	1,195,868	-	-
Use of Reserves	-	-	-	-	2,500,000
Interfund Transfers	10,735	10,735	44,860	42,275	672,913
Total Revenues and Other Sources	<u>169,690,213</u>	<u>169,819,721</u>	<u>179,174,254</u>	<u>180,159,377</u>	<u>187,641,682</u>
EXPENDITURES					
General Support	\$ 16,870,091	\$ 16,406,063	\$ 14,446,373	\$ 18,133,957	\$ 19,705,070
Instruction	82,536,037	82,490,333	79,953,612	86,651,203	89,162,316
Pupil Transportation	7,439,586	8,007,483	7,962,524	8,005,428	8,997,650
Employee Benefits	52,411,857	52,342,989	49,073,176	56,734,447	59,218,717
Capital Outlay	-	-	1,195,868	-	-
Debt Service	13,723,592	14,499,014	14,499,014	14,369,431	14,604,523
Total Expenditures	<u>\$ 172,981,163</u>	<u>\$ 173,745,882</u>	<u>\$ 167,130,567</u>	<u>\$ 183,894,465</u>	<u>\$ 191,688,276</u>
Other Uses:					
Interfund Transfers	470,000	1,201,393	2,078,382	470,000	470,000
Total Expenditures and Other Uses	<u>173,451,163</u>	<u>174,947,275</u>	<u>169,208,949</u>	<u>184,364,465</u>	<u>192,158,276</u>
Excess (Deficit) Revenues Over Expenditures	<u>(3,760,950)</u>	<u>(5,127,554)</u>	<u>9,965,305</u>	<u>(4,205,088)</u>	<u>(4,516,594)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	3,760,950	5,127,554	35,720,451	4,205,088	4,516,594
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,685,756</u>	<u>\$ -</u>	<u>\$ -</u>

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

APPENDIX - B
Liverpool CSD

BONDED DEBT SERVICE

<u>Fiscal Year</u> <u>Ending</u> <u>June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,465,000	\$ 3,427,681.26	\$ 11,892,681.26
2026	7,745,000	3,029,031.26	10,774,031.26
2027	6,610,000	2,669,231.26	9,279,231.26
2028	6,935,000	2,338,731.26	9,273,731.26
2029	6,925,000	1,991,981.26	8,916,981.26
2030	6,980,000	1,645,731.26	8,625,731.26
2031	6,345,000	1,296,731.26	7,641,731.26
2032	5,245,000	979,481.26	6,224,481.26
2033	5,055,000	717,231.26	5,772,231.26
2034	4,560,000	464,481.26	5,024,481.26
2035	3,375,000	252,000.00	3,627,000.00
2036	1,260,000	83,250.00	1,343,250.00
2037	425,000	21,250.00	446,250.00
TOTALS	\$ 69,925,000	\$18,916,812.60	\$ 88,841,812.60

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2016			2021		
	DASNY Bonds			Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,445,000	\$ 453,000.00	\$ 1,898,000.00	\$ 2,460,000	\$ 143,200.00	\$ 2,603,200.00
2026	1,515,000	380,750.00	1,895,750.00	1,445,000	44,800.00	1,489,800.00
2027	1,590,000	305,000.00	1,895,000.00	-	-	-
2028	1,670,000	225,500.00	1,895,500.00	-	-	-
2029	1,405,000	142,000.00	1,547,000.00	-	-	-
2030	1,175,000	71,750.00	1,246,750.00	-	-	-
2031	260,000	13,000.00	273,000.00	-	-	-
TOTALS	\$ 9,060,000	\$ 1,591,000.00	\$ 10,651,000.00	3,905,000	188,000.00	4,093,000.00

Fiscal Year Ending June 30th	2018			2020		
	DASNY Bonds			DASNY Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 2,145,000	\$ 1,075,981.26	\$ 3,220,981.26	\$ 405,000	\$ 286,000.00	\$ 691,000.00
2026	2,255,000	968,731.26	3,223,731.26	430,000	265,750.00	695,750.00
2027	2,365,000	855,981.26	3,220,981.26	450,000	244,250.00	694,250.00
2028	2,480,000	737,731.26	3,217,731.26	470,000	221,750.00	691,750.00
2029	2,605,000	613,731.26	3,218,731.26	495,000	198,250.00	693,250.00
2030	2,740,000	483,481.26	3,223,481.26	525,000	173,500.00	698,500.00
2031	2,875,000	346,481.26	3,221,481.26	550,000	147,250.00	697,250.00
2032	1,880,000	202,731.26	2,082,731.26	575,000	119,750.00	694,750.00
2033	1,530,000	108,731.26	1,638,731.26	605,000	91,000.00	696,000.00
2034	955,000	32,231.26	987,231.26	635,000	60,750.00	695,750.00
2035	-	-	-	500,000	29,000.00	529,000.00
2036	-	-	-	100,000	4,000.00	104,000.00
TOTALS	\$ 21,830,000	\$ 5,425,812.60	\$ 27,255,812.60	\$ 5,740,000	\$ 1,841,250.00	\$ 7,581,250.00

Fiscal Year Ending June 30th	2023		
	DASNY Bonds		
	Principal	Interest	Total
2025	\$ 2,010,000	\$ 1,469,500.00	\$ 3,479,500.00
2026	2,100,000	1,369,000.00	3,469,000.00
2027	2,205,000	1,264,000.00	3,469,000.00
2028	2,315,000	1,153,750.00	3,468,750.00
2029	2,420,000	1,038,000.00	3,458,000.00
2030	2,540,000	917,000.00	3,457,000.00
2031	2,660,000	790,000.00	3,450,000.00
2032	2,790,000	657,000.00	3,447,000.00
2033	2,920,000	517,500.00	3,437,500.00
2034	2,970,000	371,500.00	3,341,500.00
2035	2,875,000	223,000.00	3,098,000.00
2036	1,160,000	79,250.00	1,239,250.00
2037	425,000	21,250.00	446,250.00
TOTALS	\$ 29,390,000	\$ 9,870,750.00	\$ 39,260,750.00

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) 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 Notes, 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 Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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 Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

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

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

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

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**LIVERPOOL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2023

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.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Financial Statements as of

June 30, 2023

Together with Independent Auditor's Report and Reports

Required by the Uniform Guidance and *Government*

Auditing Standards

Bonadio & Co., LLP
Certified Public Accountants

LIVERPOOL CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

September 18, 2023

To the Board of Education and Superintendent of
Liverpool Central School District:

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 aggregate remaining fund information of the Liverpool Central School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 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 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund; Schedule of Changes in Total OPEB Liability and Related Ratios; Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information, 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 District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and 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*, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements 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 Information

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Asset, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* , we have also issued our report dated September 18, 2023 on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

The following is a discussion and analysis of Liverpool Central School District's (the School District or District) financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-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. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Liverpool CSD ended the 2022-23 fiscal year with a \$45,685,756 in the General Fund, which is an increase of \$9,965,305 (27.9% increase) from 2021-22. Restricted and assigned fund balance in the General Fund, (including reserves and designations), was \$37,645,242, a increase of \$9,489,768 from the beginning balance.
- In August 2022, the District sold Nate Perry Elementary School for approximately \$3.89 million. \$940,000 was used to defease outstanding Serial Bonds and related capital assets were disposed.
- The Statement of Net Position reflects a total net position (deficit) of \$(292,228,102) at June 30, 2023. This compares to the prior year net position (deficit) of \$(311,417,634).
- Depreciable capital asset additions during 2022-23 amounted to \$2,233,903 of which mainly consists of school buses and maintiance vehicles (\$2,109,070). Decreases in capital assests ocured mainly due to the sale of Nate Perry Elementary School (\$8,675,156).
- The Serial Bond debt increased from \$52,945,000 to \$77,345,000. Principal payments of \$6,800,000 were made during 2022-23 and \$31,200,000 additional bonds were issued. Short term debt related to bond anticipation notes had a net decrease from the prior year of (\$41,683,292). The balance of the short term debt consists of the ban to purchase buses, totaling \$4,515,463.
- The District continues to take measures to contain the growth of the General Fund.

This annual report consists of three parts: MD&A (this section), the basic financial statements (including footnotes) and supplementary information, both required and not required. The basic financial statements include two kinds of statements that are presented using different methods of accounting.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds with all other Non-Major Funds listed in total in one column.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

District-wide Financial Statements

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 financial statements report the School District's net position and how they have changed. Net Position - the difference between the School District's assets and deferred outflows of resources and the School District's liabilities and deferred inflows of resources - is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

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

In the District-wide financial statements, the School District's activities are shown as Governmental Activities. Most of the School 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.

Governmental Fund Financial Statements

The Governmental Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The fund financial statements are reported on the modified accrual basis. The School District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

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

Financial Analysis of the District's Funds

Our analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the School District's Governmental Activities.

Figure 1
Condensed Statement of Net Position

	6/30/2023	6/30/2022	Difference \$	Difference %
Current assets	\$ 82,312,241	\$ 71,368,859	\$ 10,943,382	15.33%
Non-current assets - capital assets	203,881,270	212,145,502	(8,264,232)	-3.90%
Non-current assets - net pension assets	-	65,672,501	(65,672,501)	-100.00%
Total Assets	<u>286,193,511</u>	<u>349,186,862</u>	(62,993,351)	-18.04%
Deferred Outflows of Resources	<u>114,039,719</u>	<u>128,082,865</u>	(14,043,146)	-10.96%
Current Liabilities	21,582,471	57,872,759	(36,290,288)	-62.71%
Long-term Liabilities	<u>538,172,315</u>	<u>476,434,445</u>	61,737,870	12.96%
Total Liabilities	<u>559,754,786</u>	<u>534,307,204</u>	25,447,582	4.76%
Deferred Inflows of Resources	132,708,061	254,380,157	(121,672,096)	-47.83%
Net Position	<u>\$ (292,229,617)</u>	<u>\$ (311,417,634)</u>	19,188,017	-6.16%

The increase in current assets of \$10.9 million combined with the decrease of current liabilities of \$36.3 million combined to \$47.2 million positive change in fund balance of the governmental funds. This number was lowered by the change in non-current assets of \$73.9 million and increase in Long-term Liabilities (BANs to Bonds, pension liability and OPEB liability) of \$61.7 million and net gain of \$107.6 between deferred outflows/deferred inflows of resources gives the district a positive change in net position. Deferred outflows of resources represent the use of resources that are applicable to future periods while deferred inflows of resources are acquisition of resources that will be applied to future periods. This focus is on funding.

Our analysis in Figure 2 considers the operations of the School District's activities.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

Figure 2
Condensed Statement of Activities

	6/30/2023	6/30/2022	Difference \$	Difference %
Program Revenues:				
Charges for Services	\$ 824,733	\$ 426,421	\$ 398,312	93.41%
Operating Grants & Contributions	17,295,647	15,295,729	1,999,918	13.08%
Capital Grants	-	-	-	0.00%
Total Program Revenues	<u>18,120,380</u>	<u>15,722,150</u>	2,398,230	15.25%
General Revenues:				
Real property taxes	83,048,088	80,547,604	2,500,484	3.10%
Other tax items	10,247,539	10,819,145	(571,606)	-5.28%
Nonproperty taxes	301,364	295,138	6,226	2.11%
Use of money and property	2,373,216	155,350	2,217,866	1427.66%
Sale of property and compensation for loss	4,020,139	230,494	3,789,645	1644.14%
Miscellaneous	1,895,695	1,291,817	603,878	46.75%
State sources	62,575,656	67,749,826	(5,174,170)	-7.64%
Federal sources	12,618,254	589,399	12,028,855	2040.87%
Medicaid reimbursement	1,008,643	1,177,553	(168,910)	-14.34%
Total General Revenues	<u>178,088,594</u>	<u>162,856,326</u>	15,232,268	9.35%
Expenses by Function:				
General Support	28,828,715	22,371,702	6,457,013	28.86%
Instruction	131,011,343	110,764,568	20,246,775	18.28%
Pupil Transportation	12,796,114	10,301,839	2,494,275	24.21%
Community Services	79,087	63,784	15,303	23.99%
Interest	2,786,596	2,109,108	677,488	32.12%
School Lunch Program	1,519,102	1,349,501	169,601	12.57%
Total Expenses by Function	<u>177,020,957</u>	<u>146,960,502</u>	30,060,455	20.45%
Change in Net Position	<u>\$ 19,188,017</u>	<u>\$ 31,617,974</u>	(12,429,957)	-39.31%

The Statement of Activities reports the Revenue and Expenditures of the District and its Change in Net Position for all funds. It takes the Statement of Revenue, Expenditures, and Change in Fund Balance for the Government Funds and adjusts for long term liabilities and assets to represent the District's activities as a whole. The total fund statements showed a change in fund balance from \$14.4 million to \$61.2 million. This increase consisted of nearly \$10 million in the General Fund and \$36.3 million in the Capital Fund. (See Figures 3 and 4). The Capital Fund increase was due to the issuance on Serial Bonds (See Figure 6). Adjustments were made for long-term capital assets, pension changes and OPEB changes. Federal sources, Operating Grants & Contributions, and State sources increased due to Federal Stimulus money. Interest earnings and proceeds from the sale of Nate Perry Elementary School are also seen in this statement. The net position for 2022-23 of \$19,188,017 equals the Difference in Net Position in Figure 1.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management’s Discussion and Analysis (Unaudited)

General Fund

The District’s General Fund balance at June 30, 2023 is \$45,685,756, an increase of \$9,965,305 over the prior year. With excess from the General Fund, the District was able to maximize the 4% unassigned fund balance, make deposits into the Tax Certiorari Reserve, the 2021 Capital Reserve (up to its limit) and the 2022 Capital Reserve. The District assigned \$3,627,389 from the 2022-23 surplus to the 2023-24 year.

General Fund Budgetary Highlights

Figure 3
Revenues – Budget to Actual

	Original Budget	Final Budget	Actual	Final Budget Variance with Budgetary Actual
REVENUES:				
Local Sources:				
Real property taxes	\$ 92,454,745	\$ 83,052,385	\$ 83,048,088	\$ (4,297)
Other tax items	875,629	10,277,989	10,247,539	(30,450)
Nonproperty taxes	150,000	150,000	301,364	151,364
Other local sources	<u>657,080</u>	<u>748,536</u>	<u>7,386,245</u>	<u>6,637,709</u>
	94,137,454	94,228,910	100,983,236	6,754,326
State sources	74,692,024	74,692,024	75,137,531	445,507
Medicaid reimbursement	300,000	300,000	1,008,643	708,643
Federal sources	<u>550,000</u>	<u>588,052</u>	<u>804,116</u>	<u>216,064</u>
Total revenue	<u>169,679,478</u>	<u>169,808,986</u>	<u>177,933,526</u>	<u>8,124,540</u>
Other Financing Sources	<u>10,735</u>	<u>10,735</u>	<u>1,240,728</u>	<u>1,229,993</u>
Total revenues and other sources	<u>\$ 169,690,213</u>	<u>\$ 169,819,721</u>	<u>\$ 179,174,254</u>	<u>\$ 9,354,533</u>

The District's General Fund total revenues and other sources show a \$9.3 million excess over estimate in all major categories except small negative variances in property tax categories. The surplus is mainly in the category of Other local sources which includes the proceeds from the sale of Nate Perry Elementary School, excess earned interest, and refunds from prior years. Other Financing Sources shows a positive variance from proceeds from capital leases.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

Figure 4
Expenditures – Budget to Actual

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance with Budgetary Actual
EXPENDITURES:					
General support	\$ 16,613,252	\$ 16,406,063	\$ 14,446,373	\$ 304,787	\$ 1,654,903
Instruction	82,792,876	82,490,333	79,953,612	208,709	2,328,012
Pupil transportation	7,439,586	8,007,483	7,962,524	2,670	42,289
Employee benefits	52,411,857	52,342,989	49,073,176	-	3,269,813
Capital outlay	-	-	1,195,868	-	(1,195,868)
Debt service - principal	9,738,293	11,218,124	11,218,124	-	-
Debt service - interest	3,985,299	3,280,890	3,280,890	-	-
Total expenditures	172,981,163	173,745,882	167,130,567	516,166	6,099,149
Other Financing Uses	470,000	1,201,393	2,078,382	-	65,861
Total expenditures and other uses	173,451,163	174,947,275	169,208,949	516,166	6,165,010
NET CHANGE IN FUND BALANCES	\$ (3,760,950)	\$ (5,127,554)	9,965,305	\$ (516,166)	\$ 15,519,543
FUND BALANCE - beginning of year			35,720,451		
FUND BALANCE - end of year			\$ 45,685,756		

The District had a favorable budget expenditure variance of \$6.1 million. All areas show a positive variance except in the Capital Outlay category which represents a new lease agreement for 2022-23. It is offset by a revenue represented by the same amount in Figure 3 as part of Other Financing Sources. The overall positive balance is attributed to expenditures covered by Federal Stimulus Funds accounted for in the Special Aid Fund.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the School District had invested in a broad range of capital assets. The net value of capital assets of \$203,881,270 represents a net decrease (including additions, disposals, accumulated depreciation, and amortization) of \$8,264,232 from last year.

	Figure 5				
	Beginning of Year	Increases	Decreases	End of Year	Net Change
Land	\$ 3,293,962	\$ -	\$ -	\$ 3,293,962	\$ -
Construction in Progress	19,879,920	1,920,848	-	21,800,768	1,920,848
Depreciable Assets	306,664,975	2,233,903	(8,675,156)	300,223,722	(6,441,253)
Lease assets	<u>3,087,526</u>	<u>1,195,868</u>	<u>-</u>	<u>4,283,394</u>	<u>1,195,868</u>
 Total Capital Assets	 332,926,383	 5,350,619	 (8,675,156)	 329,601,846	 (3,324,537)
 Accumulated Depreciation and Amortization	 <u>(120,780,881)</u>	 <u>(8,352,436)</u>	 <u>3,412,741</u>	 <u>(125,720,576)</u>	 <u>(4,939,695)</u>
 Net Capital Assets	 <u>\$ 212,145,502</u>	 <u>\$ (3,001,817)</u>	 <u>\$ (5,262,415)</u>	 <u>\$ 203,881,270</u>	 <u>\$ (8,264,232)</u>

During 2022-23 one small capital construction project totaling \$99,345 was started and completed. There were no projects reclassified from Construction in Progress to the appropriate categories (buildings, improvements, etc.), and began to be depreciated. A major capital project that was approved by the voters in March 2022, school buses, and a lease agreement with BOCES for instructional computer equipment makes up the majority of the increases in capital assets. The decreases are attributed mainly to the sale of Nate Perry Elementary School.

Debt Administration

Short-term debt, including premiums, decreased by 89.30% in the fiscal year ending June 30, 2023 when compared to the prior year. Long-term debt increased by 46.46% during that period. Total debt decreased by 9.62% in 2022-23. Both short-term and long-term debt are considered a liability on the Statement of Net Position. Details are described below in Figure 6.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management’s Discussion and Analysis (Unaudited)

Figure 6

	Beginning of Year	Issued	Redeemed	End of Year	Net Change
BANS	\$ 41,683,293	\$ 4,515,463	\$ (41,683,293)	\$ 4,515,463	\$ (37,167,830)
Premiums	542,247	677	(542,247)	677	(541,570)
	<u>\$ 42,225,540</u>	<u>\$ 4,516,140</u>	<u>\$ (42,225,540)</u>	<u>\$ 4,516,140</u>	<u>\$ (37,709,400)</u>
	Beginning of Year	Issued	Redeemed	End of Year	Net Change
Serial Bonds	\$ 52,945,000	\$ 31,200,000	\$ (6,800,000)	\$ 77,345,000	\$ 24,400,000
Premiums	7,053,143	4,274,051	(801,474)	10,525,720	3,472,577
	<u>\$ 59,998,143</u>	<u>\$ 35,474,051</u>	<u>\$ (7,601,474)</u>	<u>\$ 87,870,720</u>	<u>\$ 27,872,577</u>

During the 2022-23 year the District converted \$37,635,000 construction Bond Anticipation Notes (BANs) into \$31,200,000 Serial Bonds and \$4,274,051 in premiums. The balance of Serial Bonds decreased by the current year payment of \$6,800,000 and \$801,474 in premiums.

Other obligations of the School District include accrued vacation pay, sick leave and other postemployment benefits for retired employees. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

On May 16, 2023 Moody's Investors Service affirmed an "Aa3" rating to Liverpool Central School District. The "Aa3" rating incorporates the balanced financial operations marked by satisfactory reserve levels, the stable suburban tax base, and the affordable debt burden, which is expected to remain manageable. Our rating with Standard & Poor's at this time is "AA-".

FACTORS BEARING ON THE SCHOOL DISTRICT’S FUTURE

- The contract for United Liverpool Faculty Association (ULFA), the District’s largest group of represented employees, has a three-year term; July 1, 2021 through June 30, 2024. Service Employees International Local 200 United (SEIU) contract runs from July 1, 2021 through June 30, 2025. The Liverpool Administrators Association (LAA) four-year contract was settled and runs from July 1, 2019 through June 30, 2028. The Liverpool Association of Middle Managers (LAMM) agreed to a new contract expiring June 30, 2028. The HERE Union for food service agreed to a two year contract expiring June 30, 2023 and is finalizing negotiations with the District.
- Contractual obligations of the School District relating to employment contracts and employee benefits represent approximately 79% of the 2022-23 annual budget.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management’s Discussion and Analysis (Unaudited)

- Annual health insurance contribution rate increases and actual retirement contribution rates were as follows:

Fiscal Year	Health Insurance Contribution Rate Increases	Teachers’ Retirement System Contribution Rates	Employees’ Retirement System Contribution Rates
2022-2023	3.25%	10.29%	11.60%
2021-2022	-1.59%	9.80%	16.20%
2020-2021	5.60%	9.53%	16.20%
2019-2020	4.82%	8.86%	14.60%
2018-2019	7.76%	10.62%	14.90%
2017-2018	10.00%	9.80%	15.30%
2016-2017	8.00%	11.72%	15.50%
2015-2016	8.00%	13.26%	18.20%

- The Liverpool Central School District has been assigned a “No Designation” rating regarding fiscal stress for the 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22 fiscal years from the "Fiscal Stress Monitoring System Search Tool" by the Office of the State Comptroller at the following web address: <http://wwe1.osc.state.ny.us/localgov/fiscalmonitoring/fsms.cfm>. This rating confirms the continued fiscal health of the District as of June 30, 2022. Scores range from 0% to 100% with -0- being the best possible score.
- On March 14, 2022, the District voters approved a Capital Project in the amount of \$72,184,922 which includes major renovations and facility upgrades to Liverpool High School, Wetzel Road Elementary School, Long Branch Elementary School, the Morgan Road Complex, and the District Transportation Center. The voters authorized the use of \$7,142,123 from the District's Capital Reserve 15-16 and \$5,918,993 from the District's Capital Reserve 20-21, and the issuance of bonds in the amount of \$59,123,806. On May 16th, 2023 voters approved an additional \$9,000,000 to aid and extend the current
- The District's management believes that an important factor of future financial health is the ability to put excess fund balance into approved reserves when possible.
- Funding the Capital Reserve continues to be a high priority. A new Capital Reserve was approved by the voters in 2022 to be funded up to 30 million dollars or after 10 years. A Capital Reserve was created in 2021 with a maximum limit of the reserve is \$10 million and the accumulation of funds into this reserve must cease at the earlier of reaching \$10M or 10 years. \$5,918,993 was withdrawn from the 2021 Capital Reserve and is currently fully funded with \$4,071,499 from deposits made in 2021-22 and 2022-23. The district also began funding the 2022 Capital reserve with a deposit of \$8,241,323 in June 2022.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

- The Reserve for Retirement Contributions (ERS) was maintained to prepare for potential increases in the ERS employer contribution rate in future budgets. The District has maximize the reserve balance at 100% of our desired funding level of three years of retirement system billings.
- The Retirement Contribution Reserve Sub-Fund TRS was established June 3, 2019. The Retirement Contribution Reserve Sub-Fund TRS funding level is now at \$2,907,308 or 50% of the maximum funding level of 10% of the total TRS salaries.
- The Tax Certiorari Reserve continues to be closely monitored and utilized accordingly. The pending claims are all at the maximum requested amounts. The totals in most cases represent multiple years. Historically the average settlement for the Liverpool Central School District is 30% of the total impact. The Tax Certiorari reserve balance as of June 30, 2023 is \$2.3 million which is currently at 37.7% of the maximum level of \$6.1 million. The District is preparing itself for an increase in claims if the trend of recent years continues.
- In August of 2021, \$1,496,771 was transferred from the Unemployment Reserve to the newly established Health Insurance Reserve. The purpose of this reserve is to mitigate the financial risk, provide stability to the budget, and protect the financial resources of the school community. On June 30, 2023 the reserve was increased to total \$4,196,382 and can be funded up to 55% of the projected annual health insurance expenses.
- The State Education Department approved the District's 2022-2025 Instructional Technology Plan. The plan was developed from the strong stance, that technology can significantly enhance the teaching and learning environment. This plan includes a Chromebook and iPad 1:1 initiative District-wide.
- The Smart Schools Bond Act of 2014 (SSBA) was approved by New York State voters in 2014 and subsequently authorized issuance of \$2 billion in bonds to improve educational technology and infrastructure statewide. Liverpool's allocation is approximately \$5.3 million. The District submitted an improvement plan in July 2015 consisting of three phases. Phase one and two are complete and total approximately \$3.9 million. Phase 3 for high tech security has obtained SSBA approval. The purchase and installation of the equipment are currently underway. This plan includes replacement of outdated systems and totals approximately \$1.4 million.
- The School District's Audit Committee met four times during 2022-23 and continues to serve as a valuable resource to the Administration and the Board of Education. We appreciate their important role.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Liverpool Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Assistant Superintendent for Administrative Services, Liverpool Central School District, at 195 Blackberry Road, Liverpool, New York 13090.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Statement of Net Position
June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS:

Cash - unrestricted	\$ 23,018,456
Cash - restricted	46,001,084
Due from other governments	3,220,840
State and federal aid receivable	9,205,976
Other receivables	121,159
Inventories	78,790
Prepaid expenses	<u>665,936</u>
Total current assets	<u>82,312,241</u>

NON CURRENT ASSETS:

Capital assets, non-depreciable	25,094,730
Capital assets, depreciable, net	<u>178,786,540</u>
Total non current assets	<u>203,881,270</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows of resources - pensions ERS	8,103,554
Deferred outflows of resources - pensions TRS	36,315,316
Deferred outflows of resources - OPEB related	<u>69,620,849</u>

Total deferred outflows of resources	<u>114,039,719</u>
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LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES:

Accounts payable	2,594,965
Accrued liabilities	6,190,347
Due to other governments	16
Retainage payable	222,797
Interest payable	280,307
Bond anticipation notes	4,516,140
Due to teachers' retirement system	6,803,806
Due to employees' retirement system	839,625
Unearned revenue	<u>132,953</u>

Total current liabilities	<u>21,580,956</u>
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LONG-TERM LIABILITIES:

Due and payable within one year:	
Bonds payable, current	9,212,109
Lease liabilities, current	999,291
Due and payable in more than one year:	
Bonds payable, net of current portion	78,658,611
Lease liabilities, net of current portion	913,044
Net pension liability - TRS	6,855,230
Net pension liability - ERS	11,143,805
Total other postemployment benefits	426,808,932
Compensated absences	<u>3,581,293</u>

Total long-term liabilities	<u>538,172,315</u>
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DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources - pensions ERS	659,545
Deferred inflows of resources - pensions TRS	3,154,016
Deferred inflows of resources - OPEB related	<u>128,894,500</u>

Total deferred inflows of resources	<u>132,708,061</u>
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NET POSITION

Net investment in capital assets	111,216,903
Restricted	48,972,207
Unrestricted	<u>(452,417,212)</u>

TOTAL NET POSITION	<u>\$ (292,228,102)</u>
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The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Statement of Activities
For the year ended June 30, 2023

	<u>Program Revenue</u>				Net (Expense) Revenue and Change in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	
FUNCTIONS/PROGRAMS:					
General support	\$ 28,828,715	\$ 312,812	\$ 308,006	\$ -	\$ (28,207,897)
Instruction	131,011,343	-	13,626,350	-	(117,384,993)
Pupil transportation	12,796,114	-	343,050	-	(12,453,064)
Community services	79,087	-	-	-	(79,087)
Interest	2,785,081	-	-	-	(2,785,081)
School lunch program	<u>1,519,102</u>	<u>511,921</u>	<u>3,018,241</u>	<u>-</u>	<u>2,011,060</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 177,019,442</u>	<u>\$ 824,733</u>	<u>\$ 17,295,647</u>	<u>\$ -</u>	<u>(158,899,062)</u>
GENERAL REVENUE:					
Real property taxes					83,048,088
Other tax items					10,247,539
Nonproperty taxes					301,364
Use of money and property					2,373,216
Sale of property and compensation for loss					4,020,139
Miscellaneous					1,895,695
State sources					62,575,656
Federal sources					12,618,254
Medicaid reimbursement					<u>1,008,643</u>
TOTAL GENERAL REVENUE					<u>178,088,594</u>
CHANGE IN NET POSITION					19,189,532
NET POSITION - beginning of year					<u>(311,417,634)</u>
TOTAL NET POSITION - end of year					<u>\$ (292,228,102)</u>

The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds
June 30, 2023

	General	Capital Projects	Special Aid	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:					
Cash - unrestricted	\$ 8,245,855	\$ 11,824,821	\$ -	\$ 2,947,780	\$ 23,018,456
Cash - restricted	39,787,189	1,886,962	-	4,326,933	46,001,084
Due from other funds	5,190,702	-	-	2,804	5,193,506
Due from other governments	2,727,407	-	449,616	43,817	3,220,840
State and federal aid receivable	4,675,147	-	4,321,471	209,358	9,205,976
Other receivables	119,445	-	-	1,714	121,159
Inventories	-	-	-	78,790	78,790
Prepaid expenditures	665,936	-	-	-	665,936
TOTAL ASSETS	\$ 61,411,681	\$ 13,711,783	\$ 4,771,087	\$ 7,611,196	\$ 87,505,747
LIABILITIES:					
Accounts payable	\$ 1,925,126	\$ 252,134	\$ 384,491	\$ 33,214	\$ 2,594,965
Accrued liabilities	6,148,242	-	30,026	12,079	6,190,347
Due to other funds	-	907,617	4,284,963	926	5,193,506
Due to other governments	-	-	-	16	16
Bond anticipation notes	-	4,515,463	-	-	4,515,463
Due to teachers' retirement system	6,803,806	-	-	-	6,803,806
Due to employees' retirement system	815,385	-	-	24,240	839,625
Unearned revenue	33,366	27,980	71,607	-	132,953
TOTAL LIABILITIES	15,725,925	5,703,194	4,771,087	70,475	26,270,681
FUND BALANCE:					
Nonspendable	665,936	-	-	78,790	744,726
Restricted:					
Workers' compensation	510,333	-	-	-	510,333
Unemployment insurance	208,870	-	-	-	208,870
Tax certiorari	2,344,560	-	-	-	2,344,560
Employee benefit accrued liability	2,824,885	-	-	-	2,824,885
Insurance	4,196,382	-	-	-	4,196,382
Capital	12,445,933	-	-	-	12,445,933
Retirement contribution	10,970,724	-	-	-	10,970,724
Capital projects	-	8,008,589	-	-	8,008,589
Debt service	-	-	-	3,949,322	3,949,322
School lunch	-	-	-	3,134,550	3,134,550
Other	-	-	-	378,059	378,059
Total restricted fund balance	33,501,687	8,008,589	-	7,461,931	48,972,207
Assigned:					
Encumbered for:					
General support	304,787	-	-	-	304,787
Instruction	208,709	-	-	-	208,709
Pupil transportation	2,670	-	-	-	2,670
Appropriated for subsequent years expenditures	3,627,389	-	-	-	3,627,389
Total assigned fund balance	4,143,555	-	-	-	4,143,555
Unassigned	7,374,578	-	-	-	7,374,578
TOTAL FUND BALANCE	45,685,756	8,008,589	-	7,540,721	61,235,066
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 61,411,681	\$ 13,711,783	\$ 4,771,087	\$ 7,611,196	\$ 87,505,747

The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

**Reconciliation of the Balance Sheet and Statement of Net Position
June 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different from amounts reported in the Balance Sheet because:

Total Governmental Funds - Fund Balance per the Balance Sheet \$ 61,235,066

The cost of investment in capital assets (including lease assets) and the depreciation expense and amortization expense associated with the investment in capital assets are reported as expenditures in the year they are incurred in the governmental funds. However, the Statement of Net Position includes those costs among the assets of the District, and their original costs are depreciated annually over the life of the asset.

Original cost of capital assets	329,601,846	
Accumulated depreciation/amortization	<u>(125,720,576)</u>	
Net cost of capital assets		203,881,270

Deferred outflows of resources not reported in the governmental funds Balance Sheet but included in the Statement of Net Position are as follows:

Pensions - ERS	8,103,554	
Pensions - TRS	36,315,316	
Other postemployment benefits	<u>69,620,849</u>	
Total deferred outflows of resources		114,039,719

Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds Balance Sheet. Long-term liabilities recorded in the Statement of Position are as follows:

Retainage payable	(222,797)	
Interest payable	(280,307)	
Lease liabilities	(1,912,335)	
Bond anticipation notes - premium	(677)	
Bonds payable	(87,870,720)	
Net pension liability - TRS	(6,855,230)	
Net pension liability - ERS	(11,143,805)	
Total other postemployment benefits liability	(426,808,932)	
Compensated absences	<u>(3,581,293)</u>	
Total long-term liabilities		(538,676,096)

Deferred inflows of resources not reported in the governmental funds Balance Sheet but recorded in the Statement of Net Position are as follows:

Pensions - ERS	(659,545)	
Pensions - TRS	(3,154,016)	
Other postemployment benefits	<u>(128,894,500)</u>	
Total deferred outflows of resources		<u>(132,708,061)</u>

Net position per the Statement of Net Position \$ (292,228,102)

The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Statement of Revenue, Expenditures, and Change in Fund Balance - Governmental Funds
For the year ended June 30, 2023

	General	Capital Projects	Special Aid	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:					
Real property taxes	\$ 83,048,088	\$ -	\$ -	\$ -	\$ 83,048,088
Other tax items	10,247,539	-	-	-	10,247,539
Nonproperty taxes	301,364	-	-	-	301,364
Charges for services	312,812	-	-	-	312,812
Sales	-	-	-	511,921	511,921
Use of money and property	1,826,238	-	-	546,978	2,373,216
Sale of property and compensation for loss	4,020,139	-	-	-	4,020,139
Miscellaneous	1,227,056	-	232,642	357,983	1,817,681
State sources	75,137,531	-	1,715,531	64,339	76,917,401
Medicaid reimbursement	1,008,643	-	-	-	1,008,643
Federal sources	804,116	-	11,814,138	2,953,902	15,572,156
Total revenue	177,933,526	-	13,762,311	4,435,123	196,130,960
EXPENDITURES:					
General support	14,446,373	-	308,006	399,051	15,153,430
Instruction	79,953,612	-	11,844,628	1,181,522	92,979,762
Pupil transportation	7,962,524	-	281,062	-	8,243,586
Community services	-	-	-	79,087	79,087
Employee benefits	49,073,176	-	1,596,973	392,951	51,063,100
Cost of sales	-	-	-	1,294,757	1,294,757
Other expenditures	-	-	-	224,345	224,345
Capital outlay	1,195,868	3,722,702	-	-	4,918,570
Debt service - principal	11,218,124	-	1,596	-	11,219,720
Debt service - interest	3,280,890	-	60	542,247	3,823,197
Total expenditures	167,130,567	3,722,702	14,032,325	4,113,960	188,999,554
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	10,802,959	(3,722,702)	(270,014)	321,163	7,131,406
OTHER SOURCES AND (USES):					
BANs redeemed from appropriations	-	3,848,293	-	-	3,848,293
Premium on obligations	-	-	-	4,352,742	4,352,742
Payment to escrow agent	(942,850)	-	-	-	(942,850)
Proceeds from obligations	-	31,200,000	-	-	31,200,000
Proceeds from leases	1,195,868	-	-	-	1,195,868
Operating transfers in	44,860	5,075,000	304,137	705,992	6,129,989
Operating transfers out	(1,135,532)	(74,599)	(34,123)	(4,885,735)	(6,129,989)
Total other sources (uses)	(837,654)	40,048,694	270,014	172,999	39,654,053
CHANGE IN FUND BALANCE	9,965,305	36,325,992	-	494,162	46,785,459
FUND BALANCE - beginning of year	35,720,451	(28,317,403)	-	7,046,559	14,449,607
FUND BALANCE - end of year	\$ 45,685,756	\$ 8,008,589	\$ -	\$ 7,540,721	\$ 61,235,066

The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

**Reconciliation of the Statements of Revenue, Expenditures, and Change in Fund Balance to the Statement of Activities
For the year ended June 30, 2023**

Amounts reported for governmental activities in the Statement of Net Activities are different from amounts reported in the Statement of Revenue, Expenditures, and Change In Fund Balances because:

Net changes in fund balance - total governmental funds	\$ 46,785,459
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position.	
Capital asset (including lease asset) additions	5,350,619
Loss on disposition of capital assets	(5,262,415)
Depreciation and amortization expense	(8,352,436)
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Net pension liability/asset	(14,960,102)
Deferred outflows of resources	290,396
Deferred inflows of resources	12,676,575
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Net pension liability/asset	(68,711,434)
Deferred outflows of resources	953,053
Deferred inflows of resources	65,864,664
Other postemployment benefits (expense)/income resulting from the change in the other postemployment benefits related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.	
Other postemployment benefits liability	(15,870,497)
Deferred outflows of resources	(15,284,148)
Deferred inflows of resources	43,130,857
Issuance of long-term debt and related premiums and lease liabilities are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	(36,669,919)
Repayments of long-term serial bonds and lease liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	8,141,427
Amortization of premium on serial bonds not reported in the funds.	801,474
Amortization of deferred outflow of resources related to defeased debt not reported in the funds.	(2,447)
Increase in accrued interest not previously reported in the funds.	(130,308)
The net decrease in premiums on bond anticipation notes not previously reported in the funds.	541,570
The net decrease in long-term retainage expenses and accrued liabilities not reported in the funds.	38,464
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds include the following:	
Compensated absences	<u>(141,320)</u>
Change in net position - governmental activities	<u>\$ 19,189,532</u>

The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

**Statement of Net Position - Fiduciary Fund
June 30, 2023**

	<u>Custodial Fund</u>
ASSETS:	
Restricted cash	\$ -
Other assets	<u>-</u>
Total assets	<u>-</u>
LIABILITIES:	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION:	
Restricted net position	<u><u>\$ -</u></u>

**Statement of Change in Net Position - Fiduciary Fund
For the year ended June 30, 2023**

	<u>Custodial Fund</u>
ADDITIONS:	
Tax collections for other governments	<u>\$ 4,022,287</u>
Total additions	<u>4,022,287</u>
DEDUCTIONS:	
Payments of tax to other governments	<u>4,022,287</u>
Total deductions	<u>4,022,287</u>
Change in net position	-
Total net position - beginning of year	<u>-</u>
Total net position - end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

1. NATURE OF OPERATIONS AND SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Liverpool Central School District (the District) provides education for pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

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

Reporting Entity

The Liverpool 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 (BOE). The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE has authority to make decisions, power to appoint management and has accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by the GASB and consists of the primary government, and when applicable, 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 including the Extraclassroom Activity Funds (the ECA Funds).

The ECA Funds and the related transactions are facilitated by the student body. However, the Board of Education exercises general oversight of these funds. The District accounts for the ECA Funds in the Extraclassroom Activities Fund, a special revenue fund. Separate audited financial statements (cash basis) of the ECA Funds can be found at the District's business office.

Joint Venture

The School District is one of 23 component school districts in Onondaga-Cortland-Madison Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. 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.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

Financial statements for the BOCES are available from the BOCES administrative office at 110 Elwood Davis Road, Liverpool, New York 13088.

Basis of Presentation

Government-Wide Financial 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 government in its entirety, except for 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 revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

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

The District reports the following 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.
- Capital Projects Fund - This fund accounts for the financial resources used for the renovation of the District's educational complex and the purchase of District transportation equipment.
- Special Aid Fund - This is a special revenue fund that accounts for the proceeds of specific revenue sources, such as federal, state and local grants, that are legally restricted to expenditures for specified purposes, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

The District reports the following nonmajor governmental funds:

- School Lunch Fund - This special revenue fund accounts for the financial transactions in connection with the District's food service program.
- Extraclassroom Activities Fund - This special revenue fund accounts for the activities of the student run clubs and organization of the District.
- Miscellaneous Special Revenue Fund - This special revenue fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the District for specific purposes.
- Debt Service Fund - This fund accounts for the accumulation of resources and payment of principal and interest on long-term general obligation debt of the governmental activities.

The District reports the following fiduciary fund:

- Custodial Fund - These funds account for assets held by the District in a purely custodial capacity on a temporary basis. Property taxes and PILOT payments for Liverpool Public Library are paid to the District and are subsequently remitted to the Library. No custodial assets were held as of year end June 30, 2023.

Use of Estimates

The preparation of basic 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 amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from these estimates and such differences may be significant.

Measurement Focus and Basis of Accounting

The Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange 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, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within ninety 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, compensated absences, other postemployment benefits and long-term pension obligation, 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 leases are reported as other financing sources.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes, as well unspent debt proceeds restricted for use in capital projects and amounts restricted for debt service.

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by Onondaga County (the County). An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District. This year, amounts were received on April 3.

Due From Other Governments

Due from other governments recorded as an asset at June 30, 2023, relates to receivables due from BOCES and other school districts. Management does not believe an allowance for doubtful accounts is necessary.

State and Federal Aid Receivable

State and federal aid receivable recorded as an asset at June 30, 2023 relates to receivables due from New York State and/or the federal government. Management does not believe an allowance for doubtful accounts is necessary.

Other Receivables

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

Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as within 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 within expenditures and revenues to provide financing or other services.

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.

Eliminations have been made in the government-wide financial statements for all significant interfund receivables and payables, and transfers between the funds, with the exception of those due to/from between the governmental funds and fiduciary funds, when applicable.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Inventory 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 fair value. Purchases of inventory 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 government-wide and governmental fund financial statements. These items are reported as assets on the statement of net position 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.

A portion of fund balance equal to inventories and prepaid amounts is reported as nonspendable, as these assets are not in spendable form in the current period.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair value at the time received.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

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 government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	50,000	SL	50 years
Improvements	25,000	SL	7-20 years
Vehicles and equipment	5,000	SL	5-20 years

Capital assets also include lease assets with a term greater than one year. The District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District reports the following items in this category:

- Deferred charges resulting from bond refunding. A deferred charge on a refunding results from the difference in the carrying value of the refunding debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is expensed against interest expense in future periods.
- Deferred charges related to pension plans and the other postemployment benefits plan (see Notes 9 and 10).

Deferred inflows of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports the following items in this category:

- Deferred resources related to pension plans and the other postemployment benefits plan (see Notes 9 and 10).

Vested Employee Benefits - Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation and sabbatical 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 time in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Standards, the 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 governmental fund financial 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.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Other Postemployment Benefits

In addition to providing the pension benefits described, the District provides postemployment health insurance coverage and survivor benefits to its retired employees and their survivors, in accordance with the provisions of the employment contracts negotiated between the District and its employee groups. Substantially, all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The District pays a variable percentage of the cost of premiums to an insurance company that provides healthcare insurance. At the fund level the District recognizes the cost of providing healthcare insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund in the year paid. The financial disclosures relating to the District's other postemployment benefits are reflected in Note 10.

Encumbrances

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

All encumbrances are classified as either restricted or assigned fund balance.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Net Position/Fund Balance Classifications

Government-Wide Statements

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

Net Investment in Capital Assets - Consists of net capital assets (cost less accumulated depreciation or amortization) plus unspent bond proceeds reduced by outstanding balances of related debt obligations or other liabilities from the acquisition, construction or improvements of those assets.

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

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

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Fund Financial Statements

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

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenditures and inventories.

Restricted Fund Balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has available the following restricted fund balances:

Workers' Compensation

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administrating this program. The reserve is established without voter approval and funded by budgetary appropriation. This reserve is accounted for in the General Fund.

Unemployment Insurance

Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 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.

Tax Certiorari

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 which 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.

Employee Benefit Accrued Liability

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

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Insurance

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

Capital

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. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the General Fund. Of this reserve at June 30, 2023, \$2,907,308 is reserved under the TRS Reserve Sub Fund.

Capital Projects

The Capital Projects Fund reports restricted fund balance for unspent debt proceeds restricted for use in capital projects.

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Committed Fund Balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2023.

Assigned Fund Balance - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances are classified as assigned, as well as the amount of fund balance appropriated for the next year's budget.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Unassigned Fund Balance - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. Unassigned fund balance will also include any negative fund balance of all funds other than General Fund.

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

Order of Fund Balance Spending Policy

By resolution, the Board of Education is authorized to assign fund balance. Assignments of fund balance cannot cause a negative unassigned fund balance. The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and then unassigned fund balance.

2. CASH AND CASH EQUIVALENTS

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, authorizing the District to invest in the following:

- Certificates of deposit issued by a bank or trust company authorized to do business in New York State
- Time deposit accounts in a bank or trust company authorized to do business in New York State
- Obligations of New York State
- Obligations of the United States Government

As of June 30, 2023, the District's aggregate bank balances (not including investments in external investment pools) were insured and collateralized as follows:

<u>Description</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary government	<u>\$ 32,286,577</u>	<u>\$ 31,497,964</u>
Cash and cash equivalents	<u>\$ 32,286,577</u>	<u>\$ 31,497,964</u>
Category 1:		
Covered by FDIC insurance	\$ 5,094,761	
Category 2:		
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	<u>27,191,816</u>	
	<u>\$ 32,286,577</u>	

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Investments in External Investment Pools

At June 30, 2023, the District's cash and cash equivalents included amounts with a fair value of \$37,521,576 invested in NYCLASS, an external investment pool for local governments in New York State.

NYCLASS measures its investments at fair value and therefore a Participant's investments in the pools are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

NYCLASS and NYCLASS Prime are rated by S&P Global Ratings. The current rating is 'AAAm.'

The dollar weighted average days to maturity (WAM) of NYCLASS at March 31, 2023, was 43 days and the weighted average life (WAL) was 89 days. The WAM of NYCLASS Prime at March 31, 2023, was 46 days and the WAL was 67 days.

3. PARTICIPATION IN BOCES

During the year, the District was billed \$10,771,841 for BOCES administrative and program costs.

The School District's share of BOCES aid amounted to \$4,634,710.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 3,293,962	\$ -	\$ -	\$ 3,293,962
Construction in progress	19,879,920	1,920,848	-	21,800,768
Total Capital Assets, not being depreciated	<u>23,173,882</u>	<u>1,920,848</u>	<u>-</u>	<u>25,094,730</u>
Capital Assets, being depreciated:				
Buildings	273,577,465	124,833	(8,127,615)	265,574,683
Improvements	9,668,517	-	(357,092)	9,311,425
Vehicles and equipment	23,418,993	2,109,070	(190,449)	25,337,614
Total Capital Assets, being depreciated	<u>306,664,975</u>	<u>2,233,903</u>	<u>(8,675,156)</u>	<u>300,223,722</u>
Less Accumulated Depreciation for:				
Buildings	98,560,816	5,064,973	(2,891,797)	100,733,992
Improvements	7,236,264	292,101	(346,514)	7,181,851
Vehicles and equipment	14,103,993	1,819,677	(174,430)	15,749,240
Total Accumulated Depreciation	<u>119,901,073</u>	<u>7,176,751</u>	<u>(3,412,741)</u>	<u>123,665,083</u>
Total Capital Assets, being depreciated, net	<u>186,763,902</u>	<u>(4,942,848)</u>	<u>(5,262,415)</u>	<u>176,558,639</u>
Lease Assets, being amortized:				
Copy machine	431,450	-	-	431,450
Equipment	2,656,076	1,195,868	-	3,851,944
Total Lease Assets, being amortized	<u>3,087,526</u>	<u>1,195,868</u>	<u>-</u>	<u>4,283,394</u>
Less Accumulated Amortization for:				
Copy machine	151,915	152,182	-	304,097
Equipment	727,893	1,023,503	-	1,751,396
Total Accumulated Amortization	<u>879,808</u>	<u>1,175,685</u>	<u>-</u>	<u>2,055,493</u>
Total Lease Assets, being amortized, net	<u>2,207,718</u>	<u>20,183</u>	<u>-</u>	<u>2,227,901</u>
Governmental Activities Capital Assets, net	<u>\$ 212,145,502</u>	<u>\$ (3,001,817)</u>	<u>\$ (5,262,415)</u>	<u>\$ 203,881,270</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Depreciation and amortization was charged to governmental activities as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General government support	\$ 4,890,929	\$ -
Instruction	1,117,826	1,175,685
Pupil transportation	<u>1,167,996</u>	<u>-</u>
Total	<u>\$ 7,176,751</u>	<u>\$ 1,175,685</u>

5. SHORT-TERM DEBT

The District may issue Revenue Anticipation Notes (RANs) 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. RANs represent a liability that will be extinguished by the use of expendable, available resources of the General Fund. The District did not issue any RANs during the year ending June 30, 2023 and does not have any RANs outstanding at June 30, 2023.

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 an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued. The District did not issue or redeem any budget notes during the year.

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

Outstanding balances of short-term debt were comprised of the following at June 30, 2023:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Due</u>
BAN - Buses	7/22/2022	9/22/2023	3.00%	4,515,463
Add: premium on BANs				<u>677</u>
Total				<u>\$ 4,516,140</u>

Interest on short-term debt for the year ending June 30, 2023 was composed of:

Interest paid	\$ 1,263,621
Less interest accrued in the prior year	(30,362)
Less premiums received in the prior year	(542,247)
Plus interest accrued in the current year	<u>112,887</u>
Total	<u>\$ 803,899</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Transactions in short-term debt for the year ending June 30, 2023 are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
BANs	\$ 41,683,293	\$ 4,515,463	\$ (41,683,293)	\$ 4,515,463
Add: premiums	<u>542,247</u>	<u>677</u>	<u>(542,247)</u>	<u>677</u>
Total	<u>\$ 42,225,540</u>	<u>\$ 4,516,140</u>	<u>\$ (42,225,540)</u>	<u>\$ 4,516,140</u>

6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Reductions *	Ending Balance	Amount Due Within One Year
Serial bonds	\$ 52,945,000	\$ 31,200,000	\$ (6,800,000)	\$ 77,345,000	\$ 8,110,000
Unamortized premiums on serial bonds	7,053,143	4,274,051	(801,474)	10,525,720	1,102,109
Compensated absences	3,439,973	141,320	-	3,581,293	-
Total other postemployment benefits	410,938,435	26,047,614	(10,177,117)	426,808,932	-
Net pension obligation - TRS	-	6,855,230	-	6,855,230	-
Net pension obligation - ERS	-	<u>11,143,805</u>	-	<u>11,143,805</u>	-
Governmental activities long-term liabilities	<u>\$ 474,376,551</u>	<u>\$ 79,662,020</u>	<u>\$ (17,778,591)</u>	<u>\$ 536,259,980</u>	<u>\$ 9,212,109</u>

* Reduction in serial bonds includes \$770,000 in defeased debt as fully described in Note 15.

Summary of Debt Service on Serial Bonds to Maturity

As of June 30, 2023, amounts due to service general obligation serial bonds payable principal and interest in future years for governmental activities are as follows:

	Principal	Interest	Total
2024	\$ 8,110,000	\$ 4,233,815	\$ 12,343,815
2025	8,420,000	3,394,457	11,814,457
2026	7,555,000	2,998,057	10,553,057
2027	6,705,000	2,640,632	9,345,632
2028	6,885,000	2,312,632	9,197,632
2029-2033	30,255,000	6,542,535	36,797,535
2034-2037	<u>9,415,000</u>	<u>805,732</u>	<u>10,220,732</u>
Total	<u>\$ 77,345,000</u>	<u>\$ 22,927,860</u>	<u>\$ 100,272,860</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Serial Bonds

Existing serial bond obligations at June 30, 2023 were as follows:

Description	Issue Date	Maturity Date	Interest Rate	Balance Due
Serial Bonds:				
2023 DASNY Bonds	6/15/2023	6/15/2037	5.00%	\$ 31,200,000
Refunding Bonds 2021	3/10/2021	6/1/2026	1.00-4.00%	6,440,000
DASNY Bonds 2018	6/7/2018	6/15/2034	3.375-5.00%	23,870,000
DASNY Bonds 2016	6/15/2016	6/15/2031	2.00-5.00%	10,435,000
DASNY Bonds 2020	6/17/2020	6/15/2036	4.00-5.00%	<u>5,400,000</u>
				77,345,000
Add: unamortized premiums				<u>10,525,720</u>
Total bonds payable				<u><u>\$ 87,870,720</u></u>

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

Interest paid on serial bonds	\$ 2,492,590
Interest paid on leases	66,986
Interest related to debt defeasance	172,850
Less interest accrued in the prior year	(119,637)
Plus interest accrued in the current year	167,420
Less amortization of premiums	(801,474)
Plus amortization of deferred charges on defeased debt	<u>2,447</u>
Total	<u><u>\$ 1,981,182</u></u>

Interest paid varies from year to year, in accordance with the interest rates specified in the bond agreements.

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. Deferred charges on defeased debt are summarized as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Refunding Bonds 2014	\$ 2,447	\$ -	\$ (2,447)	\$ -
Total	<u>\$ 2,447</u>	<u>\$ -</u>	<u>\$ (2,447)</u>	<u>\$ -</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

7. LEASES

The District leases various copiers and equipment, primarily from Onondaga-Cortland-Madison Board of Cooperative Educational Service (OCM BOCES). The leases do not contain renewal options. Lease agreements are summarized as follows:

Description	Inception Date	Term (in months)	Interest Rate / Discount Rate	Total Initial Lease Liability
Copier	7/1/2021	34	2.16%	\$ 426,644
Equipment	7/1/2021	26	2.71%	602,632
Equipment	7/1/2021	38	1.86%	875,617
Equipment	12/2/2021	48	1.31%	1,154,187
Mail machine	9/23/2021	48	2.16%	23,640
Copier	9/3/2021	36	2.16%	4,806
Equipment	12/6/2022	48	4.45%	1,195,868

Activity of lease liabilities for the year ended June 30, 2023 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
<u>\$ 2,057,894</u>	<u>\$ 1,195,868</u>	<u>\$ (1,341,427)</u>	<u>\$ 1,912,335</u>	<u>\$ 999,291</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
2024	\$ 999,291	\$ 55,425	\$ 1,054,716
2025	598,699	31,794	630,493
2026	<u>314,345</u>	<u>14,233</u>	<u>328,578</u>
Total	<u>\$ 1,912,335</u>	<u>\$ 101,452</u>	<u>\$ 2,013,787</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

To improve cash management, instances occur where the District may have receivables and payables between the different funds. This cash management practice, as well as normal delays in processing interfund transfers and reimbursement, is the main reason why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year. The following schedule summarizes individual fund interfund receivables and payables at June 30, 2023:

Due From	Due To					
	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Miscellaneous Special Revenue Fund	Debt Service Fund
General Fund	\$ -	\$ (4,284,963)	\$ -	\$ (904,813)	\$ -	\$ -
Special Aid Fund	4,284,963	-	-	-	-	-
School Lunch Fund	-	-	-	-	(926)	-
Capital Projects Fund	904,813	-	-	-	-	2,804
Miscellaneous Special Revenue Fund	-	-	-	-	-	-
Debt Service Fund	926	-	-	(2,804)	-	-
Total	\$ 5,190,702	\$ (4,284,963)	\$ -	\$ (907,617)	\$ (926)	\$ 2,804

Transfers

Transfers among funds are provided for as part of the annual budget process. Interfund transfers for the year ended June 30, 2023, which were routine in nature, were as follows:

Transfers Out	Transfers In				
	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Debt Service Fund
General Fund	\$ -	\$ 270,011	\$ -	\$ 200,000	\$ 620,658
Special Aid Fund	(270,011)	-	-	-	-
School Lunch Fund	-	-	-	1,000,000	-
Capital Projects Fund	(200,000)	-	(1,000,000)	-	(3,800,401)
Debt Service Fund	(620,658)	-	-	3,800,401	-
Total	\$ (1,090,669)	\$ 270,011	\$ (1,000,000)	\$ 5,000,401	\$ (3,179,743)

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

9. PENSION PLANS

New York State Employee Retirement System (NYSERS)

The District participates in the New York State and Local Employees' Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2023	\$ 1,836,284
2022	\$ 2,326,942
2021	\$ 2,316,085

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

At June 30, 2023, the District reported a liability of \$11,143,805 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2022. The District's proportion of the net pension liability was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2023, the District's proportion was 0.0519669%, an increase from its proportion measured March 31, 2022 of 0.0466849%.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

For the year ended June 30, 2023, the District recognized pension expense of \$4,074,038. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,186,902	\$ 312,960
Changes in assumptions	5,412,151	59,814
Net difference between projected and actual earnings on pension plan investments	-	65,469
Changes in proportion and differences between the District's contributions and proportionate share of contributions	689,116	221,302
Contributions subsequent to the measurement date	<u>815,385</u>	<u>-</u>
Total	<u>\$ 8,103,554</u>	<u>\$ 659,545</u>

The District reported \$815,385 in contributions subsequent to the measurement that will be recognized 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:

Plan's Year Ended March 31:

2024	\$ 1,613,522
2025	(440,207)
2026	2,342,626
2027	<u>3,112,683</u>
	<u>\$ 6,628,624</u>

Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	32.0	4.30
International Equity	15.0	6.85
Private Equity	10.0	7.50
Real Estate	9.0	4.60
Opportunistic/ARS Portfolio	3.0	5.38
Credit	4.0	5.43
Real Asset	3.0	5.84
Fixed Income	23.0	1.50
Cash	1.0	-
	100.0	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan'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.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of net pension liability (asset)	\$ 26,929,787	\$ 11,143,805	\$ (2,047,227)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (in 000’s) of the employers as of March 31, 2023, were as follows:

Total pension liability	\$ 232,627,259
Plan net position	<u>(211,183,223)</u>
Net pension liability (asset)	<u>\$ 21,444,036</u>
ERS net position as a percentage of total pension liability	90.78%

New York State Teachers’ Retirement System (NYSTRS)

The District participates in the New York State Teachers’ Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers 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.

The New York State Teachers’ Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers’ Retirement Board establishes rates annually for NYSTRS.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>
2023	\$ 6,803,806
2022	\$ 6,253,870
2021	\$ 5,817,349

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

At June 30, 2023, the District reported a liability of \$6,855,230 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

The District's proportion measured June 30, 2022 was 0.357249% percent, which was an increase from its proportion measured June 30, 2021 of 0.356951%.

For the year ended June 30, 2023, the District recognized pension expense of \$8,642,838. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,183,413	\$ 137,367
Changes in assumptions	13,297,986	2,761,480
Net difference between projected and actual earnings on pension plan investments	8,857,607	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	172,504	255,169
Contributions subsequent to the measurement date	<u>6,803,806</u>	<u>-</u>
Total	<u>\$ 36,315,316</u>	<u>\$ 3,154,016</u>

The District made contributions subsequent to the measurement date in the amount of \$6,803,806 that will be recognized in the year ended June 30, 2024.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Plan's Year Ended June 30:	
2023	\$ 5,087,241
2024	2,642,482
2025	(1,094,646)
2026	17,405,921
2027	2,213,706
Thereafter	<u>102,790</u>
	<u>\$ 26,357,494</u>

Actuarial Assumptions

The total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2022, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. Active member mortality rates are based on plan member experience. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions and has updated the mortality improvement assumption as of June 30, 2022.

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

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized below:

Asset class:	Target Allocations in %	Long-Term expected real rate of return in %
Domestic equity	33	6.5
International equity	16	7.2
Global equity	4	6.9
Real Estate equity	11	6.2
Private equity	8	9.9
Domestic fixed income	16	1.1
Global bonds	2	0.6
Private debt	2	5.3
Real estate debt	6	2.4
High-yield bonds	1	3.3
Cash equivalents	1	(0.3)
	<u>100</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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 (Asset) to the Discount Rate Assumption

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95%) or 1% higher (7.95%) than the current rate:

	<u>1% Decrease</u>	<u>Current discount rate</u>	<u>1% Increase</u>
Proportionate share of net pension liability (asset)	\$ 63,208,433	\$ 6,855,230	\$ (40,537,444)

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) (in 000's) of the employers measured as of June 30, 2022 were as follows:

Total pension liability	\$ 133,883,474
Plan net position	<u>131,964,582</u>
Net pension liability (asset)	<u>\$ 1,918,892</u>
NYSTRS net position as a percentage of total pension liability	98.6%

10. OTHER POSTEMPLOYMENT BENEFITS OBLIGATION

Plan Description

The District provides certain other postemployment benefits (predominately health insurance and life insurance) for retired employees of the District in accordance with the provisions of various employment contracts. The District administers the Other Postemployment Benefits Plan (OPEB Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

Funding Policy

As of the date of these financial statements, New York State did not yet have legislation that would enable government entities to establish a qualifying trust for the purpose of funding Other Postemployment Benefits. As such there are no assets accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4, to fund this obligation and benefits are paid on a pay as you go basis.

Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

Actives	1,174
Inactive employees or beneficiaries currently receiving benefits	<u>1,138</u>
Total participants	<u>2,312</u>

Total OPEB Liability

The District's total OPEB liability of \$426,808,932 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 410,938,435
Changes for the Year-	
Service cost	11,364,477
Interest	14,683,137
Changes of benefit terms	(1,599,583)
Differences between expected and actual experience	-
Changes in assumptions	6,472,536
Benefit payments	<u>(15,050,070)</u>
Net changes	<u>15,870,497</u>
Balance at June 30, 2023	<u>\$ 426,808,932</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the June 30, 2023 measurement date was determined using the following actuarial assumptions:

Discount Rate:	3.54% as of June 30, 2022; 3.65% as of June 30, 2023. The discount rate is based on a review of the Fidelity General Obligation 20-Year AA Municipal Bond Index.
Rate of Compensation Increase:	2.6%
Inflation	2.5%
Mortality:	RP-2014 adjusted to 2006 Total Dataset Mortality Table and projected forward with scale MP-2021.
Medical Trend Rate:	7.00% for pre-65 and 6.00% for post-65 for 2023, with an ultimate rate of 3.94% in 2092.
Dental Trend:	Assumed to increase at 3% per year.
Participation Rate:	Assumed that 100% of future eligible retirees to elect coverage at retirement.
Retirement Incidence:	Rates of decrement due to retirement based on the experience under the New York State & Local Retirement System.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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% lower (2.65%) or 1% higher (4.65%) than the current discount rate:

	<u>Discount Rate</u>		
	Current		
	<u>1% Decrease</u>	<u>Discount</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 495,991,279	\$ 426,808,932	\$ 370,798,760

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% lower or 1% higher than the current healthcare cost trend rates as defined in the Actuarial Assumptions and Other Inputs section of this footnote:

	<u>Healthcare Cost Trend Rate</u>		
	Current Cost		
	<u>1% Decrease</u>	<u>Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 357,033,554	\$ 426,808,932	\$ 517,009,852

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$3,073,858. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 41,644,117	\$ 91,366,379
Differences between Expected and Actual	27,976,732	37,528,121
Total	<u>\$ 69,620,849</u>	<u>\$ 128,894,500</u>

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2024	\$ (20,891,786)
2025	(13,367,638)
2026	(13,047,287)
2027	(12,972,806)
2028	1,005,866
Thereafter	-
	<u>\$ (59,273,651)</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

11. COMMITMENTS AND CONTINGENCIES

General

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 three years.

Health Insurance

As of September 1, 2014, the District is self-insured for employee medical, dental and prescription drug insurance coverage. The District uses a third party administrator who is responsible for processing claims and estimating liabilities. The District has also purchased stop-loss insurance for any major medical claims which exceed \$250,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-out and other economic social factors. These liabilities are reported in accrued liabilities in the General Fund.

A reconciliation of the claims recorded for the year ended June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Beginning liabilities	\$ 1,905,647	\$ 1,606,391
Incurred claims	41,806,190	34,032,349
Claims payments	<u>(41,122,713)</u>	<u>(33,733,093)</u>
Ending liabilities	<u>\$ 2,589,124</u>	<u>\$ 1,905,647</u>

Workers' Compensation

The District incurs costs related to workers' compensation claims as a member of the OCM BOCES Workers' Compensation Consortium (the Consortium). The Consortium's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. School districts joining the Consortium must remain members for a minimum of two years; a member may withdraw from the Consortium after that time.

Consortium members include 31 school districts, with the District bearing a share of the Plan's assets and claims liabilities. Consortium members are subject to a supplemental assessment in the event of deficiencies. If the Consortium's assets were to be exhausted, members would be responsible for the Consortium's liabilities.

The Consortium uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Consortium as direct insurer of the risks reinsured.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

During the year ended June 30, 2023, the District incurred premiums or contribution expenditures totaling \$792,209.

The Consortium financial statements may be obtained from the Onondaga-Cortland-Madison BOCES administration office at 110 Elwood Davis Road, Liverpool, New York 13088.

Grants

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.

12. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District's administration prepares a proposed budget for approval by the Board of Education for the General Fund of the District voters.

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 by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. 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.

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the governmental funds balance sheet.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Basic Financial Statements

13. LITIGATION

The District has been named as defendant in several tax certiorari cases related to commercial real property tax assessments. A review by the District and the District's attorneys indicate the maximum potential liability related to these cases is approximately \$7,200,000. The actual liability will be not be known until the cases reach a final resolution. The District's reserve balance related to Tax Certiorari is \$2,344,560 at June 30, 2023.

14. TAX ABATEMENT

The District is subject to tax abatements granted by the Onondaga County Industrial Development Agency (OCIDA), which was created to promote and develop economic growth in the County. For projects providing significant and substantial economic and community benefit, as determined by OCIDA, OCIDA, at its sole discretion, may elect to provide up to 100% abatement of county, municipal and school taxes for a period not to exceed 20 years.

Under these programs, a total of \$7,132,751 in District taxes were abated and \$845,180 of payments in lieu of taxes were received by the District for the year ended June 30, 2023.

15. SALE OF NATE PERRY ELEMENTARY

In August 2022, the District sold the building and former site of Nate Perry Elementary School. Total proceeds of the sale were approximately \$3.89 million. Approximately \$940,000 of these proceeds was used to defease outstanding serial bonds in the amount of \$770,000 in accordance with the August 3, 2023 agreement made with the Dormitory Authority of the State of New York (DASNY). Related capital assets disposed as part of the sale had a net book value of approximately \$5.25 million at the time of sale.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Required Supplementary Information (Unaudited)

**Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance with Budgetary Actual
REVENUE				
LOCAL SOURCES:				
Real property taxes	\$ 92,454,745	\$ 83,052,385	\$ 83,048,088	\$ (4,297)
Other tax items	875,629	10,277,989	10,247,539	(30,450)
Nonproperty taxes	150,000	150,000	301,364	151,364
Charges for services	148,030	148,030	312,812	164,782
Use of money and property	152,500	152,500	1,826,238	1,673,738
Sale of property and compensation for loss	46,550	115,565	4,020,139	3,904,574
Miscellaneous	<u>310,000</u>	<u>332,441</u>	<u>1,227,056</u>	<u>894,615</u>
Total local sources	94,137,454	94,228,910	100,983,236	6,754,326
State sources	74,692,024	74,692,024	75,137,531	445,507
Medicaid reimbursement	300,000	300,000	1,008,643	708,643
Federal sources	<u>550,000</u>	<u>588,052</u>	<u>804,116</u>	<u>216,064</u>
Total revenue	<u>169,679,478</u>	<u>169,808,986</u>	<u>177,933,526</u>	<u>8,124,540</u>
OTHER FINANCING SOURCES				
Proceeds from capital leases	-	-	1,195,868	1,195,868
Transfers from other funds	<u>10,735</u>	<u>10,735</u>	<u>44,860</u>	<u>34,125</u>
Total other financing sources	<u>10,735</u>	<u>10,735</u>	<u>1,240,728</u>	<u>1,229,993</u>
Total revenues and other sources	<u>\$ 169,690,213</u>	<u>\$ 169,819,721</u>	<u>\$ 179,174,254</u>	<u>\$ 9,354,533</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Required Supplementary Information (Unaudited)

Schedule of Revenue, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund (Continued)

For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Final Budget Variance with Budgetary <u>Actual</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 54,969	\$ 57,112	\$ 50,001	\$ -	\$ 7,111
Central administration	364,820	365,120	327,945	-	37,175
Finance	1,066,194	1,189,792	1,110,749	66,232	12,811
Staff	1,433,684	1,479,283	1,316,155	26,169	136,959
Central services	12,388,476	11,896,575	10,246,825	212,386	1,437,364
Special items	1,305,109	1,418,181	1,394,698	-	23,483
Total general support	<u>16,613,252</u>	<u>16,406,063</u>	<u>14,446,373</u>	<u>304,787</u>	<u>1,654,903</u>
INSTRUCTION:					
Instruction, administration, and improvement	5,512,944	5,415,834	5,262,490	14,845	138,499
Teaching - Regular school	42,604,441	42,649,456	42,232,002	41,423	376,031
Programs for children with handicapping conditions	20,571,802	21,135,000	20,370,058	116,943	647,999
Occupational education	1,190,420	1,190,420	1,190,420	-	-
Teaching - Special school	108,261	28,046	147	-	27,899
Instructional media	5,357,152	4,578,632	4,010,165	7,688	560,779
Pupil services	7,447,856	7,492,945	6,888,330	27,810	576,805
Total instruction	<u>82,792,876</u>	<u>82,490,333</u>	<u>79,953,612</u>	<u>208,709</u>	<u>2,328,012</u>
Pupil transportation	7,439,586	8,007,483	7,962,524	2,670	42,289
Employee benefits	52,411,857	52,342,989	49,073,176	-	3,269,813
Capital outlay	-	-	1,195,868	-	(1,195,868)
Debt service - principal	9,738,293	11,218,124	11,218,124	-	-
Debt service - interest	3,985,299	3,280,890	3,280,890	-	-
Total expenditures	<u>172,981,163</u>	<u>173,745,882</u>	<u>167,130,567</u>	<u>516,166</u>	<u>6,099,149</u>
OTHER FINANCING USES					
Payment to escrow agent	-	-	942,850	-	(942,850)
Transfers to other funds	470,000	1,201,393	1,135,532	-	65,861
Total expenditures and other uses	<u>173,451,163</u>	<u>174,947,275</u>	<u>169,208,949</u>	<u>516,166</u>	<u>5,222,160</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,760,950)</u>	<u>\$ (5,127,554)</u>	9,965,305	<u>\$ (516,166)</u>	<u>\$ 14,576,693</u>
FUND BALANCE - beginning of year			<u>35,720,451</u>		
FUND BALANCE - end of year			<u>\$ 45,685,756</u>		

LIVERPOOL CENTRAL SCHOOL DISTRICT

**Required Supplementary Information (Unaudited)
Schedule of Changes in Total OPEB Liability and Related Ratios
For the year ended June 30, 2023**

	Last 10 Fiscal Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	\$ 11,364,477	\$ 20,237,784	\$ 19,430,701	\$ 15,041,748	\$ 13,156,273	\$ 15,519,549				
Interest	14,683,137	10,873,075	10,681,987	15,675,960	15,092,883	17,197,235				
Changes of benefit terms	(1,599,583)	-	-	-	(15,282,746)	-				
Differences between expected and actual experience	-	42,434,992	-	(67,907,863)	(53,748,361)	-				
Changes in assumptions	6,472,536	(138,201,949)	3,955,632	82,599,251	3,276,877	(4,660,703)				
Benefit payments	(15,050,070)	(15,101,596)	(14,499,344)	(14,128,039)	(12,071,718)	(12,364,159)				
Total change in total OPEB liability	15,870,497	(79,757,694)	19,568,976	31,281,057	(49,576,792)	15,691,922				
Total OPEB liability - beginning	410,938,435	490,696,129	471,127,153	439,846,096	489,422,888	473,730,966				
Total OPEB liability - ending	\$ 426,808,932	\$ 410,938,435	\$ 490,696,129	\$ 471,127,153	\$ 439,846,096	\$ 489,422,888				
Covered-employee payroll	89,292,993	86,585,740	72,114,888	72,114,888	78,770,978	77,948,849				
Total OPEB liability as a percentage of covered-employee payroll	478.0%	474.6%	680.4%	653.3%	558.4%	627.9%				

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

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

Discount rate	3.65%	3.54%	2.16%	2.21%	3.13%	3.62%	3.56%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan assets. No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Net Pension Liability (Asset)
 For the year ended June 30, 2023

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0572323%	0.0466849%	0.0496226%	0.0484774%	0.0527841%	0.0551975%	0.0482786%	0.0518572%	0.0503018%	
Proportionate share of the net pension liability (asset)	\$ 12,273	\$ (3,816)	\$ 49	\$ 12,837	\$ 3,740	\$ 1,781	\$ 4,536	\$ 8,323	\$ 1,700	
Covered-employee payroll	\$ 18,608	\$ 17,369	\$ 15,602	\$ 17,104	\$ 17,754	\$ 16,317	\$ 15,781	\$ 14,346	\$ 14,655	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	65.96%	-21.97%	0.31%	75.05%	21.07%	10.91%	28.74%	58.02%	11.60%	
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.3572490%	0.3569511%	0.3523785%	0.3515847%	0.3566060%	0.3538330%	0.3538330%	0.3494820%	0.0168910%	
Proportionate share of the net pension liability (asset)	\$ 6,855	\$ (61,856)	\$ 9,737	\$ (9,134)	\$ (6,448)	\$ (2,680)	\$ 3,789	\$ (36,300)	\$ (38,826)	
Covered-employee payroll	\$ 65,620	\$ 63,230	\$ 60,615	\$ 59,759	\$ 58,786	\$ 58,075	\$ 55,867	\$ 52,497	\$ 51,486	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.45%	-97.83%	16.06%	-15.28%	-10.97%	-4.61%	6.78%	-69.15%	-75.41%	
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.50%	111.50%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Required Supplementary Information (Unaudited)
 Schedule of Contributions - Pension Plans
 For the year ended June 30, 2023

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,836	\$ 2,563	\$ 2,316	\$ 2,178	\$ 2,287	\$ 2,481	\$ 2,168	\$ 2,458	\$ 2,768	
Contributions in relation to the contractually required contribution	1,836	2,563	2,316	2,178	2,287	2,481	2,168	2,458	2,768	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 18,608	\$ 17,369	\$ 15,602	\$ 17,104	\$ 17,754	\$ 16,317	\$ 15,781	\$ 14,346	\$ 14,655	
Contributions as a percentage of covered-employee payroll	9.87%	14.76%	14.84%	12.73%	12.88%	15.21%	13.74%	17.13%	18.88%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 6,804	\$ 6,254	\$ 5,817	\$ 5,338	\$ 6,267	\$ 5,691	\$ 6,548	\$ 7,240	\$ 9,203	
Contributions in relation to the contractually required contribution	6,804	6,254	5,817	5,338	6,267	5,691	6,548	7,240	9,203	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 65,620	\$ 63,230	\$ 60,615	\$ 59,759	\$ 58,786	\$ 58,075	\$ 55,867	\$ 52,497	\$ 51,486	
Contributions as a percentage of covered-employee payroll	10.37%	9.89%	9.60%	8.93%	10.66%	9.80%	11.72%	13.79%	17.87%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Supplementary Information

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2023

	School Lunch	Extraclassroom Activities	Miscellaneous Special Revenue	Debt Service	Total Nonmajor Governmental Funds
ASSETS					
Cash - unrestricted	\$ 2,947,780	\$ -	\$ -	\$ -	\$ 2,947,780
Cash - restricted	-	219,468	160,947	3,946,518	4,326,933
Due from other funds	-	-	-	2,804	2,804
Due from other governments	43,817	-	-	-	43,817
State and federal aid receivable	209,358	-	-	-	209,358
Other receivables	1,714	-	-	-	1,714
Inventories	78,790	-	-	-	78,790
TOTAL ASSETS	<u>\$ 3,281,459</u>	<u>\$ 219,468</u>	<u>\$ 160,947</u>	<u>\$ 3,949,322</u>	<u>\$ 7,611,196</u>
LIABILITIES					
Accounts payable	\$ 31,784	\$ -	\$ 1,430	\$ -	\$ 33,214
Accrued liabilities	12,079	-	-	-	12,079
Due to other funds	-	-	926	-	926
Due to other governments	16	-	-	-	16
Due to employees' retirement system	24,240	-	-	-	24,240
TOTAL LIABILITIES	<u>68,119</u>	<u>-</u>	<u>2,356</u>	<u>-</u>	<u>70,475</u>
FUND BALANCE					
Nonspendable	78,790	-	-	-	78,790
Restricted	3,134,550	219,468	158,591	3,949,322	7,461,931
TOTAL FUND BALANCE	<u>3,213,340</u>	<u>219,468</u>	<u>158,591</u>	<u>3,949,322</u>	<u>7,540,721</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,281,459</u>	<u>\$ 219,468</u>	<u>\$ 160,947</u>	<u>\$ 3,949,322</u>	<u>\$ 7,611,196</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Supplementary Information

Combining Statements of Revenues, Expenditures, and Change in Fund Balances - Nonmajor Governmental Funds

For the year ended June 30, 2023

	School Lunch	Extracurricular Activities	Miscellaneous Special Revenue	Debt Service	Total Nonmajor Governmental Funds
REVENUE					
Sales	\$ 511,921	\$ -	\$ -	\$ -	\$ 511,921
Use of money and property	16,988	-	-	529,990	546,978
Miscellaneous	2,625	255,606	99,752	-	357,983
State sources	64,339	-	-	-	64,339
Federal sources	2,953,902	-	-	-	2,953,902
Total revenue	3,549,775	255,606	99,752	529,990	4,435,123
EXPENDITURES					
General support	-	-	-	399,051	399,051
Instruction	1,181,522	-	-	-	1,181,522
Community services	-	-	79,087	-	79,087
Employee benefits	387,641	-	5,310	-	392,951
Cost of sales	1,294,757	-	-	-	1,294,757
Other expenditures	3,383	220,962	-	-	224,345
Debt service - interest	-	-	-	542,247	542,247
Total expenditures	2,867,303	220,962	84,397	941,298	4,113,960
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	682,472	34,644	15,355	(411,308)	321,163
OTHER SOURCES AND (USES):					
Premium on obligations	-	-	-	4,352,742	4,352,742
Operating transfers in	-	-	-	705,992	705,992
Operating transfers out	(1,000,000)	-	-	(3,885,735)	(4,885,735)
Total other sources (uses)	(1,000,000)	-	-	1,172,999	172,999
CHANGE IN FUND BALANCES	(317,528)	34,644	15,355	761,691	494,162
FUND BALANCE - beginning of year	3,530,868	184,824	143,236	3,187,631	7,046,559
FUND BALANCE - end of year	\$ 3,213,340	\$ 219,468	\$ 158,591	\$ 3,949,322	\$ 7,540,721

LIVERPOOL CENTRAL SCHOOL DISTRICT

Other Information (Unaudited)

**Schedule of Change from Original Budget to Revised Budget and Real Property Tax Limit - General Fund
For the year ended June 30, 2023**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget		\$ 173,451,163
Add: Prior year's encumbrances		<u>1,262,000</u>
Original budget		174,713,163
Budget revision		<u>234,112</u>
Final budget		<u>\$ 174,947,275</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	\$ 184,364,465	
Maximum allowed (4% of 2023-24 budget)		\$ 7,374,579
General Fund Fund Balance Subject to Section 1318 of		
Total fund balance:	<u>\$ 45,685,756</u>	
Less:		
Nonspendable fund balance	\$ 665,936	
Restricted fund balance	33,501,687	
Assigned fund balance:		
Appropriated fund balance	3,627,389	
Encumbrances included in committed and assigned	<u>516,166</u>	
Total adjustments	<u>\$ 38,311,178</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u>\$ 7,374,578</u>
Actual percentage		4%

*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

LIVERPOOL CENTRAL SCHOOL DISTRICT

Other Information (Unaudited)
 Schedule of Project Expenditures - Capital Projects Fund
 For the year ended June 30, 2023

PROJECT TITLE / SED PROJECT NUMBER		Expenditures				
		Original Budget	Revised Budget	Prior Years	Current Year	Total
Buses 2022-23		\$ 1,755,463	\$ 1,686,215	\$ -	\$ 1,461,264	\$ 1,461,264
Buses 2021-22		1,245,293	1,245,293	1,184,806	46,249	1,231,055
Buses 2020-21		1,516,227	1,516,227	1,516,227	-	1,516,227
Buses 2019-20		1,372,787	1,372,787	1,372,787	-	1,372,787
Buses 2018-19		1,267,848	1,267,848	1,267,848	-	1,267,848
Buses 2017-18		1,090,000	1,090,000	1,090,000	-	1,090,000
Liverpool High School Renovations (Phase 3)	0016-024	35,850,414	26,688,131	26,688,131	-	26,688,131
Liverpool High School Renovations (Phase 3)	0016-026	17,300,000	19,745,401	18,981,487	70,919	19,052,406
Transportation Center Renovations (Phase 3)	5008-005	2,026,989	2,004,269	2,004,269	-	2,004,269
Wetzel Road Renovations (Phase 3)	0014-009	1,603,704	1,138,811	1,138,811	-	1,138,811
Liverpool High School Renovations (Phase 3)	0016-025	-	94,846	94,846	-	94,846
Transportation Center Renovations (Phase 3)	5008-006	-	210,887	210,887	-	210,887
District-Wide Smart Schools Bond Act	7999-SB1	5,345,676	5,416,915	4,656,185	135,421	4,791,606
Donlin Drive Elementary (Security 2018)	0009-12	71,500	71,500	54,651	-	54,651
Elmcrest Elementary (Security 2018)	0015-007	55,500	55,500	48,773	-	48,773
Long Branch Elementary (Security Project)	0010-011	120,200	120,200	53,126	437	53,563
Liverpool Elementary (Security 2018)	0004-008	53,400	83,400	63,242	1,400	64,642
Liverpool High School (Security 2018)	0016-029	216,350	216,350	114,311	-	114,311
Liverpool Middle School (Security 2018)	0005-0012	67,600	67,600	44,195	-	44,195
Morgan Road Elementary (Security 2018)	0018-015	191,600	191,600	54,572	1,487	56,059
Willowfield Elementary (Security 2018)	0024-0010	62,000	62,000	42,975	-	42,975
Wetzel Road Renovations (Security 2018)	0014-011	62,000	62,000	46,967	-	46,967
Liverpool High School (Capital Outlay)	0016-033	100,000	100,000	-	99,345	99,345
DASNY Playground Grant	SAM #19201	157,521	165,400	77,215	77,215	154,430
Long Branch Elementary (EDUC 2020)	0010-012	1,793,969	1,793,969	37,711	218,359	256,070
Liverpool High School (EDUC 2020)	0016-032	12,549,000	12,549,000	160,994	274,004	434,998
Transportation Center (EDUC 2020)	5008-009	640,316	640,316	1,231	150,477	151,708
Wetzel Road Renovations (EDUC 2020)	0014-013	-	-	7,798	1,096,958	1,104,756
Long Branch Elementary (Emergency)	0010-013	100,000	100,000	-	89,167	89,167
Bond Anticipation Notes Payable	Buses	-	-	-	-	-
		<u>\$ 86,615,357</u>	<u>\$ 79,756,465</u>	<u>\$ 61,014,045</u>	<u>\$ 3,722,702</u>	<u>\$ 64,736,747</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

Other Information (Unaudited)
 Schedule of Project Expenditures - Capital Projects Fund (Continued)
 For the year ended June 30, 2023

Available Balance	Methods of Financing					Fund Balance June 30, 2023
	Proceeds of Obligations	State Aid	Local Sources	Transfers	Total	
\$ 224,951	\$ 1,755,463	\$ -	\$ -	\$ (69,248)	\$ 1,686,215	\$ 224,951
14,238	1,000,000	-	245,293	(14,238)	1,231,055	-
-	935,000	-	581,227	-	1,516,227	-
-	565,000	-	807,787	-	1,372,787	-
-	260,000	-	1,007,848	-	1,267,848	-
-	-	-	1,090,000	-	1,090,000	-
-	23,087,853	-	3,600,278	-	26,688,131	-
692,995	19,745,399	-	-	-	19,745,399	692,993
-	2,004,268	-	-	-	2,004,268	(1)
-	1,138,811	-	-	-	1,138,811	-
-	94,846	-	-	-	94,846	-
-	210,887	-	-	-	210,887	-
625,309	-	3,764,449	194,831	55,900	4,015,180	(776,426)
16,849	71,500	-	-	-	71,500	16,849
6,727	55,500	-	-	-	55,500	6,727
66,637	120,200	-	-	-	120,200	66,637
18,758	83,400	-	-	-	83,400	18,758
102,039	216,350	-	-	-	216,350	102,039
23,405	67,600	-	-	-	67,600	23,405
135,541	191,600	-	-	-	191,600	135,541
19,025	62,000	-	-	-	62,000	19,025
15,033	62,000	-	-	-	62,000	15,033
655	-	-	100,000	-	100,000	655
10,970	-	-	7,879	-	7,879	(146,551)
1,537,899	-	-	1,793,969	-	1,793,969	1,537,899
12,114,002	-	-	10,626,831	1,000,000	11,626,831	11,191,833
488,608	-	-	640,316	-	640,316	488,608
(1,104,756)	-	-	-	-	-	(1,104,756)
10,833	-	-	100,000	-	100,000	10,833
-	(4,515,463)	-	-	-	(4,515,463)	(4,515,463)
<u>\$ 15,019,718</u>	<u>\$ 47,212,214</u>	<u>\$ 3,764,449</u>	<u>\$ 20,796,259</u>	<u>\$ 972,414</u>	<u>\$ 72,745,336</u>	<u>\$ 8,008,589</u>

LIVERPOOL CENTRAL SCHOOL DISTRICT

**Other Information (Unaudited)
Schedule of Net Investment in Capital Assets
June 30, 2023**

Capital assets, net	<u>\$ 203,881,270</u>
Deduct:	
Expenditures financed through bond anticipation notes	2,629,178
Short-term portion of bonds payable	9,212,109
Long-term portion of bonds payable	78,658,611
Short-term portion of Lease liabilities	999,291
Long-term portion of Lease liabilities	913,044
Other capital-related liabilities	<u>252,134</u>
	<u>92,664,367</u>
Net investment in capital assets	<u><u>\$ 111,216,903</u></u>

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*

September 18, 2023

To the Board of Education and Superintendent of
Liverpool Central School District:

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, each major fund, and the aggregate remaining fund information of the Liverpool Central School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 18, 2023.

Report on Internal Control Over Financial Reporting

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

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*

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 the 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 18, 2023

To the Board of Education and Superintendent of
Liverpool Central School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Liverpool Central School District's (District) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The 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, the 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, 2023.

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 the 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 the District's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 the 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 the 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 the 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 the 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 the 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 the 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Internal Control over Compliance

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

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

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

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

LIVERPOOL CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listings	Pass-Through Entity Identification Number	Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed-through New York State Dept. of Education:				
Child Nutrition Cluster:				
National School Lunch Program (Noncash food donations)	10.555	N/A	\$ 204,510	
National School Lunch Program	10.555	N/A	<u>2,017,810</u>	
Total National School Lunch Program			<u>2,222,320</u>	
School Breakfast Program	10.553	N/A	656,390	
Summer Food Service Program	10.559	N/A	<u>75,192</u>	
Total Child Nutrition Cluster			<u>2,953,902</u>	
Total U.S. Department of Agriculture			<u>2,953,902</u>	
<u>U.S. Department of Education</u>				
Passed-through New York State Dept. of Education:				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	0032-23-0652	1,869,086	125,204
COVID-19: Special Education - Grants to States	84.027	5532-22-0652	<u>232,991</u>	<u>-</u>
Total Special Education - Grants to States			<u>2,102,077</u>	<u>125,204</u>
Special Education - Preschool Grants	84.173	0033-23-0652	77,491	31,773
COVID-19: Special Education - Preschool Grants	84.173	5533-22-0652	<u>13,781</u>	<u>-</u>
Total Special Education - Preschool Grants			<u>91,272</u>	<u>31,773</u>
Total Special Education Cluster (IDEA)			<u>2,193,349</u>	<u>156,977</u>
Education Stabilization Fund:				
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-2150	4,909	
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-2150	<u>4,030,616</u>	
Total Elementary and Secondary School Emergency Relief			<u>4,035,525</u>	
COVID-19: Governor's Emergency Education Relief Fund	84.425C	5895-21-2150	774	
COVID-19: Governor's Emergency Education Relief Fund	84.425C	5896-21-2150	<u>537,252</u>	
Total Governor's Emergency Education Relief Fund			<u>538,026</u>	
COVID-19: American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5880-21-2150	2,145,903	
COVID-19: American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5882-21-2150	207,307	
COVID-19: American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5883-21-2150	67,855	
COVID-19: American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5884-21-2150	775,947	
COVID-19: American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5870-22-9167	<u>456,578</u>	
Total American Rescue Plan-Elementary and Secondary			<u>3,653,590</u>	
Total Education Stabilization Fund			<u>8,227,141</u>	

LIVERPOOL CENTRAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
 For the year ended June 30, 2023
 (Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listings	Pass-Through Entity Identification Number	Expenditures	Expenditures to Subrecipients
Other Programs:				
Title I Grants to Local Educational Agencies	84.010	0021-23-2150	993,450	
Title I Grants to Local Educational Agencies	84.010	0021-22-2150	<u>86,392</u>	
Total Title I Grants to Local Educational Agencies			<u>1,079,842</u>	
ESEA TITLE II Part A, Improving Teacher Quality grant	84.367	0147-23-2150	<u>194,485</u>	
English Language Acquisition State Grants	84.365	0149-23-2150	20,762	
English Language Acquisition State Grants	84.365	0293-22-2150	16,992	
English Language Acquisition State Grants	84.365	0293-23-2150	<u>9,311</u>	
Total English Language Acquisition State Grants			<u>47,065</u>	
Student Support and Academic Enrichment Program	84.424	0204-23-2150	49,449	
Student Support and Academic Enrichment Program	84.424	0204-22-2150	<u>68,949</u>	
Total Student Support and Academic Enrichment Program			<u>118,398</u>	
Total Other Programs			<u>1,439,790</u>	
Total U.S. Department of Education			<u>11,860,280</u>	
<u>U.S. Department of Homeland Security</u>				
Passed-through New York State Dept. of Education:				
Disaster Grants - Public Assistance	97.036	N/A	<u>35,741</u>	
Total U.S. Department of Homeland Security			<u>35,741</u>	
Total expenditures of federal awards			<u>\$ 14,849,923</u>	

LIVERPOOL CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Liverpool Central School District (the District), under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the District's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable.

3. PASS-THROUGH PROGRAMS

Where the District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing (AL) number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listings, which may be assigned by pass-through grantors are not maintained in the District's financial management system. The District has identified certain pass-through identifying numbers and included them in the Schedule, as available.

4. INDIRECT COSTS

Indirect costs are not included in the reported expenditures as they are not included in the federal funding for each program. The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

5. MATCHING COSTS

Matching costs, i.e., the District's or State's share of certain program costs, are not included in the reported expenditures.

6. NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary" program. During the year ended June 30, 2023, the District received food commodities, the fair value of which amounted to \$204,510, is presented in the Schedule as National School Lunch Program (Division of Donated Foods, AL#10.555).

LIVERPOOL CENTRAL SCHOOL DISTRICT

**Schedule of Findings and Questioned Costs
For the year ended June 30, 2023**

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the District's financial statements are prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None reported

Noncompliance material to financial statements noted?

Yes None reported

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiencies identified?

Yes None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR Section 200.516(a)?

Yes No

The dollar threshold to distinguish Types A and B programs was \$750,000.

The major federal programs of the District for the year ended June 30, 2023 were as follows:

U.S. Department of Education

Title I Grants to Local Educational Agencies (84.010)

COVID-19 - Education Stabilization Fund (84.425C, 84.425D and 84.425U)

The District was considered a low-risk auditee for the year ended June 30, 2023.

Part II – Financial Statement Findings

None

Part III – Federal Award Findings and Questioned Costs

None

Part IV – Schedule of Prior Audit Findings

None