

HOMER CENTRAL SCHOOL DISTRICT

Homer, New York

FINANCIAL REPORT

For the Year Ended
June 30, 2022



HOMER CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Education
Homer Central School District
Homer, New York

Report on 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 Homer Central School District (the School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School District, as of June 30, 2022, and the respective changes in financial position thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison schedules; the Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; and related notes to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 School District's basic financial statements. The Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; Balance Sheet - Non-Major Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds (supplementary information) and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 GAAS. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022, 2022, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 17, 2022

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

The following is a discussion and analysis of Homer Central School District's (the School District) financial performance for the fiscal year ended June 30, 2022. 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

- The School District ended the year with a total net position deficit of \$13,026,198, a decrease in net deficit of \$3,038,442 from the prior year. Year end net position was composed of \$10,174,708 in restricted, \$30,692,295 in net investment in capital assets, and \$53,893,201 in an unrestricted deficit. The unrestricted deficit at June 30, 2022 is primarily attributable to recognition of the accumulated other postemployment benefits (OPEB) liability of \$42,470,642.
- Revenues exceeded expenses by \$3,038,442 in 2022, compared to expenses exceeding revenue by \$5,549,107 in 2021.
- The School District had \$23,506,366 in outstanding debt at year end, a decrease of \$3,010,709 from the prior year; primarily due to the conversion of short-term debt to long-term debt and principal payments on outstanding long-term debt.
- Capital asset additions during 2022 amounted to \$4,049,210 for the purchase of equipment and construction in progress expenditures. Depreciation expense was \$3,117,284 for the current year.
- General Fund budgeted expenditures, including carry-over encumbrances and other financing uses, were underspent by \$876,741. General Fund revenues and other financing sources were less than budgeted amounts by \$441,593.
- Total General Fund balance, including reserves, was \$7,537,185 at June 30, 2022. Unassigned fund balance amounted to \$1,625,094 which was subject to and below the maximum limit (4% of 2022-2023 appropriations) permitted under New York State Real Property Tax Law (RPT).

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

- Changes in enrollment - As the schedule below indicates, enrollment over the past several years peaked in 2000-2001. Recent kindergarten enrollments indicate a slight annual decline.

School Year	Enrollment
2002-2003	2,427
2003-2004	2,363
2004-2005	2,318
2005-2006	2,275
2006-2007	2,265
2007-2008	2,201
2008-2009	2,215
2009-2010	2,169
2010-2011	2,202
2011-2012	2,154
2012-2013	2,098
2013-2014	2,139
2014-2015	2,036
2015-2016	2,041
2016-2017	2,036
2017-2018	1,899
2018-2019	1,917
2019-2020	1,888
2020-2021	1,894
2021-2022	1,883
2022-2023	1,817

- Known changes in state aid - Estimating state aid has become a nearly impossible task for school districts during the last several years. The School District had a slight increase in state aid for 2021-2022. It is difficult for New York State to support public education in the wake of fiscal distress in the economy and natural disasters throughout the nation. Increases in retirement and health insurance costs continue to stress our ability to provide educational programming for our children.

The School District is a labor-intensive enterprise, and the cost of benefits continues to out-pace the inflation rate. State aid continues to lag behind School District expenses.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Below is a detail of the School District's budget, New York State aid, and required property tax levy to meet the budget.

Year	Budget	State Aid	Levy
2002-2003	\$28,434,163	\$16,326,691	\$9,477,860
2003-2004	28,366,636	15,079,697	10,828,620
2004-2005	29,397,295	15,802,920	11,529,815
2005-2006	31,165,450	16,556,920	12,215,850
2006-2007	33,261,250	18,011,890	12,927,370
2007-2008	36,162,815	19,361,255	13,419,900
2008-2009	37,198,050	20,292,070	13,969,410
2009-2010	40,078,343	20,553,032	13,969,410
2010-2011	38,286,495	18,378,786	14,282,650
2011-2012	39,846,943	18,461,864	14,865,845
2012-2013	38,830,951	19,054,452	15,240,767
2013-2014	39,145,840	19,724,559	15,697,990
2014-2015	38,997,379	20,011,844	15,933,460
2015-2016	39,570,810	21,599,969	15,933,460
2016-2017	41,886,438	22,999,294	15,933,460
2017-2018	40,884,142	23,068,409	15,933,460
2018-2019	42,055,168	23,690,247	16,235,856
2019-2020	43,220,650	23,944,270	16,544,929
2020-2021	44,292,939	25,222,282	16,858,679
2021-2022	44,266,152	25,544,652	17,027,266
2022-2023	44,387,420	25,615,920	17,027,266

Textbook, computer software, and library material aid have remained stagnant for many years. As program requirements for students increase in the classroom and libraries, New York State has reneged on the level of funding for textbooks and library materials identified several years ago. New York State has encouraged school districts to share services in an effort to reduce costs. The School District participates in the Central Business Office through OCM BOCES for its business office functions. The services include the positions of School District Treasurer, Payroll Clerk, and Accounts Payable Clerk. The School District also shares its Transportation Supervisor with a nearby district.

The implementation of rules commonly referred to as the New York State Tax Cap Law during 2011-2012 introduced a level of complication to the School District's tax levy process as well as restrictions on its ability to raise revenue to support educational programs. The School District's residents have continued to be supportive through the difficult times.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Below is a detail of the property tax levy and percentage increase.

Year	Levy Amount	Increase
Tax Levy 2002-2003	\$ 9,477,860	8.95%
Tax Levy 2003-2004	10,828,620	14.25%
Tax Levy 2004-2005	11,529,815	6.48%
Tax Levy 2005-2006	12,215,850	5.95%
Tax Levy 2006-2007	12,927,370	5.82%
Tax Levy 2007-2008	13,419,900	3.81%
Tax Levy 2008-2009	13,969,410	4.09%
Tax Levy 2009-2010	13,969,410	0.00%
Tax Levy 2010-2011	14,282,650	2.24%
Tax Levy 2011-2012	14,865,845	4.08%
Tax Levy 2012-2013	15,240,767	2.52%
Tax Levy 2013-2014	15,697,990	3.00%
Tax Levy 2014-2015	15,933,460	1.50%
Tax Levy 2015-2016	15,933,460	0.00%
Tax Levy 2016-2017	15,933,460	0.00%
Tax Levy 2017-2018	15,933,460	0.00%
Tax Levy 2018-2019	16,235,856	1.90%
Tax Levy 2019-2020	16,544,929	1.90%
Tax Levy 2020-2021	16,858,679	1.90%
Tax Levy 2021-2022	17,027,266	1.00%
Tax Levy 2022-2023	17,027,266	0.00%

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- 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.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year, a Schedule of School District Contributions - NYSLRS and NYSTRS Pension Plans, the School District's Proportionate Share of the Net Pension (Asset)/Liability, and Changes in the School District's Total OPEB Liability and Related Ratios.

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, deferred outflows and inflows of financial resources and liabilities) 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 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.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

- **Fiduciary Fund:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities Funds. 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 SCHOOL DISTRICT AS A WHOLE

The School District's combined net position for the fiscal year ended June 30, 2022 increased by \$3,038,442. 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

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>Current Assets</i>	\$ 5,856,209	\$ 8,786,072	\$ (2,929,863)
<i>Noncurrent Assets</i>	26,904,292	9,719,897	17,184,395
<i>Capital Assets, Net</i>	54,157,796	53,285,870	871,926
<i>Total Assets</i>	\$ 86,918,297	\$ 71,791,839	\$ 15,126,458
<i>Total Deferred Outflows of Resources</i>	\$ 19,956,452	\$ 21,676,737	\$ (1,720,285)
<i>Current Liabilities</i>	5,956,188	10,123,771	(4,167,583)
<i>Noncurrent Liabilities</i>	66,687,555	76,787,299	(10,099,744)
<i>Total Liabilities</i>	\$ 72,643,743	\$ 86,911,070	\$(14,267,327)
<i>Total Deferred Inflows of Resources</i>	\$ 47,257,204	\$ 22,622,146	\$ 24,635,058
<i>Net Investment in Capital Assets</i>	30,692,295	29,878,008	814,287
<i>Restricted</i>	10,174,708	10,304,323	(129,615)
<i>Unrestricted</i>	(53,893,201)	(56,246,971)	2,353,770
<i>Total Net Position (Deficit)</i>	\$(13,026,198)	\$(16,064,640)	\$ 3,038,442

The decrease in current assets is primarily a result of a decrease in the current portion of restricted cash. The increase in noncurrent assets is a result of an increase in the net pension asset proportionate share. The increase in net capital assets stems from capital outlay exceeding depreciation expense in 2022.

Current liabilities decreased primarily due to the conversion of a short-term bond anticipation note to a long-term bond. Decreases in noncurrent liabilities are in large part due to decreases of the School District's other postemployment benefits liability and the net pension (asset)/liability proportionate share.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Net investment in capital assets increased due to current year capital asset additions and reductions in bonds payable in excess of depreciation expense. Restricted resources decreased primarily based on the reduction of restricted fund balances within the General, Debt Service, and School Lunch Funds.

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

Figure 2

Changes in Net Position	Governmental Activities and Total School District		Total Dollar Change
	2022	2021	
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 144,817	\$ 64,889	\$ 79,928
<i>Operating Grants</i>	3,740,955	2,131,814	1,609,141
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	15,029,863	14,781,181	248,682
<i>Real Property Tax Items</i>	2,078,469	2,147,727	(69,258)
<i>Unrestricted State Sources</i>	24,760,979	24,049,637	711,342
<i>Use of Money and Property</i>	68,887	57,029	11,858
<i>Other General Revenues</i>	1,028,456	412,823	615,633
Total Revenues	\$46,852,426	\$43,645,100	\$ 3,207,326
PROGRAM EXPENSES			
<i>General Support</i>	4,639,407	4,878,755	(239,348)
<i>Instruction</i>	34,417,635	38,840,008	(4,422,373)
<i>Pupil Transportation</i>	3,078,293	3,853,116	(774,823)
<i>Community Service</i>	27,120	33,834	(6,714)
<i>School Lunch Program</i>	981,235	875,296	105,939
<i>Interest on Debt</i>	670,294	713,198	(42,904)
Total Expenses	\$43,813,984	\$49,194,207	\$ (5,380,223)
CHANGE IN NET POSITION	\$ 3,038,442	\$ (5,549,107)	\$ 8,587,549

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Total revenues for the School District's governmental activities increased 7.35%, while total expenses decreased 10.94%. The decrease in total expenses is primarily due to decreases in both pension and other postemployment benefits (OPEB) expense in comparison to expenses recorded in the prior year, along with decreases in general instruction expenses. The increase in revenue is due to increases in the School District's tax levy, operating grants received, and refunds of prior year expenses.

Figures 3 and 4 show the sources of revenue for 2022 and 2021.

Figure 3
Sources of Revenue for 2022

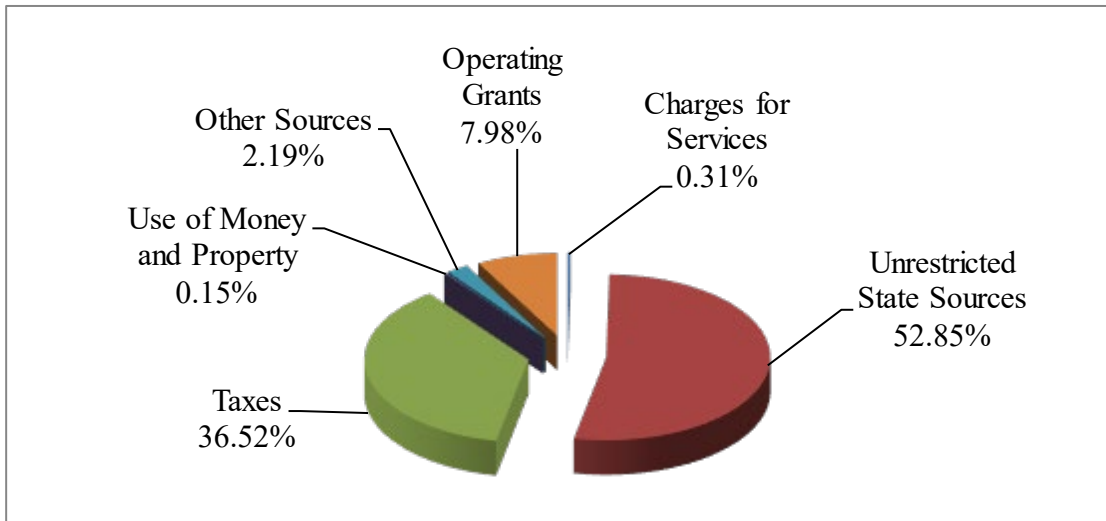
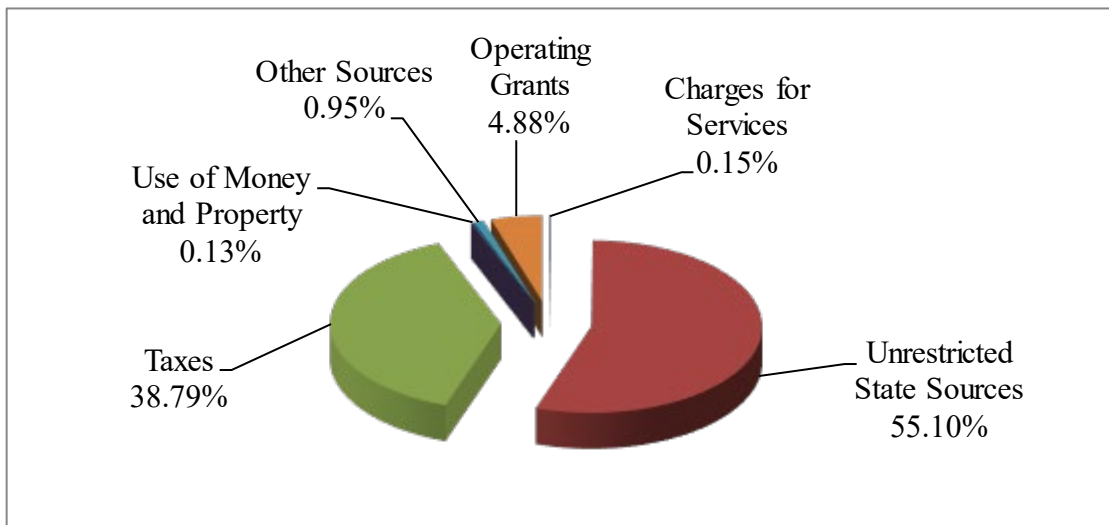


Figure 4
Sources of Revenue for 2021



HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figures 5 and 6 present the cost of each of the School District's programs for 2022 and 2021.

Figure 5
Cost of Programs for 2022

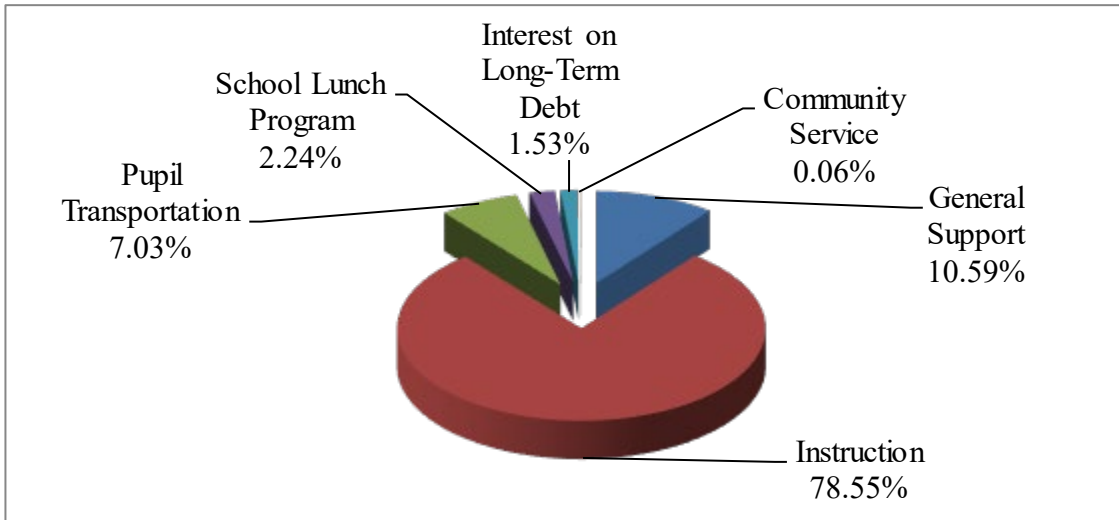
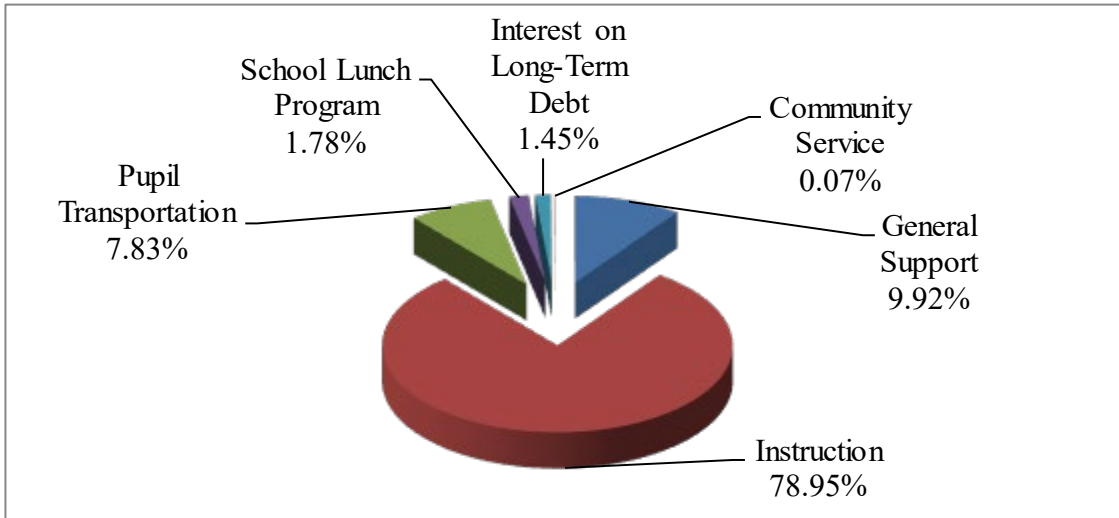


Figure 6
Cost of Programs for 2021



HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in fund balance for the year for the School District's funds. The School District experienced an increase of 6.5% in total fund balance, which is primarily attributable to fund balance increase in the Capital Projects Fund and School Lunch Fund.

Figure 7

Governmental Fund Balances	2022	2021	Total Dollar Change
<i>General Fund</i>	\$ 7,537,185	\$ 7,778,773	\$ (241,588)
<i>Debt Service Fund</i>	5,111,720	5,399,188	(287,468)
<i>Capital Projects Fund</i>	(172,087)	(1,210,396)	1,038,309
<i>Non-Major Funds:</i>			
<i>School Lunch Fund</i>	261,384	(11,292)	272,676
<i>Miscellaneous Special Revenue Fund</i>	100,805	103,074	(2,269)
Total Governmental Funds	\$ 12,839,007	\$ 12,059,347	\$ 779,660

GENERAL FUND BUDGETARY HIGHLIGHTS

Transfers made at year end to balance the budget are caused by unforeseeable under-budgeting in a given code. When transfers into a code are necessary for three consecutive years, the situation is addressed in the following year's budget development process.

After considering these adjustments, actual charges to appropriations (expenditures) were below final budget amounts by \$876,741, including carry-over encumbrances.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances) and variances for the year ended June 30, 2022.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figure 8

<i>Condensed Budgetary Comparison General Fund - 2022</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
<i>Real Property Taxes</i>	\$ 14,949,768	\$ 14,949,768	\$ 15,029,863	\$ 80,095
<i>Other Tax Items</i>	2,148,063	2,148,063	2,078,469	(69,594)
<i>State Sources</i>	25,412,738	25,412,738	24,572,942	(839,796)
<i>Federal Sources</i>	75,000	75,000	54,096	(20,904)
<i>Miscellaneous</i>	592,349	592,349	1,100,955	508,606
<i>Other, Including Financing Sources</i>	408,234	408,234	308,234	(100,000)
Total Revenues and Other Financing Sources	\$ 43,586,152	\$ 43,586,152	\$ 43,144,559	\$ (441,593)
Appropriated Fund Balances and Encumbrances	\$ 1,186,187	\$ 1,186,187		
EXPENDITURES				
<i>General Support</i>	\$ 3,966,812	\$ 4,142,984	\$ 4,052,135	\$ 90,849
<i>Instruction</i>	23,405,728	23,408,768	22,922,860	485,908
<i>Pupil Transportation</i>	2,324,803	1,834,973	1,801,680	33,293
<i>Community Service</i>	-	19,877	19,877	-
<i>Employee Benefits</i>	11,138,005	10,779,015	10,512,423	266,592
<i>Debt Service</i>	3,836,991	4,478,266	4,478,167	99
<i>Other Financing Uses</i>	100,000	108,456	108,456	-
Total Expenditures and Other Financing (Uses)	\$ 44,772,339	\$ 44,772,339	\$ 43,895,598	\$ 876,741

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2022, the School District has invested in a broad range of capital assets totaling \$91,340,019 offset by accumulated depreciation of \$37,182,223. *Figure 9* shows the changes in the School District's capital assets.

Figure 9

<i>Changes in Capital Assets</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Land</i>	\$ 49,400	\$ 49,400	\$ -
<i>Construction in Progress</i>	769,395	3,439,042	(2,669,647)
<i>Buildings, Net</i>	51,081,421	47,567,162	3,514,259
<i>Equipment, Net</i>	2,257,580	2,230,266	27,314
Total	\$54,157,796	\$53,285,870	\$ 871,926

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Capital asset activity for the year ended June 30, 2022 included the following:

Construction in Progress	\$ 3,290,874
Transportation and Instructional Equipment	758,336
Total Additions	4,049,210
Less Depreciation Expense	(3,177,284)
Net Change in Capital Assets	\$ 871,926

Debt Administration

Figure 10 shows the changes in the School District's outstanding debt. Total indebtedness represented 23.34% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>Serial Bonds, Net</i>	\$21,723,545	\$20,798,879	\$ 924,666
<i>Bond Anticipation Notes</i>	-	4,229,182	(4,229,182)
<i>Installment Debt</i>	1,782,821	1,489,014	293,807
<i>Total</i>	\$23,506,366	\$26,517,075	\$ (3,010,709)

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

The Homer Central School District continues to manage the economic, educational, and social-emotional challenges that the COVID-19 Pandemic has brought to the Homer School-Community. The School District is utilizing Federal Stimulus Funds to help offset local costs not planned for in the General Fund Budget.

Energy Performance Project

The Homer Central School District has completed their 4.29 Million Dollar Energy Performance Project.

Capital Outlay Projects

For the 2022-23 school year, the School District will focus on completing mini-projects that will complement the larger 24 Million Dollar Capital Project in the Intermediate and Junior High Schools.

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Future Capital Project

During the Summer of 2023, the Homer Central School District plans to begin work on their 24 Million Dollar project focusing on work to be done at the Intermediate/Junior HS. The project should be completed by the end of 2025.

Financial Management

The Homer Central School District maintains an AA- rating from Standard and Poor's.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Homer 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 Business Office, Homer Central School District, at P.O Box 500, Homer, New York.

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2022

ASSETS

Current Assets

Cash - Unrestricted	\$ 3,048,444
Cash - Restricted	191,686
Receivables:	
State and Federal Aid	2,468,750
Due from Other Governments	117,570
Other	7,918
Inventories	21,841
Total Current Assets	5,856,209

Noncurrent Assets

Restricted Cash	9,935,165
Net Pension Asset - Proportionate Share	16,969,127
Capital Assets, Net:	
Land and Construction in Progress	818,795
Depreciable Capital Assets, Net	53,339,001
Total Noncurrent Assets	81,062,088
Total Assets	86,918,297

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charges on Defeased Debt	40,865
Pensions	11,128,014
Other Postemployment Benefits	8,787,573
Total Deferred Outflows of Resources	19,956,452

LIABILITIES

Current Liabilities

Payables:	
Accounts Payable	335,427
Accrued Liabilities	109,829
Due to Other Governments	77
Bond Interest and Matured Bonds	107,243
Due to Teachers' Retirement System	1,807,658
Due to Employees' Retirement System	98,174
Compensated Absences Payable	46,955
Unearned Revenues	554,247
Current Portion of Long-Term Liabilities:	
Bonds Payable	2,505,389
Installment Debt Payable	391,189
Total Current Liabilities	5,956,188

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued) JUNE 30, 2022

Noncurrent Liabilities

Bonds Payable	<u>\$ 19,218,156</u>
Installment Debt Payable	<u>1,391,632</u>
Compensated Absences Payable	<u>3,607,125</u>
Other Postemployment Benefits Liability	<u>42,470,642</u>
Total Noncurrent Liabilities and Obligations	<u>66,687,555</u>

Total Liabilities

72,643,743

DEFERRED INFLOWS OF RESOURCES

Pensions	<u>20,885,806</u>
Other Postemployment Benefits	<u>26,371,398</u>

Total Deferred Inflows of Resources

47,257,204

NET POSITION

Net Investment in Capital Assets	<u>30,692,295</u>
Restricted	<u>10,174,708</u>
Unrestricted (Deficit)	<u>(53,893,201)</u>

Total Net Position (Deficit)

\$ (13,026,198)

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants	
General Support	\$ 4,639,407	\$ 886	\$ -	\$ -	\$ (4,638,521)
Instruction	34,417,635	54,096	2,540,684	-	(31,822,855)
Pupil Transportation	3,078,293	3,685	-	-	(3,074,608)
Community Services	27,120	-	-	-	(27,120)
School Lunch Program	981,235	86,150	1,200,271	-	305,186
Interest on Debt	670,294	-	-	-	(670,294)
Total Functions and Programs	\$ 43,813,984	\$ 144,817	\$3,740,955	\$ -	(39,928,212)

GENERAL REVENUES

Real Property Taxes	15,029,863
Real Property Tax Items	2,078,469
Use of Money and Property	68,887
State Sources	24,760,979
Sale of Property and Compensation for Loss	11,035
Miscellaneous	1,017,421
Total General Revenues	42,966,654
Change in Net Position	3,038,442
Total Net Position (Deficit) - Beginning of Year	(16,064,640)
Total Net Position (Deficit) - End of Year	\$ (13,026,198)

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2022

	Major Funds					Total Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Fund Special Aid Fund	Total Non-Major Governmental Funds		
ASSETS							
Cash - Unrestricted	\$ 2,500,265	\$ -	\$ -	\$ 548,179	\$ -	\$ 3,048,444	
Cash - Restricted	7,100,208	272,287	2,492,006	-	262,350	10,126,851	
Due From Other Funds	1,238,735	665,262	2,619,714	38,219	30,141	4,592,071	
State and Federal Aid	1,503,461	-	-	752,083	213,206	2,468,750	
Due From Other Governments	117,570	-	-	-	-	117,570	
Other	5,734	2,176	-	-	8	7,918	
Inventories	-	-	-	-	21,841	21,841	
Total Assets	\$ 12,465,973	\$ 939,725	\$ 5,111,720	\$ 1,338,481	\$ 527,546	\$ 20,383,445	
LIABILITIES							
Accounts Payable	\$ 310,722	\$ -	\$ -	\$ 23,665	\$ 1,040	\$ 335,427	
Accrued Liabilities	102,093	-	-	3,094	4,642	109,829	
Due to Other Funds	2,561,642	1,111,812	-	776,625	141,992	4,592,071	
Due to Other Governments	44	-	-	-	33	77	
Due to Teachers' Retirement System	1,807,658	-	-	-	-	1,807,658	
Due to Employees' Retirement System	98,174	-	-	-	-	98,174	
Compensated Absences Payable	46,955	-	-	-	-	46,955	
Unearned Revenues	1,500	-	-	535,097	17,650	554,247	
Total Liabilities	4,928,788	1,111,812	-	1,338,481	165,357	7,544,438	
FUND BALANCES							
Nonspendable	-	-	-	-	21,841	21,841	
Restricted	4,722,640	-	5,111,720	-	340,348	10,174,708	
Assigned	1,189,451	-	-	-	-	1,189,451	
Unassigned (Deficit)	1,625,094	(172,087)	-	-	-	1,453,007	
Total Fund Balances (Deficit)	7,537,185	(172,087)	5,111,720	-	362,189	12,839,007	
Total Liabilities and Fund Balances	\$ 12,465,973	\$ 939,725	\$ 5,111,720	\$ 1,338,481	\$ 527,546	\$ 20,383,445	

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Fund Balances - Total Governmental Funds **\$ 12,839,007**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 91,340,019	
Less Accumulated Depreciation	<u>(37,182,223)</u>	54,157,796

The School District's proportionate share of the collective net pension (asset)/liability is not reported in the funds.

Net Pension (Asset)/Liability - Proportionate Share		16,969,127
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Deferred outflows of resources, including deferred charges on defeased debt, pensions, and OPEB, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including pensions and OPEB, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Charges on Defeased Debt	\$ 40,865	
Deferred Outflows of Resources - OPEB	8,787,573	
Deferred Inflows of Resources - OPEB	(26,371,398)	
ERS Deferred Outflows of Resources - Pension	1,760,730	
ERS Deferred Inflows of Resources - Pension	(2,967,282)	
TRS Deferred Outflows of Resources - Pension	9,367,284	
TRS Deferred Inflows of Resources - Pension	<u>(17,918,524)</u>	(27,300,752)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (18,880,000)	
Installment Debt Payable	(1,782,821)	
Premium on Obligations	<u>(2,843,545)</u>	(23,506,366)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Compensated Absences	\$ (3,607,125)	
Other Postemployment Benefits Liability	(42,470,642)	
Accrued Interest on Long-Term Debt	<u>(107,243)</u>	<u>(46,185,010)</u>

Net (Deficit) of Governmental Activities **\$ (13,026,198)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds					Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Fund Special Aid Fund	Total Non-Major Governmental Funds	
REVENUES						
Real Property Taxes	\$15,029,863	\$ -	\$ -	\$ -	\$ -	\$15,029,863
Other Tax Items	2,076,214	-	-	-	-	2,076,214
Nonproperty Taxes	2,255	-	-	-	11	2,266
Charges for Services	16,847	-	-	-	-	16,847
Use of Money and Property	68,278	1	578	-	19	68,876
Sale of Property and Compensation for Loss	11,035	-	-	-	-	11,035
Miscellaneous	1,004,795	-	-	-	14,607	1,019,402
State Sources	24,572,942	-	-	206,144	49,594	24,828,680
Federal Sources	54,096	-	-	2,522,577	1,150,677	3,727,350
Sales - School Lunch	-	-	-	-	71,893	71,893
Total Revenues	42,836,325	1	578	2,728,721	1,286,801	46,852,426
EXPENDITURES						
General Support	3,917,005	-	128,882	-	-	4,045,887
Instruction	22,569,479	-	-	2,729,234	412,179	25,710,892
Pupil Transportation	1,780,740	758,336	-	6,259	-	2,545,335
Community Services	19,877	-	-	-	-	19,877
Employee Benefits	10,512,423	-	-	1,684	175,915	10,690,022
Debt Service:						
Principal	3,534,529	-	-	-	-	3,534,529
Interest	943,638	-	-	-	-	943,638
Cost of Sales	-	-	-	-	428,300	428,300
Capital Outlay	-	3,290,874	-	-	-	3,290,874
Total Expenditures	43,277,691	4,049,210	128,882	2,737,177	1,016,394	51,209,354
Excess (Deficiency) of Revenues Over Expenditures	(441,366)	(4,049,209)	(128,304)	(8,456)	270,407	(4,356,928)
OTHER FINANCING SOURCES AND (USES)						
Redeemed From Appropriations	-	100,000	-	-	-	100,000
Premium on Obligations	-	-	373,252	-	-	373,252
Proceeds of Obligations	-	4,663,336	-	-	-	4,663,336
Operating Transfers In	308,234	324,182	-	8,456	-	640,872
Operating Transfers (Out)	(108,456)	-	(532,416)	-	-	(640,872)
Total Other Sources (Uses)	199,778	5,087,518	(159,164)	8,456	-	5,136,588
Net Change in Fund Balances	(241,588)	1,038,309	(287,468)	-	270,407	779,660
Fund Balances (Deficit) - Beginning of Year	7,778,773	(1,210,396)	5,399,188	-	91,782	12,059,347
Fund Balances (Deficit) - End of Year	\$ 7,537,185	\$ (172,087)	\$ 5,111,720	\$ -	\$ 362,189	\$12,839,007

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds **\$ 779,660**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	\$ 4,049,210	
Depreciation Expense	<u>(3,177,284)</u>	871,926

Changes in the School District's proportionate share of net pension (assets)/liabilities have no effect on current financial resources and therefore are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

ERS	\$ 398,672	
TRS	<u>2,503,068</u>	2,901,740

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Proceeds of Debt	\$ (3,905,000)	
Proceeds of Installment Purchase Debt	(758,336)	
Premiums on Obligations	(353,064)	
Principal Payments - Installment Purchase Debt	464,529	
Principal Payments	<u>2,970,000</u>	(1,581,871)

Long-term obligations, such as those associated with compensated absences, are reported in the Statement of Net Position. Therefore expenses which result in an (increase) or decrease in these long-term obligations are not reflected in the Governmental Fund financial statements. This is the change in the amount that is reported in the Statement of Activities. In addition, changes in the School District's deferred outflows and deferred inflows of resources related to other postemployment benefits do not affect current financial resources and, therefore, are not reported in the Governmental Funds.

Change in Compensated Absences	\$ (142,515)	
Other Postemployment Benefits Obligations	<u>(43,654)</u>	(186,169)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. This is the amount of change from the prior year.

Amortization of Charges on Defeased Debt	\$ (107,949)	
Amortization of Bond Premium	363,398	
Change in Accrued Interest Payable	<u>(2,293)</u>	<u>253,156</u>

Net Change in Net Position (Deficit) of Governmental Activities **\$ 3,038,442**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2022

	Custodial Fund
ASSETS	
Cash - Unrestricted	<u>\$ 129,264</u>
Total Assets	<u>\$ 129,264</u>
NET POSITION	
Unrestricted	<u>\$ 129,264</u>
Total Net Position	<u>\$ 129,264</u>

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Fund
ADDITIONS	
Extraclassroom Activity Receipts	<u>\$ 138,405</u>
DEDUCTIONS	
Extraclassroom Activity Disbursements	<u>130,371</u>
Change in Net Position	8,034
Net Position - Beginning of Year	<u>121,230</u>
Net Position - End of Year	<u><u>\$ 129,264</u></u>

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Note 1 **Summary of Significant Accounting Policies**

The accompanying financial statements of the Homer Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

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

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the Homer Central School District;
- 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 basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the Homer Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's office, located at 80 S. West Street, Homer, NY 13077.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Joint Venture

The Homer Central School District is one of 23 component school districts in the Onondaga-Cortland-Madison Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs that 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 (GML).

A 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 Education Law §1950(4)(b)(7). In addition, component School Districts pay tuition or a service fee for programs in which their students participate.

Separate financial statements of Onondaga-Cortland-Madison BOCES may be obtained by contacting the Business Office, Onondaga-Cortland Madison BOCES, 110 Elwood Davis Road, Liverpool, NY 13088.

Basis of Presentation - District-Wide Financial Statements

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

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Basis of Presentation - District-Wide Financial Statements - Continued

The Statement of Net Position presents the financial position of the School District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those specifically associated with and clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

Basis of Presentation - Governmental Fund Financial Statements

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

Major Funds

- General Fund: This is the School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- Capital Projects Fund: Accounts for the financial resources used for the renovation of the School District's educational complex.
- Special Revenue Funds: These funds account for proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for special educational programs.
- Debt Service Fund: Accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of Governmental Activities.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Non-Major Funds

- **Special Revenue Funds:** These funds account for proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - **School Lunch Fund:** Used to account for child nutrition activities whose funds are restricted as to use.
 - **Miscellaneous Special Revenue Fund:** Used to account for student scholarships whose funds are restricted as to use.

Non-Major Funds - Continued

Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District and are not available to be used.

The School District reports the following Fiduciary Fund:

- **Custodial Fund:** Assets are held by the School District as agent for Extraclassroom Activity Funds.

Measurement Focus and Basis of Accounting

The District-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Cash and Investments

The School District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts. Investments are stated at fair value.

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

Due To/From Other Funds

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates 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 School District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Capital Assets

Capital assets are reported at actual cost for acquisitions, including the right to use assets acquired through financed lease arrangements, subsequent to the adoption of GASB Statement No. 34. For assets acquired prior to the adoption of GASB Statement No. 34, estimated historical costs, based on appraisal and research of the School District's accounting records, were used. Donated assets are reported at acquisition value at the time received.

The School District depreciates capital assets using the straight-line method. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	50 Years
Building Improvements	50,000	20-50 Years
Site Improvements	25,000	20 Years
Furniture and Equipment	5,000	5-15 Years

Vested Employee Benefits - Compensated Absences

Compensated absences consist of unpaid accumulated annual sick and vacation leave.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

School 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 Statement No. 16, "Accounting for Compensated Absences," 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.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Other Postemployment Benefits (OPEB)

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health 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 School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 11 for additional information.

Unearned Revenues

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Restricted Resources

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

Accrued Liabilities and Long-Term Obligations

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

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

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, payables, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Equity Classifications - Governmental Fund Financial Statements

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the School District is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and endowments principal.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other School Districts and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District’s legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the School District’s highest level of decision-making authority to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the School District’s highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

- Unassigned - Represents the residual classification of the School District's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed or assigned for specific purposes.

Real Property Tax Law (RPT) §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to 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.

The Board of Education of the School District has not adopted any resolutions to commit fund balance. By resolution, the Board of Education is authorized to assign fund balance. The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance.

Legally Adopted Reserves

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval, and a separate identity must be maintained for each reserve. Earnings on invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Reserves currently in use by the School District include the following:

- Capital Reserve (Education Law §3651) - Used to pay the cost of any object or purpose for which bonds may be issued. The creation of a Capital Reserve Fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.
- Employee Benefit Accrued Liability Reserve (GML §6-p) - Used to reserve funds for the payment of employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

- Retirement Contributions Reserve (GML §6-r) - Used to reserve funds for the payment of retirement contributions, due to volatility in the economic marketplace. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the General Fund.
- Tax Certiorari Reserve (Education Law §3651.1-a) - 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. This reserve is accounted for in the General Fund.
- Workers' Compensation Reserve (GML §6-j) - Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses for administering this self-insurance program. 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 applied to the appropriations of the succeeding fiscal year's budget. This reserve is accounted for in the General Fund.
- Unemployment Insurance Reserve (GML §6-m) - Used to pay the cost of reimbursement of 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 applied to the appropriations of the succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to indemnify pending claims may be transferred to any other Reserve Fund. This reserve is accounted for in the General Fund.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Property Taxes - Calendar

Real property taxes are levied annually by the Board of Education no later than September 1. For the year ended June 30, 2022, the tax lien was issued on August 11, 2021. Taxes were collected during the period September 1 to October 31, 2021.

Property Taxes - Enforcement

Uncollected real property taxes are subsequently enforced by the counties of Cayuga, Onondaga, Cortland, and Tompkins. An amount representing uncollected real property taxes transmitted to the counties for enforcement is paid by the counties to the School District no later than the following April 1.

Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

Use of Estimates

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports a deferred charge on defeased debt resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. See Note 8 for detailed information. The School District reports deferred outflows of resources related to pensions and other postemployment benefits in the District-wide Statement of Net Position. The types of deferred outflows related to pensions and other postemployment benefits are described in Notes 10 and 11, respectively.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Deferred Outflows and Deferred Inflows of Resources - Continued

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The types of deferred inflows of resources related to pensions and other postemployment benefits are described in Notes 10 and 11, respectively.

New Accounting Standards

The School District adopted and implemented the following current Statements of the GASB effective for the year ended June 30, 2022:

- GASB Statement No. 87, "Leases," was adopted in the current year, but did not have a material effect on the financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ending June 30, 2023.
- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending June 30, 2025.

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

***Note 2* Participation in BOCES**

During the year ended June 30, 2022, the School District's share of BOCES income amounted to \$2,180,184. The School District was billed \$5,164,746 for BOCES administration and program costs. Financial statements for the OCM BOCES are available from their business office at 110 Elwood Davis Road, Liverpool, New York 13088.

***Note 3* Cash and Cash Equivalents - Custodial Credit and Concentration of Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, State statutes govern the School District's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 3 Cash and Cash Equivalents - Custodial Credit and Concentration of Credit Risk - Continued

The School District's aggregate bank balances of \$13,763,276 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

Restricted cash consists of the following at June 30, 2022:

General Fund Reserves	\$	7,100,208
Restricted for Debt		2,492,006
Restricted for Misc. Special Revenue		100,705
Restricted for Capital Projects		272,287
Restricted for School Lunch		161,645
Total	\$	<u>10,126,851</u>

Note 4 Other Receivables

Other receivables consisted of the following, which are stated at net realizable value:

	Description	Amount
General Fund	Reimbursements	\$ 5,734
School Lunch Fund	Sales	8
Capital Projects Fund	Reimbursements	2,176
Total		<u>\$ 7,918</u>

Note 5 Interfund Balances and Activity

Interfund balances at June 30, 2022, are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 1,238,735	\$ 2,561,642	\$ 308,234	\$ 108,456
Debt Service Fund	2,619,714	-	-	532,416
Capital Projects Fund	665,262	1,111,812	324,182	-
Non-Major Funds:				
Special Aid Fund	38,219	776,625	8,456	-
School Lunch Fund	30,041	141,992	-	-
Miscellaneous Special Revenue Fund	100	-	-	-
Total	<u>\$4,592,071</u>	<u>\$4,592,071</u>	<u>\$ 640,872</u>	<u>\$ 640,872</u>

The School District typically transfers to and from the General Fund for the School District's share of expenditures for a Special Aid Fund project and from the General Fund and Capital Projects Fund to the Debt Service Fund for payment of long-term debt. The School District also transfers funds from the Capital Reserve in the General Fund to the Capital Projects Fund, as needed, to fund capital projects.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 5 Interfund Balances and Activity - Continued

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	\$ 49,400	\$ -	\$ -	\$ 49,400
Construction in Progress	3,439,042	3,290,874	(5,960,521)	769,395
Total Nondepreciable Historical Cost	<u>3,488,442</u>	<u>3,290,874</u>	<u>(5,960,521)</u>	<u>818,795</u>
Capital Assets That Are Depreciated:				
Buildings	80,587,733	-	5,960,521	86,548,254
Furniture and Equipment	3,214,634	758,336	-	3,972,970
Total Depreciable Historical Cost	<u>83,802,367</u>	<u>758,336</u>	<u>5,960,521</u>	<u>90,521,224</u>
Total Historical Cost	<u>87,290,809</u>	<u>4,049,210</u>	<u>-</u>	<u>91,340,019</u>
Less Accumulated Depreciation:				
Buildings	(33,020,571)	(2,446,262)	-	(35,466,833)
Furniture and Equipment	(984,368)	(731,022)	-	(1,715,390)
Total Accumulated Depreciation	<u>(34,004,939)</u>	<u>(3,177,284)</u>	<u>-</u>	<u>(37,182,223)</u>
Total Historical Cost, Net	<u>\$ 53,285,870</u>	<u>\$ 871,926</u>	<u>\$ -</u>	<u>\$ 54,157,796</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 9,707
Instruction	2,331,111
Pupil Transportation	830,234
School Lunch Program	<u>6,232</u>
Total	<u>\$ 3,177,284</u>

Note 7 Short-Term Debt

The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs or TANs during the year.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 7 Short-Term Debt - Continued

The School 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 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 School District did not issue or redeem any budget notes during the year.

The School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. BAN activity for the year is summarized below:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
2021 BAN - Capital Construction	1.00%	11/5/2021	\$ 4,229,182	\$ -	\$ (4,229,182)	\$ -
2022 BAN - Capital Construction	1.00%	7/21/2022	-	4,229,182	(4,229,182)	-
Total			<u>\$ 4,229,182</u>	<u>\$ 4,229,182</u>	<u>\$ (8,458,364)</u>	<u>\$ -</u>

Interest on short-term debt is as follows:

Interest Paid	\$ 72,484
Premium on BAN	<u>(20,188)</u>
Total	<u>\$ 52,296</u>

Note 8 Long-Term Debt

At June 30, 2022, the total outstanding indebtedness of the School District represented 23.34% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.
- Installment Purchase Debt - The School District enters into installment purchase agreements for the purchase of school buses. The cost and net book value of assets acquired with installment purchase debt totaled \$2,678,934 and \$1,782,821, respectively.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8 Long-Term Debt - Continued

The following is a summary of the School District's long-term debt for the year ended June 30, 2022:

	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2022
Refunding Bonds:				
Refunding Bonds	04/19/2016	03/15/2024	2.0% - 4.0%	\$ 2,520,000
Total Refunding Bonds				2,520,000
Serial Bonds:				
2017 Serial Bonds	06/08/2017	06/15/2032	3.0% - 5.0%	11,890,000
2019 Serial Bonds	06/17/2019	06/15/2034	5.0%	565,000
2022 Series A Bond	06/15/2022	06/15/2037	5.0%	3,905,000
Total Serial Bonds				16,360,000
Plus: Unamortized Premium				2,843,545
Subtotal Bonds				21,723,545
Installment Purchase Debt	07/01/2019	6/30/2026	2.6% - 3.4%	1,782,821
Total				\$ 23,506,366

Interest expense on long-term debt during the year was comprised of:

Interest Paid	\$ 871,154
Less Interest Accrued in the Prior Year	(104,950)
Plus Interest Accrued in the Current Year	107,243
Plus Amortization of Deferred Charges on Defeased Debt	107,949
Less Amortization of Bond Premium	(363,398)
Total	\$ 617,998

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

Long-term liability balances and activity for the year are summarized below:

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Bonds	\$ 17,945,000	\$ 3,905,000	\$ (2,970,000)	\$ 18,880,000	\$ 2,290,000
Unamortized Premium	2,853,879	353,064	(363,398)	2,843,545	215,389
Installment Purchase Debt	1,489,014	758,336	(464,529)	1,782,821	391,189
Total	\$ 22,287,893	\$ 5,016,400	\$ (3,797,927)	\$ 23,506,366	\$ 2,896,578

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8 Long-Term Debt - Continued

The following is a summary of the maturity of long-term serial bonds:

Year	Serial Bonds		Total
	Principal	Interest	
2023	\$ 2,290,000	\$ 956,490	\$ 3,246,490
2024	2,570,000	814,500	3,384,500
2025	1,355,000	698,800	2,053,800
2026	1,420,000	916,575	2,336,575
2027	1,500,000	560,050	2,060,050
2028-2032	8,000,000	1,599,800	9,599,800
2033-2037	1,745,000	248,000	1,993,000
Total	\$ 18,880,000	\$ 5,794,215	\$ 24,674,215

The following is a summary of the maturity of installment purchase debt:

Year	Installment Purchase Debt		Total
	Principal	Interest	
2023	\$ 391,189	\$ 51,709	\$ 442,898
2024	562,223	50,685	612,908
2025	525,706	25,910	551,616
2026	303,703	10,272	313,975
Total	\$ 1,782,821	\$ 138,576	\$ 1,921,397

On April 19, 2016, the School District issued \$8,830,000 in general obligation bonds, with interest rates ranging between 1.5% and 4.0%. The School District issued the bonds to advance refund the \$8,830,000 of outstanding various general obligation bonds with interest rates ranging from 3.5 % to 4.0%. The School District used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the \$8,830,000 in bonds is considered defeased and the liability has been removed from the financial statements. The outstanding principal of the defeased bonds was \$2,252,000 at June 30, 2022.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8 Long-Term Debt - Continued

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:

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Deferred Charges on Defeased Debt	\$ 148,814	\$ -	\$ (107,949)	\$ 40,865	\$ 26,385

Note 9 Compensated Absences

Compensated absences represent the value of the earned and unused portion of the liability of compensated absences. This liability is liquidated from the General and School Lunch Funds.

Compensated absences balances and activity are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	\$ 3,518,677	\$ 135,403	\$ -	\$ 3,654,080	\$ 46,955

Changes to long-term compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

Note 10 Pension Obligations - New York State and Local Employees’ Retirement System (ERS) and the New York State Teachers’ Retirement (TRS) (the Systems)

Plan Description and Benefits Provided Teachers’ Retirement System (TRS)(System)

The School District participates in the New York State Teachers’ Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York (RSSL). The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System’s website at www.nystrs.org.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Note 10 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Plan Description and Benefits Provided Teachers' Retirement System (TRS)(System) - Continued

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary.

Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

Plan Description and Benefits Provided Employees' Retirement System (ERS)(System)

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the RSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Plan Description and Benefits Provided Employees' Retirement System (ERS)(System) - Continued

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

Contributions

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the Systems were equal to 100% of the contributions required, and were as follows:

	<u>ERS</u>	<u>TRS</u>
2022	\$ 526,953	\$ 1,502,596
2021	476,082	1,394,466
2020	452,385	1,631,737

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

At June 30, 2022, the School District reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The School District's proportionate share of the net pension (asset)/liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

(Asset)/Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

	ERS	TRS
Actuarial Valuation Date	4/1/2021	6/30/2020
Net Pension (Asset)/Liability	\$ (8,174,858,678)	\$ (17,329,041,946)
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	(871,564)	(16,097,563)
School District's Share of the Net Pension (Asset)/Liability	0.0106619%	0.092894%

For the year ended June 30, 2022, the School District recognized pension expense of \$94,711 for ERS and \$848,372 for TRS in the District-wide financial statements. At June 30, 2022 the School District's 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	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 66,005	\$ 2,218,878	\$ 85,612	\$ 83,634
Changes of Assumptions	1,454,542	5,294,825	24,544	937,636
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-	2,854,007	16,847,765
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	142,009	199,712	3,119	49,489
School District's Contributions Subsequent to the Measurement Date	98,174	1,653,869	-	-
Total	\$1,760,730	\$ 9,367,284	\$ 2,967,282	\$17,918,524

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

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

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	ERS	TRS
2023	\$ (170,227)	\$ (2,003,505)
2024	(279,212)	(2,387,272)
2025	(713,661)	(3,053,427)
2026	(141,626)	(4,053,579)
2027	-	757,709
Thereafter	-	534,965

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Interest Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95%-5.18%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP 2020, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions - Continued

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, 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. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

Measurement Date	ERS	TRS
	March 31, 2022	June 30, 2021
Asset Type:		
Domestic Equities	3.30%	6.80%
International Equities	5.85%	7.60%
Global Equities	-	7.10%
Real Estate	5.00%	6.50%
Private Equity/Alternative Investments	6.50%	10.00%
Opportunistic Portfolio	4.10%	-
Real Assets	5.58%	-
Cash	(1.00%)	-
Credit	3.78%	-
Domestic Fixed Income Securities	-	1.30%
Global Fixed Income Securities	-	0.80%
Private Debt	-	5.90%
Real Estate Debt	-	3.30%
High-Yield Fixed Income Securities	-	3.80%
Short-Term	-	(0.20%)

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Discount Rate

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

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

The following presents the School District's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 2,243,396	\$ (871,564)	\$ (3,477,077)
TRS	1% Decrease (5.95%)	Current (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (1,689,204)	\$ (16,097,563)	\$ (28,206,742)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset)/liability of the employers as of the respective measurement dates were as follows:

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' Total Pension Liability	\$ 223,874,888	\$ 130,819,415
Plan Net Position	(232,049,473)	(148,148,457)
Employers' Net Pension (Asset)/Liability	\$ (8,174,585)	\$ (17,329,042)
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	103.7%	113.2%

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 10 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$98,174.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$1,807,658.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Liability	\$ 10,366	\$ (10,366)	\$ -
Net Pension (Asset)	-	(871,564)	(871,564)
Deferred Outflows of Resources	(2,300,876)	540,146	(1,760,730)
Deferred Inflows of Resources	3,024,170	(56,888)	2,967,282
Subtotal	733,660	(398,672)	334,988
TRS			
Net Pension Liability	2,562,171	(2,562,171)	-
Net Pension (Asset)	-	(16,097,563)	(16,097,563)
Deferred Outflows of Resources	(8,948,379)	(418,905)	(9,367,284)
Deferred Inflows of Resources	1,342,953	16,575,571	17,918,524
Subtotal	(5,043,255)	(2,503,068)	(7,546,323)
Total	\$ (4,309,595)	\$ (2,901,740)	\$ (7,211,335)

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan Description - The School District's defined OPEB Plan (Plan) provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The plan is a single employer defined benefit healthcare plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements, because there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms - At June 30, 2022, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries Currently Receiving Benefit	220
Active Members	<u>362</u>
Total	<u><u>582</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$42,470,642 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2022 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	3.54%
Salary Scale	Varies, based on NYS TRS & ERS
Rate of Inflation	2.50%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	5.40% for 2021 to 2022, Decreasing to an Ultimate Rate of 4.04% by 2075

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

The discount rate was based on the Bond Buyer Weekly 20-Year GO Bond Index as of the measurement date (or the nearest business day thereto).

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under Entry Age Normal, Level Percent of Pay actuarial cost method.

Mortality rates were based on the Scale MP-2020 (generation mortality) published by the pension mortality study released by the Society of Actuaries.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death or retirement.

Retirement rates are based on tables used by the New York State and Local Retirement System.

The actuarial assumptions used in the June 30, 2021 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	<u>\$ 52,034,458</u>
Changes for the Year	
Service Cost	2,757,667
Interest Cost	1,170,436
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	253,734
Changes in Assumptions or Other Inputs	(12,528,586)
Benefit Payments	<u>(1,217,067)</u>
Net Change	<u>(9,563,816)</u>
Balance at June 30, 2022	<u><u>\$ 42,470,642</u></u>

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Changes in the Total OPEB Liability - Continued

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% at the measurement date of June 30, 2021 to 3.54% in June 30, 2022.

Sensitivity of the Total OPEB liability to Changes in the Discount Rate - The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 51,093,381	\$ 42,470,642	\$ 34,754,187

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 34,271,087	\$ 42,470,642	\$ 53,499,021

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,260,721.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 401,471	\$ (894,342)
Changes in Assumptions or Other Inputs	8,386,102	(25,477,056)
Total	\$ 8,787,573	\$(26,371,398)

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11 Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

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

Fiscal Year	
Ending June 30,	Amount
2023	\$ (2,667,382)
2024	(2,667,382)
2025	(2,667,382)
2026	(2,445,519)
2027	(2,357,790)
Thereafter	(4,778,370)

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
Other Postemployment Benefits Liability	\$ 52,034,458	\$ (9,563,816)	\$ 42,470,642
Deferred Outflows of Resources	(10,278,668)	1,491,095	(8,787,573)
Deferred Inflows of Resources	18,255,023	8,116,375	26,371,398
Total Effect on Net Position	\$ 60,010,813	\$ 43,654	\$ 60,054,467

Note 12 Commitments and Contingencies

Risk Financing and Related Insurance - General Information

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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.

Risk Financing and Related Insurance - Health Insurance

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by BOCES and its component districts. The Plan'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.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***Note 12* Commitments and Contingencies - Continued**

Risk Financing and Related Insurance - Health Insurance - Continued

School districts joining the Plan must remain members for a minimum of one year; a member school district may withdraw from the Plan after that time by providing notice to the consortium prior to May 1, immediately preceding the commencement of the next school year. Plan members include 26 school districts, with the School District bearing a proportionate share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities.

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

The Plan 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, 2022, the School District incurred premiums or contribution expenditures totaling \$6,491,127.

The Plan financial statements may be obtained from Central New York Health Insurance Trust, 6820 Thompson Road, PO Box 4754, Syracuse, New York 13221.

Risk Financing and Related Insurance - Workers' Compensation

The School District is self-insured for workers' compensation claims. Judgments and claims are recorded when it is probable that a liability has been incurred and the claim amount can be reasonably estimated. As of June 30, 2022, the School District had reserved \$1,067,183 in the General Fund to fund any claims. Workers' compensation charges for the year ended June 30, 2022 were \$242,618.

Other Litigation

The School District is and may be a named party in certain litigations. The School District is being represented by legal counsel of the School District and insurance companies as applicable. In the opinion of School District officials and legal counsel, these claims are either adequately covered by insurance, will not result in material judgments against the School District, or will not be pursued and, accordingly, are not expected to have a material effect on the financial statements. There have been no judgments against the School District in excess of insurance coverage for the last three years.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12 Commitments and Contingencies - Continued

Other Items

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

Note 13 Fund Balance Detail

At June 30, 2022, nonspendable, restricted, and assigned fund balance in the Governmental Funds was as follows:

	General Fund	Debt Service Fund	Non-Major Funds	
			School Lunch Fund	Miscellaneous Special Revenue Fund
Nonspendable				
Inventory	\$ -	\$ -	\$ 21,841	\$ -
Total Nonspendable Fund Balance	\$ -	\$ -	\$ 21,841	\$ -
Restricted				
Retirement Contribution Reserve	\$ 1,337,140	\$ -	\$ -	\$ -
Unemployment Insurance Reserve	248,471	-	-	-
Workers' Compensation Reserve	1,067,183	-	-	-
Employee Benefit Accrued Liability Reserve	1,837,861	-	-	-
Tax Certiorari Benefit Reserve	100,020	-	-	-
Capital Reserve	131,965	-	-	-
School Lunch	-	-	239,543	-
Scholarships	-	-	-	100,805
Debt Service	-	5,111,720	-	-
Total Restricted Fund Balance	\$ 4,722,640	\$ 5,111,720	\$ 239,543	\$ 100,805
Assigned				
Appropriated for Next Year's Budget	\$ 680,000	\$ -	\$ -	\$ -
Encumbered for:				
General Support	135,130	-	-	-
Instruction	353,381	-	-	-
Pupil Transportation	20,940	-	-	-
Total Assigned Fund Balance	\$ 1,189,451	\$ -	\$ -	\$ -

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 14 Restricted Fund Balances

Portions of restricted fund balance are reserved and not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity of the General Fund, Debt Service Fund, and School Lunch Fund reserves for the year ended June 30, 2022 were as follows:

Restricted Fund Balances	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
General Fund					
Retirement Contribution Reserve	\$ 1,436,996	\$ -	\$ 144	\$ (100,000)	\$ 1,337,140
Employee Benefit Accrued Liability Reserve	1,837,674	-	187	-	1,837,861
Unemployment Insurance Reserve	248,446	-	25	-	248,471
Workers' Compensation Reserve	1,066,863	-	320	-	1,067,183
Tax Certiorari Reserve	100,010	-	10	-	100,020
Capital Reserve	131,951	-	14	-	131,965
Total General Fund	<u>\$4,821,940</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ (100,000)</u>	<u>\$4,722,640</u>
Debt Service Fund	<u>\$5,399,188</u>	<u>\$ 373,252</u>	<u>\$ 578</u>	<u>\$ (661,298)</u>	<u>\$5,111,720</u>
School Lunch Fund	<u>\$ (31,171)</u>	<u>\$ 1,286,421</u>	<u>\$ 19</u>	<u>\$ (1,015,726)</u>	<u>\$ 239,543</u>

Note 15 Stewardship, Compliance and Accountability

Deficit Net Position

At June 30, 2022, the District-wide Statement of Net Position had an unrestricted deficit net position of \$53,893,201. This is primarily the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 11). The deficit is not expected to be eliminated during the normal course of operations.

The Capital Projects Fund had a deficit fund balance of \$172,087. This will be eliminated when short-term debt is converted to long-term debt.

Note 16 Tax Abatements

For the year ended June 30, 2022, property in the School District was subject to property tax abatements negotiated by the Cortland County Industrial Development Agency (CCIDA) and the Village of Homer (the Village).

CCIDA enters into PILOT agreements with businesses within Cortland County under New York State GML §858. Economic development agreements entered into by CCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which CCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 16 Tax Abatements - Continued

The Village entered into a property tax abatement agreement (Act) with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Village.

Information relevant to disclosure of the programs for the year ended June 30, 2022 is as follows:

	<u>Taxable Assessed Value</u>	<u>Combined Tax Rates</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
Cortland County Industrial Development Agency					
Forkey Construction & Fabricating Inc.	\$ 1,701,000	21.17	\$ 36,006	\$ 33,777	\$ 2,229
Village of Homer					
Cortland Housing Authority	609,524	21.17	12,902	2,565	10,337
Homer Housing Company	606,548	21.17	12,839	1,440	11,399
Total PILOT Agreements	<u>\$ 2,917,072</u>		<u>\$ 61,747</u>	<u>\$ 37,782</u>	<u>\$ 23,965</u>

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$ 14,949,768	\$ 14,949,768	\$ 15,029,863	\$ 80,095
Real Property Tax Items	2,145,563	2,145,563	2,076,214	(69,349)
Nonproperty Taxes	2,500	2,500	2,255	(245)
Charges for Services	42,797	42,797	16,847	(25,950)
Use of Money and Property Sale of Property and Compensation for Loss	87,852	87,852	68,278	(19,574)
Miscellaneous	32,000	32,000	11,035	(20,965)
Total Local Sources	<u>17,690,180</u>	<u>17,690,180</u>	<u>18,209,287</u>	<u>519,107</u>
State Sources	25,412,738	25,412,738	24,572,942	(839,796)
Federal Sources	75,000	75,000	54,096	(20,904)
Total Revenues	<u>43,177,918</u>	<u>43,177,918</u>	<u>42,836,325</u>	<u>(341,593)</u>
OTHER FINANCING SOURCES				
Operating Transfers In	408,234	408,234	308,234	(100,000)
Total Revenues and Other Financing Sources	<u>43,586,152</u>	<u>43,586,152</u>	<u>\$ 43,144,559</u>	<u>\$ (441,593)</u>
Appropriated Fund Balance	<u>680,000</u>	<u>680,000</u>		
Encumbrances Carried Forward From Prior Year	<u>506,187</u>	<u>506,187</u>		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u>\$ 44,772,339</u>	<u>\$ 44,772,339</u>		

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 29,676	\$ 21,815	\$ 21,815	\$ -	\$ -
Central Administration	216,984	218,261	216,297	-	1,964
Finance	566,070	620,079	620,072	7	-
Staff	148,935	161,123	161,122	-	1
Central Services	2,627,716	2,710,546	2,486,540	135,123	88,883
Special Items	377,431	411,160	411,159	-	1
Total General Support	3,966,812	4,142,984	3,917,005	135,130	90,849
Instruction					
Instruction, Administration, and Improvement	1,318,661	1,319,843	1,316,901	-	2,942
Teaching - Regular School Programs for Children with Handicapping Conditions	12,159,318	12,443,972	11,754,866	314,624	374,482
Occupational Education	4,807,409	4,638,703	4,608,813	28,197	1,693
Teaching - Special School	1,031,334	1,030,574	1,028,074	-	2,500
Instructional Media	15,000	15,000	-	-	15,000
Pupil Services	1,701,540	1,523,894	1,458,828	-	65,066
Total Instruction	23,405,728	23,408,768	22,569,479	353,381	485,908
Pupil Transportation	2,324,803	1,834,973	1,780,740	20,940	33,293
Community Services	-	19,877	19,877	-	-
Employee Benefits	11,138,005	10,779,015	10,512,423	-	266,592
Debt Service					
Principal	3,000,000	3,534,529	3,534,529	-	-
Interest	836,991	943,737	943,638	-	99
Total Debt Service	3,836,991	4,478,266	4,478,167	-	99
Total Expenditures	44,672,339	44,663,883	43,277,691	509,451	876,741
OTHER FINANCING USES					
Operating Transfers Out	100,000	108,456	108,456	-	-
Total Expenditures and Other Financing Uses	\$ 44,772,339	\$ 44,772,339	43,386,147	\$ 509,451	\$ 876,741
Net Change in Fund Balance			(241,588)		
Fund Balance - Beginning of Year			7,778,773		
Fund Balance - End of Year			\$ 7,537,185		

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 526,953	\$ 476,082	\$ 452,385	\$ 440,939	\$ 444,713	\$ 446,908	\$ 563,316	\$ 500,913	\$ 631,180	\$ 609,827
Contributions in Relation to the Contractually Required Contribution	(526,953)	(476,082)	(452,385)	(440,939)	(444,713)	(466,908)	(563,316)	(500,913)	(631,180)	(609,827)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll	3,489,933	3,445,788	3,337,638	3,216,078	3,214,082	3,112,302	3,220,366	3,064,569	3,183,592	3,251,047
Contributions as a Percentage of Covered Employee Payroll	15.1%	13.8%	13.6%	13.7%	13.8%	14.4%	17.5%	16.3%	19.8%	18.8%

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$1,653,869	\$ 1,502,596	\$ 1,394,466	\$ 1,631,737	\$ 1,475,554	\$ 1,777,175	\$ 2,007,733	\$ 2,654,266	\$ 2,375,633	\$ 1,790,258
Contributions in Relation to the Contractually Required Contribution	(1,653,869)	(1,502,596)	(1,394,466)	(1,631,737)	(1,475,554)	(1,777,175)	(2,007,733)	(2,654,266)	(2,375,633)	(1,790,258)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll	16,876,214	16,959,323	15,738,894	15,350,301	15,056,673	15,163,309	15,141,275	15,142,989	14,619,280	15,120,422
Contributions as a Percentage of Covered Employee Payroll	9.8%	8.9%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%	11.8%

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2022	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension (Asset)/Liability	0.0106619%	0.0104102%	0.0101490%	0.0099391%	0.0102250%	0.0106162%	0.0116511%	0.0115939%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (871,564)	\$ 10,366	\$ 2,687,525	\$ 704,214	\$ 330,008	\$ 997,521	\$ 1,870,036	\$ 391,671
School District's Covered Employee Payroll During the Measurement Period	3,489,933	3,445,788	3,337,638	3,216,078	3,161,366	3,063,304	3,148,176	3,030,571
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	25.0%	0.3%	80.5%	21.9%	10.4%	32.6%	59.4%	12.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	2022	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension (Asset)/Liability	0.092894%	0.092722%	0.092051%	0.092943%	0.095015%	0.098267%	0.100798%	0.098969%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$(16,097,563)	\$ 2,562,171	\$ (2,391,482)	\$(1,680,662)	\$ (722,205)	\$ 1,052,482	\$(10,469,734)	\$(11,024,542)
School District's Covered Employee Payroll During the Measurement Period	16,959,323	15,798,894	15,350,301	15,056,673	15,163,609	15,141,275	15,142,989	14,619,280
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	94.9%	16.2%	15.6%	11.2%	4.8%	7.0%	69.1%	75.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Service Cost	\$ 2,757,667	\$ 3,069,345	\$ 1,991,625	\$ 1,554,922	\$ 1,616,075	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	1,170,436	1,416,922	1,653,067	2,010,288	1,816,998	*	*	*	*	*
Changes of Benefit Terms	-	884,733	-	-	-	*	*	*	*	*
Differences Between Expected and Actual Experience	253,734	(827,703)	287,127	(492,417)	-	*	*	*	*	*
Changes in Assumptions or Other Inputs	(12,528,586)	(12,849,515)	13,417,765	(6,949,561)	(2,564,537)	*	*	*	*	*
Benefit Payments	(9,563,816)	(1,400,497)	(1,413,232)	(1,404,494)	(1,073,198)	*	*	*	*	*
Total OPEB Liability - Beginning	<u>52,034,458</u>	<u>61,741,173</u>	<u>45,804,821</u>	<u>51,086,083</u>	<u>51,290,745</u>	*	*	*	*	*
Total OPEB Liability - Ending	<u>\$42,470,642</u>	<u>\$ 52,034,458</u>	<u>\$ 61,741,173</u>	<u>\$ 45,804,821</u>	<u>\$ 51,086,083</u>	<u>\$51,290,745</u>	*	*	*	*
Covered Employee Payroll	\$ 16,934,071	\$ 17,276,045	\$ 19,329,874	\$ 15,756,668	\$ 17,585,722	\$ *	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	250.80%	301.19%	319.41%	290.70%	290.50%	*	*	*	*	*

* Information is unavailable and will be present as it becomes available.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

***Note 1* Budget Basis of Accounting**

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

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. 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.

The following supplemental appropriations occurred during the year:

Adopted Budget	\$ 44,266,152
Prior Year's Encumbrances	506,187
Original Budget	<u>44,772,339</u>
Final Budget	<u>\$ 44,772,339</u>

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

Annual legal budgets are not adopted for the Special Revenue Funds (Special Aid and School Lunch). Budgetary controls for the Special Aid Fund are established in accordance with applicable grant agreements. In addition, special aid funds may cover a period other than the School District's fiscal year. Budgetary controls for the School Lunch are established based on prior performance and anticipated future activity.

***Note 2* Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are presented in a separate column and are not included in the actual results at June 30, 2022.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

Note 3 **Schedule of Changes in the School District's Total OPEB Liability and Related Ratios**
The actuarial valuation reflects the adoption of the Pub-2010 Mortality Table (from RP-2014 Adjusted to 2006 Total Dataset Mortality Table) with generational projection of future improvements per the MP-2019 Ultimate Scale. Additionally, retirement and turnover rates were updated to reflect the assumptions used in the 2020 Annual Report to the Comptroller on Actuarial Assumptions for the New York State and Local Retirement System. The valuation of future implementation of the excise tax on medical benefits is no longer used, as it has been officially repealed as of December 20, 2019.

Given the substantial uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of the projections, the decision has been made to not make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

The discount rate has been changed to 3.54% (from 2.16%) since this is the discount rate that will be used to measure the total OPEB liability for the purposes of GASB Statement No. 75. This decreased the accrued liability by \$9.56 million (18.4%) after the inclusion of all assumption changes described above.

Note 4 **Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability**
The Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability, required supplementary information, will present ten years of information as it becomes available from the pension plans.

Note 5 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability**

NYSLRS

Changes in Benefit Terms

There were no significant legislative changes in benefits.

Changes of Assumptions

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - Continued

NYSLRS - Continued

Changes of Assumptions - Continued

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2022. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.5% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

NYSTRS

Changes in Benefit Terms

None.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

***Note 5* Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - Continued**

NYSTRS - Continued

Changes of Assumptions

Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated, future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability. Current proposed assumptions are used in the 2021 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 6.95%, effective with the 2021 actuarial valuation. For the 2020 and 2019 actuarial valuations, the System's long-term rate of return assumption was 7.10%. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.50%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.4% for 2021, and 2.20% for 2019 and 2020. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.3% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.5% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2021 actuarial valuation, the assumed scale for mortality improvement was changed from MP2019 to MP2020. Effective with the 2020 actuarial valuation, the assumed scale for mortality improvement was changed from MP2018 to MP2019. Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement was changed from MP-2014 to MP-2018.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of School Districts' Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine school districts' contributions in 2021. For assumptions and plan provisions used in contributions reported for years prior to 2021, refer to the Annual Actuarial Report for two years prior to the end of the fiscal year in which contributions are reported.

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

Note 5 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - Continued**

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions - Continued

Actuarial Cost Method

The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.

Asset Valuation Method

Five-year phased in deferred recognition of each year's net investment income/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.

Inflation

2.20%

Projected Salary Increases

Rates of increase differ based on age and gender. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return

7.10% compounded annually, net of investment expenses, including inflation.

Projected Cost of Living Adjustments

1.3% compounded annually.

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 44,266,152
Prior Year's Encumbrances	<u>506,187</u>
Original Budget	<u>44,772,339</u>
Final Budget	<u><u>\$ 44,772,339</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u><u>\$ 44,387,420</u></u>
Maximum Allowed (4% of 2022-2023 Budget)	\$ 1,775,497
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,189,451
Unassigned Fund Balance	<u>1,625,094</u>
Total Unrestricted Fund Balance	<u>2,814,545</u>
Less:	
Appropriated Fund Balance	\$ 680,000
Encumbrances Included in Assigned Fund Balance	<u>509,451</u>
Total Adjustments	<u>1,189,451</u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	<u><u>\$ 1,625,094</u></u>
Actual Percentage	3.66%

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance (Deficit) June 30, 2022
			Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	Total	
Phase III 002-012	\$ 900,482	\$ 900,482	\$ 438,948	\$ -	\$ 438,948	\$ 461,534	\$ 315,033	\$ -	\$ 315,033	\$ (123,915) *
HS Stadium Renovations 002-014	1,093,545	1,093,545	911,419	-	911,419	182,126	693,545	400,000	1,093,545	182,126 *
Bus Garage 5003-010	100,000	100,000	97,520	-	97,520	2,480	-	100,000	100,000	2,480 *
Bus Garage 5003-011	100,000	100,000	96,000	-	96,000	4,000	-	100,000	100,000	4,000 *
Sr. HS 002-015	1,350,118	1,350,118	430,747	919,371	1,350,118	-	1,325,763	110,061	1,435,824	85,706 *
Jr. HS 007-012	2,025,266	2,025,266	646,204	1,379,062	2,025,266	-	1,988,900	165,142	2,154,042	128,776 *
Elem. 006-012	601,367	601,367	191,804	409,563	601,367	-	590,337	49,008	639,345	37,978 *
Bus Garage 5003-013	252,384	252,384	-	252,431	252,431	(47)	-	100,000	100,000	(152,431) *
Bus Garage 5003-014	100,000	100,000	106,360	-	106,360	(6,360)	-	100,000	100,000	(6,360) *
Pre-Project Work 2022-2025*	N/A	N/A	-	330,447	330,447	(330,447)	-	-	-	(330,447) *
Leased Buses	N/A	N/A	-	758,336	758,336	-	758,336	-	758,336	- *
Totals	\$ 6,523,162	\$ 6,523,162	\$ 2,919,002	\$ 4,049,210	\$ 6,968,212	\$ 313,286	\$ 5,671,914	\$ 1,124,211	\$ 6,796,125	\$ (172,087) *

*Architectural and State Approved Budget Modifications for Subproject
Reallocations Not Yet Finalized and Available at this Report Date.

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS JUNE 30, 2022

Capital Assets, Net	<u>\$ 54,157,796</u>
Add:	
Deferred Charges on Defeased Debt	<u>40,865</u>
Deduct:	
Premium on Bonds	<u>(2,843,545)</u>
Short-Term Portion of Bonds Payable	<u>(2,290,000)</u>
Short-Term Portion of Installment Purchase Debt	<u>(391,189)</u>
Long-Term Portion of Bonds Payable	<u>(16,590,000)</u>
Long-Term Portion of Installment Purchase Debt	<u>(1,391,632)</u>
Net Investment in Capital Assets	<u><u>\$ 30,692,295</u></u>

HOMER CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue Funds		Total Non-Major Governmental Funds
	School Lunch Fund	Misc. Special Revenue Fund	
ASSETS			
Cash - Restricted	\$ 161,645	\$ 100,705	262,350
Due From Other Funds	30,041	100	30,141
State and Federal Aid	213,206	-	213,206
Other	8	-	8
Inventories	21,841	-	21,841
Total Assets	\$ 426,741	\$ 100,805	\$ 527,546
LIABILITIES			
Accounts Payable	\$ 1,040	\$ -	\$ 1,040
Accrued Liabilities	4,642	-	4,642
Due to Other Funds	141,992	-	141,992
Due to Other Governments	33	-	33
Unearned Revenues	17,650	-	17,650
Total Liabilities	165,357	-	165,357
FUND BALANCES			
Nonspendable	21,841	-	21,841
Restricted	239,543	100,805	340,348
Total Fund Balances	261,384	100,805	362,189
Total Liabilities and Fund Balances	\$ 426,741	\$ 100,805	\$ 527,546

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Special Revenue Funds</u>		Total Non-Major Governmental Funds
	School Lunch Fund	Misc. Special Revenue Fund	
REVENUES			
Nonproperty Taxes	\$ -	\$ 11	\$ 11
Use of Money and Property	19	-	19
Miscellaneous	14,257	350	14,607
State Sources	49,594	-	49,594
Federal Sources	1,150,677	-	1,150,677
Sales - School Lunch	71,893	-	71,893
Total Revenues	<u>1,286,440</u>	<u>361</u>	<u>1,286,801</u>
EXPENDITURES			
Instruction	409,549	2,630	412,179
Employee Benefits	175,915	-	175,915
Cost of Sales	428,300	-	428,300
Total Expenditures	<u>1,013,764</u>	<u>2,630</u>	<u>1,016,394</u>
Net Change in Fund Balances	272,676	(2,269)	270,407
Fund Balances (Deficit) - Beginning of Year	(11,292)	103,074	91,782
Fund Balances - End of Year	<u><u>\$ 261,384</u></u>	<u><u>\$ 100,805</u></u>	<u><u>\$ 362,189</u></u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Homer Central School District
Homer, New York

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 Homer Central School District (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 17, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 17, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Board of Education
Homer Central School District
Homer, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Homer Central School District's (the School 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 School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School District, complied, in all material respects, with the 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, 2022.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' 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 School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 have not been 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 17, 2022

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN #	Pass - Through Grantor #	Pass - Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021220570	\$ -	\$ 368,541
Title I Grants to Local Educational Agencies	84.010	0022220570	-	77,674
		Subtotal	-	446,215
Special Education Cluster:				
Special Education - Grants to States	84.027	0032220154	-	542,903
Special Education - Preschool Grants	84.173	0033220154	-	14,291
Total Special Education Cluster			-	557,194
Education Stabilization Fund:				
(COVID-19) Elementary and Secondary School Emergency Relief Fund	84.425D	5891210570	-	1,081,964
(COVID-19) America Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	5870220570	-	129,900
(COVID-19) America Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	5880210570	-	8,260
(COVID-19) America Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	5882210570	-	149,008
(COVID-19) America Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	5883210570	-	71,884
(COVID-19) America Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	5884210570	-	337
Total Education Stabilization Fund			-	1,441,353
Supporting Effective Instruction State Grants	84.367	0147220570	-	59,708
Student Support and Academic Enrichment Program	84.424	0204220570	-	18,107
Total Department of Education			-	2,522,577
U.S. Department of Agriculture				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	(1)	-	884,411
School Breakfast Program	10.553	(1)	-	219,836
Total Child Nutrition Cluster			-	1,104,247
Direct Program:				
(COVID-19) Pandemic EBT Food Benefits	10.542	N/A	-	1,803
(COVID-19) Supply Chain Assistance	10.649	N/A	-	44,627
Total U.S. Department of Agriculture			-	1,150,677
Total Expenditures of Federal Awards			\$ -	\$ 3,673,254

(1) Denotes - Unable to Obtain from Pass-Through Entity

See Notes to Schedule of Expenditures of Federal Awards

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2022

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by Federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 **Matching Costs**

Matching costs, such as the School District's share of certain program costs, are not included in the reported expenditures.

Note 5 **Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2022, the School District received \$79,225 worth of commodities under the National School Lunch Program (ALN #10.555).

Note 6 **Subrecipients**

No amounts were provided to subrecipients.

Note 7 **Other Disclosures**

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

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

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 §CFR 200.516(a)? yes X no

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84,425D, 84.425U</u>	<u>Education Stabilization Fund</u>

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

Auditee qualified as low risk? X yes no

Section II Financial Statement Findings None.

Section III Federal Award Findings and Questioned Costs None.