PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing status and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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

HOMER CENTRAL SCHOOL DISTRICT

CAYUGA, CORTLAND, ONONDAGA, AND TOMPKINS COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 437560

$5,000,000 Revenue Anticipation Notes, 2026

(referred to herein as the "Notes")

Dated: September 17, 2026 **Due: September 17, 2027**

The Notes are general obligations of the Homer Central School District, Cayuga, Cortland, Onondaga and Tompkins Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to applicable statutory limitations. See "THE NOTES - Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the successful bidder(s), the Notes will be issued in registered certificated form in the name of the purchaser in the denominations of $5,000 or multiples thereof. Principal and interest will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder(s), the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the unqualified legal opinions as to the validity of the Notes of Trespasz Law Offices, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or a place as agreed upon with the purchaser, on or about September 17, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on September 3, 2026 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

August 27, 2026

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

HOMER CENTRAL SCHOOL DISTRICT

CAYUGA, CORTLAND, ONONDAGA, AND TOMPKINS COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2026-2027 BOARD OF EDUCATION

MEGHAN GILBERT
President

STACY PETRI
Vice President

AMY KIDA
JESSICA WHITE

KEVIN MACK
RICHALLE CICIONI
JOHN LAWRENCE

JANELLE O'GORMAN
KC SLADE

* * * * * * * * * *

TODD FREEMAN
Superintendent

MATTHEW PRIEST
Assistant Superintendent for Business Operations

COURTNEY SPRAKER
School District Treasurer

RAQUEL YACAVONE
School District Clerk

COSTELLO COONEY & FEARON, PLLC
Local Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ LAW OFFICES, LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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(315) 752-0051
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OFFICIAL STATEMENT

of the

HOMER CENTRAL SCHOOL DISTRICT

CAYUGA, CORTLAND, ONONDAGA, AND TOMPKINS COUNTIES, NEW YORK

Relating To

$5,000,000 Revenue Anticipation Notes, 2026

This Official Statement, which includes the cover page, has been prepared by the Homer Central School District, Cayuga, Cortland, Onondaga and Tompkins Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $5,000,000 principal amount of Revenue Anticipation Notes, 2026 (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated September 17, 2026 and will mature, without option of prior redemption, on September 17, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes shall not be subject to redemption prior to maturity.

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Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law and pursuant to a revenue anticipation note resolution duly adopted by the Board of Education, in anticipation of State Aid revenues due during the School District's fiscal year, commencing July 1, 2026 and ending June 30, 2027.

The Notes are being issued to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding (see "APPENDIX – C – C1 – ESTIMATED MONTHLY CASH FLOW"). Such cash flow deficit is the result of District spend down of fund balance and reserves along with a delay in the receipt of State aid revenues, which receipt is not timely with the cash flow needs of the School District.

Nature of Obligation

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

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011.

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

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

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE DISTRICT

General Information

The District is located in upstate New York in the Towns of Sempronius and Summerhill in Cayuga County, the Towns of Cortlandville, Cuyler, Homer, Preble, Scott, Salon and Truxton in Cortland County, the Town of Spafford in Onondaga County and the Town of Groton in Tompkins County. The District encompasses approximately 176 square miles.

The District is served by a network of State highways. Bus service is available from Greyhound Bus Lines and the Cortland, Cayuga, Onondaga and Tompkins Counties Bus Lines. Air transportation is provided by the Cortland, Cayuga, Onondaga and Tompkins Counties Airport at Cortlandville, Hancock International Airport at Syracuse, and Tompkins County Airport at Ithaca.

The District is primarily residential-rural in character and is composed of predominantly single-family dwellings. There are few industrial or commercial centers, with the exception of the Village of Homer's commercial district and a shopping plaza located in the Town of Cortlandville.

Electricity is supplied by the National Grid Power Corporation and natural gas is supplied by the New York State Electric and Gas. Telephone communications are provided by Verizon (formerly Bell Atlantic) and Continental Telephone. Water service is provided to sections of the District by the Homer Water Department and the Cortland Water Department. Sewer services are provided by the Cortland Sewage Treatment Plant. Police protection is provided by the Village of Homer Police Department and is supplemented by the County Sheriffs' Departments and the New York State Police. Fire protection is provided by various Town fire companies.

The District provides public education for grades K-12. Opportunities for higher education include the State University of New York at Cortland, as well as the many colleges and universities in and around the area.

Source: District officials.

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Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2020-2024	2006-2010	2016-2020	2020-2024
Village of:						
Homer	$ 28,116	$ 41,887	$ 42,900	$ 72,764	$ 64,984	$ 85,417
Towns of:						
Cortlandville	25,714	33,333	37,872	65,769	78,462	97,361
Cuyler	16,581	28,517	32,376	46,471	90,893	96,528
Homer	25,687	35,650	42,869	65,854	72,911	86,127
Preble	24,657	41,821	43,837	52,426	85,833	99,167
Scott	23,027	35,522	44,234	53,448	83,958	102,083
Solon	18,404	28,147	37,539	49,013	76,917	71,711
Truxton	22,907	33,561	48,054	61,250	74,375	111,719
Sempronius	20,946	33,885	38,221	54,375	70,714	80,833
Summerhill	21,396	40,810	47,727	56,620	76,250	87,750
Spafford	37,661	58,061	70,097	77,500	104,519	128,250
Groton	23,208	29,571	35,583	61,184	77,738	90,682
Counties of:						
Cortland	22,078	28,407	34,752	57,743	71,430	88,091
Cayuga	22,959	30,996	36,905	58,761	73,590	85,993
Onondaga	27,037	34,600	43,166	65,929	82,368	101,959
Tompkins	25,737	34,191	41,808	72,231	87,977	114,291
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: U.S. Census Bureau, 2006-2010, 2016-2020, and 2020-2024 American Community Survey 5-Year Estimates.

Note: 2021-2025 American Community Survey 5-year data is not available as of the date of this Official Statement.

Population

The total population of the District is estimated to be 12,126. (Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates).

Larger Employers

The following are the five larger employers located within or in close proximity to the District.

Name	Type	Approximate Number of Employees
SUNY Cortland	Educational	2,000
PAL Trinity	Tech	500
Wal-Mart	Retailer	300
Byrne Dairy	Agricultural	200
Albany International	Manufacturing	200

Source: District officials.

Unemployment Rate Statistics

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

	Annual Averages							
	2018	2019	2020	2021	2022	2023	2024	2025
Cortland County	5.1%	4.7%	7.5%	4.9%	3.7%	4.1%	4.2%	4.3%
Cayuga County	4.5%	4.2%	7.7%	4.8%	3.5%	3.5%	3.7%	3.7%
Onondaga County	3.9%	3.7%	7.9%	4.9%	3.3%	3.3%	3.5%	3.6%
Tompkins County	3.5%	3.5%	5.7%	3.9%	2.9%	3.1%	3.3%	3.5%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%	4.3%

2026 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Cortland County	5.7%	5.7%	5.1%	4.3%	4.1%	4.3%	N/A	N/A
Cayuga County	4.3%	4.7%	4.2%	3.6%	3.6%	3.6%	N/A	N/A
Onondaga County	4.0%	4.3%	3.9%	3.6%	3.8%	3.8%	N/A	N/A
Tompkins County	3.7%	3.8%	3.4%	3.5%	3.8%	4.2%	N/A	N/A
New York State	4.7%	5.2%	4.4%	4.2%	4.2%	4.4%	N/A	N/A

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

Form of School Government

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

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the = District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

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

The District does not invest in so-called “derivatives” including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

Budgetary Procedures

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

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

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012–2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap must receive at least 60% voter approval.

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

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

Recent Budget Vote Results

The budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 405 to 131. The District's adopted budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for an increase of 3.90% to the total tax levy, which was below the District's tax levy limit of 4.19%.

The budget for the 2026-27 fiscal year was approved by qualified voters on May 19, 2026, by a vote of 983 to 277. The District's adopted budget for the 2026-27 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for an increase of 5.35% to the total tax levy, which is equal to the District's tax levy limit of 5.35%.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 59.50% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late), 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late) and 2026-27 (adopted on May 27, 2026, fifty-six (56) days late). The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

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

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

In furtherance of the Education Executive Order, on June 16, 2026, the U.S. Department of Education announced four new interagency agreements that shift the management and administration of federal special education programs to the Department of Health and Human Services ("HHS"). Key elements of the change include:

- **Oversight Shift:** Day-to-day management and grant administration for the Office of Special Education and Rehabilitative Services and the Office of Special Education Programs are being transferred to HHS.
- **Statutory Responsibility:** Legally, the statutory authority for the Individuals with Disabilities Education Act remains with the Department of Education, but its actual execution is outsourced.
- **DOJ Integration:** Civil rights and student privacy enforcement are simultaneously being moved to the Department of Justice.

While the interagency agreements are effective immediately, Senior Administration officials have publicly noted that operation details, staff relocations, and specific execution timelines are still actively being sorted out. The full impact that the Education Executive Order will have on the State and school districts in the State is unknown at this time.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 building aid ratios, the District expects to receive State building aid of approximately 83.4% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included $31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Enacted Budget included approximately $37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provided an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

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

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

- **Foundation Aid increase:** The budget provides an approximately $779 million increase in Foundation Aid, bringing total Foundation Aid to about $27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately $39.3 billion, an increase of roughly $1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly $282 million statewide.
- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project's "primary cost allowance" for Building Aid purposes.
- **Zero Emission bus mandate:** The Enacted Budget also extended the zero-emission bus mandate by five years, allowing districts until July 1, 2032, to purchase only zero-emission buses and until July 1, 2040, to operate and maintain only zero-emission buses.

Foundation Aid formula adjustments. The budget continues recent efforts to modernize the Foundation Aid formula by relying more heavily on updated poverty and economic-need data instead of older census metrics and free-and-reduced lunch statistics.

State Aid Litigation

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

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

A case related to the CFE was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

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

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027 Budget: $27.1 billion in Foundation Aid, an increase of $779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 and 2026-27 Budgets also made a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	$ 41,802,755	$ 23,905,068	57.19%
2021-2022	42,836,325	24,572,942	57.36
2022-2023	42,695,424	24,672,254	57.79
2023-2024	44,986,156	27,072,948	60.18
2024-2025	46,058,263	27,406,516	59.50
2025-2026 (Budgeted)	48,908,170	29,757,029	60.84
2025-2026 (Unaudited)	49,131,156	28,224,087	57.45
2026-2027 (Budgeted)	49,132,073	29,233, 080	59.50

(1) Includes appropriated fund balance and reserves.

Note: Revenues do not include appropriated fund balance/reserve use/interfund transfers.

Source: 2020-21 through and including 2024-25 audited financial statements, 2025-26 adopted and unaudited, and 2026-27 adopted budgets of the District. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions/Reconstruction
Homer Elementary School	K-2	867	1925, 1958, 2009, 2017
Homer Intermediate School	3-5	795	1965, 2003, 2017
Homer Junior High School	6-8	750	1974, 2003, 2017
Homer Senior High School	9-12	1,054	1951, 1961, 1985, 2003, 2000, 2017

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2022-23	1,817	2027-28	1,750
2023-24	1,825	2028-29	1,750
2024-25	1,835	2029-30	1,750
2025-26	1,833	2030-31	1,750
2026-27	1,842	2031-32	1,750

Source: District officials.

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Employees

The District employs a total of 400 full-time and 100 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
162	Homer Teachers' Association	June 30, 2026 [1]
8	School Administrators' Association	June 30, 2025 [2]
50	Homer Central School Teacher Aides' Association	June 30, 2029
31	Homer Central School Bus Drivers' Association	June 30, 2029

[1] Currently under negotiation.
[2] The District is currently awaiting notification from the mediator regarding the scheduling of the next round of negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

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

- Lowered Retirement Age: The full-benefit retirement age for members of TRS is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.
- Reduced Contribution Rates: Member pension contribution percentages for members of ERS are adjusted into tiered salary brackets:
    - $75,000 or less: 3%
    - Over $75,000 to $100,000: 4%
    - Over $100,000 to $125,000: 5.25%
    - Over $125,000: 5.75%
- Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to $30,000 plus CPI (up from the previous $22,500 cap).

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

Fiscal Year	ERS	TRS
2021-2022	$526,953	$ 1,502,596
2022-2023	500,000	1,600,000
2023-2024	500,000	1,856,000
2024-2025	572,928	1,871,140
2025-2026	450,000	1,900,000
2026-2027 (Budgeted)	627,467	2,134,086

Source: District records.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

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

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2026-27) is shown below:

Fiscal Year	ERS	TRS
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such reserve fund.

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

Other Post-Employment Benefits

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

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with an Capital Region BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2024 and 2025.

The following table outlines the changes to the Total OPEB Liability during the 2024 and 2025 fiscal years, by source.

Balance beginning at July 1:	2023	2024
	$ 44,174,855	$ 46,389,369
Changes for the year:		
Service cost	2,157,114	2,197,723
Interest on total OPEB liability	1,884,711	2,011,093
Changes in benefit terms	-	279,219
Differences between expected and actual experience	194,419	1,991,227
Changes in assumptions or other inputs	(612,852)	(4,520,920)
Benefit payments	(1,408,878)	(1,652,351)
Net Changes	$ 2,214,514	$ 305,991
Balance ending at June 30:	2024	2025
	$ 46,389,369	$ 46,695,360

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

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

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

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

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except to the extent shown in "STATUS OF INDEBTEDNESS - Estimated Overlapping Indebtedness," this Official Statement does not include the financial data of any political subdivision having power to levy taxes upon property within the District.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX - D" to this Official Statement. Certain summary financial information of the District can also be found attached as Appendices to the Official Statement.

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

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

Unaudited Results of Operations for Fiscal Year Ending June 30, 2026.

Based upon preliminary estimates, the District expects to end the fiscal year ended June 30, 2026 with a cumulative unappropriated unreserved fund balance of $248,023.

Summary of estimated and unaudited information for the General Fund for the period ended June 30, 2026 is as follows:

Revenues:	$ 49,131,156	
Expenditures:	49,031,759	
Excess (Deficit) Revenues Over Expenditures:	$ 99,397	
Beginning Fund Balance June 30, 2025:	$ 5,434,905	
Total Fund Balance (including reserves):	$ 5,532,302	(1)

(1) Includes $248,023 unreserved, $4,604,279 restricted, and $680,000 assigned

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

New York State Comptroller Report of Examination

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

There State Comptroller's office is currently on site at the District conducting an audit, the complete scope and findings of such audit are unavailable as of this Official Statement, however will be disclosed on the website of the Office of the New York State Comptroller upon completion.

There have been no State Comptroller's office audits of the District released within the past five years.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The classifications and fiscal scores of the District for the 2021-22 through 2024-25 fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2025	Susceptible	35.0
2024	Susceptible	30.0
2023	Susceptible	15.0
2022	No Designation	0.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Note: The District has been designated by the Office of the State Comptroller as fiscally susceptible. Since July 1, 2025, District leadership has implemented various measures to improve the District's financial position and support long-term fiscal stability, including restrictions on non-essential spending, enhanced long-term financial planning, investment of available funds in higher-yield accounts, development of budgets not reliant on reserve appropriations, and evaluation of staffing levels. The District's long-term goal is to rebuild unassigned fund balance and reserve levels.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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TAX INFORMATION

Taxable Assessed Valuation

Fiscal Year Ending June 30:	2023	2024	2025	2026	2027
Towns of:					
Cortlandville	$ 223,333,362	$ 229,803,796	$ 236,763,499	$ 240,476,316	$ 241,756,246
Cuyler	4,331,109	4,392,533	4,413,833	4,388,196	4,410,435
Groton	3,517,478	3,745,290	3,977,026	4,031,365	4,114,896
Homer	342,190,322	352,219,876	355,209,733	357,262,689	359,663,395
Preble	39,464,758	40,486,120	40,259,279	40,621,898	40,855,270
Scott	59,952,572	61,016,388	61,321,051	61,731,026	61,922,390
Sempronius	12,268,716	12,387,997	12,253,557	20,626,157 (1)	20,937,702
Solon	274,585	277,864	278,374	277,502	277,682
Spafford	38,020,633	38,092,412	65,924,483 (1)	67,098,609	65,606,925
Summerhill	28,714,507	45,637,148	45,888,025	45,639,139	45,666,884
Truxton	70,492,434	71,076,395	71,404,949	71,397,963	72,255,360
Total Assessed Values	$ 822,560,476	$ 859,135,819	$ 897,693,809	$ 913,550,860	$ 917,467,185
State Equalization Rates					
Towns of:					
Cortlandville	80.00%	70.00%	65.00%	63.00%	60.00%
Cuyler	86.00%	75.00%	68.00%	68.00%	61.00%
Groton	100.00%	100.00%	100.00%	100.00%	95.00%
Homer	84.00%	69.00%	69.00%	67.00%	61.00%
Preble	78.00%	67.00%	61.00%	62.00%	58.00%
Scott	78.00%	67.00%	61.00%	62.00%	58.00%
Sempronius	83.00%	76.00%	68.00%	100.00% (1)	100.00%
Solon	70.00%	60.00%	55.00%	53.00%	49.00%
Spafford	65.00%	58.00%	100.00% (1)	95.00%	82.00%
Summerhill	69.00%	100.00%	91.00%	88.00%	89.00%
Truxton	80.00%	67.00%	61.00%	62.00%	52.00%
Total Taxable Full Valuation	$ 1,025,945,801	$ 1,234,014,002	$ 1,307,975,588	$ 1,349,306,811	$ 1,473,080,319

(1) Significant change year over year due to town-wide revaluation

Tax Rates per $1,000 (Assessed)

Fiscal Year Ending June 30:	2023	2024	2025	2026	2027
Towns of:					
Cortlandville	$ 20.35	$ 19.71	$ 20.63	$ 21.43	$ 21.72
Cuyler	18.94	18.41	19.72	19.87	21.37
Groton	16.28	13.80	13.41	13.51	13.72
Homer	19.39	20.00	19.43	20.16	21.36
Preble	20.88	20.60	21.98	21.78	22.47
Scott	20.88	20.60	21.98	21.78	22.47
Sempronius	19.62	18.16	19.72	13.51 (1)	13.03
Solon	23.26	23.00	24.38	25.48	26.59
Spafford	24.99	23.72	13.37 (1)	14.18	15.85
Summerhill	24.48	13.80	14.73	15.35	14.64
Truxton	20.36	20.60	21.98	21.78	25.06

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On November 1st, uncollected taxes are returnable to Cortland, Cayuga, Onondaga and Tompkins Counties for collection. The District receives this amount from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2023	2024	2025	2026	2027
Total Tax Levy	$ 17,027,266	$ 17,027,266	$ 17,535,266	$ 18,219,141	$ 19,193,865
Amount Uncollected [1]	850,897	921,855	$ 813,636	$ 1,129,989	N/A
% Uncollected	5.00%	5.41%	4.64%	6.20%	N/A

[1] The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2020-2021	$ 41,802,755	$ 16,926,803	40.49%
2021-2022	42,836,325	17,106,077	39.93
2022-2023	42,695,424	17,107,283	40.07
2023-2024	44,986,156	17,101,467	38.01
2024-2025	46,058,263	17,580,277	38.17
2025-2026 (Budgeted)	48,908,170	18,219,141	37.25
2025-2026 (Unaudited)	49,131,156	18,268,008	37.18
2026-2027 (Budgeted)	49,132,073	19,193,865	39.07

Note: Revenues do not include appropriated fund balance/reserve use/interfund transfers.

Source: 2020-21 through and including 2024-25 audited financial statements, 2025-26 adopted budget and unaudited financials, and 2026-27 adopted budget of the District. This table is not audited.

Ten Largest Taxpayers – 2026 Assessment Roll for 2026-27 Tax Roll

Name	Type	Taxable Full Valuation
Niagara Mohawk	Utility	$41,917,032
Dominion Resource	Utility	15,996,324
Griswold Family Realty	Commercial	14,089,454
Daniel McNeill	Commercial	12,410,090
NYS Electric & Gas	Utility	12,317,492
State of New York	Government	11,211,221
New Hope Haven	Agricultural	10,087,878
MDC Coastal 1 LLC	Agricultural	9,523,810
Farm East, LLC	Agricultural	7,169,221
East River Acres	Agricultural	6,043,101

The ten larger taxpayers listed above have a total taxable full valuation of $140,765,623, which represents 9.56% of the tax base of the District for the 2026-2027 fiscal year.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level is within acceptable norms and is not anticipated to have a material impact on the District's finances.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

The STAR program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

The table below lists the basic and enhanced exemption amounts for the 2026-27 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Cortlandville	$ 55,760	$ 18,900	4/10/2026
Cuyler	60,180	20,400	4/10/2026
Groton	88,500	30,000	4/10/2026
Homer	59,300	20,100	4/10/2026
Preble	54,870	18,600	4/10/2026
Scott	54,870	18,600	4/10/2026
Sempronius	91,470	31,870	4/10/2026
Solon	46,910	15,900	4/10/2026
Spafford	84,080	30,160	4/10/2026
Summerhill	77,880	26,400	4/10/2026
Truxton	54,870	18,600	4/10/2026

$1,484,770 of the District's $18,219,141 school tax levy for 2025-26 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2026.

Approximately $1,484,770 of the District's $19,193,685 school tax levy for the 2026-2027 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2027.

Additional Tax Information

Real property located in the District is assessed by the towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is approximately residential-60%, commercial-15%, industrial-8%, agricultural-15% and State forest lands-2%.

The estimated total annual property tax bill of an $80,000 market value residential property located in the District is approximately $2,850 including State, County, Town, School District and Fire District Taxes.

TAX LEVY LIMITATION LAW

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

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

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

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The District has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

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

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

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

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

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

Statutory law in the State also permits the District to issue bond anticipation notes to be issued in anticipation of the issuance of serial bonds, which may be renewed each year, provided annual principal installments are made in the reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance date of such notes and provided that such renewals do not exceed five years beyond the original date of the issuance of such notes. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with the power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes, deficiency notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30th:	2022	2023	2024	2025	2026
Bonds	$ 18,880,000	$ 16,590,000	$ 14,020,000	$ 12,665,000	$ 21,890,000
Bond Anticipation Notes	0	0	17,000,000	23,685,000	11,835,000
Revenue Anticipation Notes	0	0	0	0	5,000,000
Other Indebtedness [1]	1,782,821	2,534,392	1,521,190	1,521,190	1,923,293
Total Debt Outstanding	$ 20,662,821	$ 19,124,392	$ 32,541,190	$ 32,541,190	$ 40,648,293

[1] In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with the recognition of inflows and outflows of resources, as applicable.

Note: Apart from as noted above, the figures above do not include any advance refunded serial bonds, energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 27, 2026:

Type of Indebtedness	Maturity	Amount
Bonds	2026-2037	$ 21,890,000
Bond Anticipation Notes		
Capital Improvements	June 25, 2027	11,835,000
Revenue Anticipation Notes	September 18, 2026	5,000,000
	Total Indebtedness	$ 38,725,000

Note: The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 27, 2026:

Full Valuation of Taxable Real Property			$ 1,473,080,319
Debt Limit 10% thereof			147,308,032
Inclusions:			
Bonds	$ 21,890,000		
Bond Anticipation Notes	11,835,000		
Total Inclusions Prior to issuance of the Notes	33,725,000		
Less: BANs being redeemed from appropriations	0		
Add: New Money Proceeds of the Notes	0		
Total Net Inclusions after issuance of the Notes		$ 33,725,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 33,725,000
Net Debt-Contracting Margin			$ 113,583,032
The percent of debt contracting power exhausted is			22.89%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State building aid of 83.4% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

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

Capital Project Plans

On December 14, 2021, the qualified voters of the District approved a proposition authorizing the construction of improvements to and the reconstruction of the District's High School (including replacement of sports press box) Intermediate School, Junior High School, Elementary School and Bus Garage, including interior and exterior improvements, safety and security improvements, interior and exterior lighting improvements, mechanical equipment replacement, field and playground improvements, sitework and parking and traffic circulation improvements, original furnishings, fixtures and equipment, architectural fees, and all other necessary costs incidental to such work (together, the "Project") at a maximum estimated cost of $24,002,253 with $131,950 from the District’s Capital Reserve. The bond resolution was approved by the District’s Board of Education on January 11, 2022. The issuance of $17,000,000 bond anticipation notes on July 13, 2023 represented the first borrowing against this authorization. The proceeds of $23,870,303 bond anticipation notes issued on July 11, 2024 redeemed and renewed the then-outstanding bond anticipation notes, and provided $6,870,303 in new monies for the aforementioned project. The proceeds of the Notes issued June 26, 2025 along with $185,303 available funds of the District, partially redeemed and renewed the outstanding bond anticipation notes that matured on June 27, 2025. On June 25, 2026 the District issued $11,835,000 bond anticipation notes, the proceeds of which along with with $350,000 available funds of the District and $11,500,000 proceeds of serial bonds issued through the Dormitory Authority of the State of New York (“DASNY”) which closed on June 16, 2026, redeemed and renewed in part the $23,685,000 bond anticipation notes that matured June 26, 2026. The outstanding $11,835,000 is expected to be permanently financed with serial bonds issued through DASNY in June of 2027.

On May 19, 2026, the qualified voters of the District approved a proposition authorizing the acquisition of school buses and related equipment at a maximum estimated cost not to exceed $478,944. The proposition further authorized the issuance of serial bonds of the District in an aggregate principal amount not to exceed $478,944 to finance such purpose.

The District has no other authorized and unissued indebtedness for capital or other purposes at this time.

Cash Flow Borrowing

The District, historically, had not issued tax and/or revenue anticipation notes in the past, on September 18, 2025 the District issued $5,000,000 revenue anticipation notes due to fund balance and reserve spend down over the past several years along with the anticipation of State Aid revenues due during the School District's fiscal year, commencing July 1, 2025 and ending June 30, 2026. The proceeds of the Notes are due to the same fund balance spend down and in anticipation of State Aid revenues due during the School District's fiscal year, commencing July 1, 2026 and ending June 30, 2027.

Lease Obligations

The District enters into lease agreements for certain equipment. The following is a summary of the maturity of lease liabilities as of June 30, 2025:

Fiscal Year ended June 30th:	Principal
2027	691,233
2028	519,425
2029	363,333
2030	349,302
Total future minimum payments:	$ 1,923,293

Source: Audited Financial Statements. See "APPENDIX – E" herein.

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Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	District Share	Applicable Indebtedness
County of:				
Cortland	12/31/2024	$ 19,115,000	31.10%	$ 5,944,765
Cayuga	12/31/2024	43,914,928	0.91%	399,626
Onondaga	12/31/2024	746,268,360	0.15%	1,119,403
Tompkins	12/31/2024	60,507,922	0.03%	18,152
Town of:				
Cortlandville	12/31/2024	9,060,000	37.80%	3,424,680
Cuyler	12/31/2024	-	7.53%	-
Groton	12/31/2024	-	0.94%	-
Homer	12/31/2024	-	98.81%	-
Preble	12/31/2024	-	41.07%	-
Scott	12/31/2024	1,011,365	100.00%	1,011,365
Sempronius	12/31/2024	-	15.70%	-
Solon	12/31/2024	-	0.51%	-
Spafford	12/31/2024	4,929,715	8.45%	416,561
Summerhill	12/31/2024	102,385	43.21%	44,241
Truxton	12/31/2024	-	94.66%	-
Village of:				
Homer	2/28/2025	1,535,344	100.00%	1,535,344
			Total:	$ 13,914,136

[1] Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding excludable debt for municipalities, such as water debt, sewer debt and budgeted appropriations, to the extent such indebtedness may be applicable to the respective municipality, is not provided in the local government data the above table is sourced from.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of August 27, 2026:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 33,725,000	$ 2,781.21	2.29%
Net Indebtedness Plus Gross Overlapping Indebtedness [d]	47,639,136	3,928.68	3.23

[a] The 2024 estimated population of the District is 12,126. (See "THE SCHOOL DISTRICT – District Population" herein.)
[b] The District's full value of taxable real estate for the 2025-26 tax roll is $1,349,306,811. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" herein for the calculation of Net Direct Indebtedness.
[d] Estimated gross overlapping indebtedness is $13,914,136. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT - State Aid").

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

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

Cybersecurity

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

Federal Policy Risk

Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

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

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

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinions will be in substantially the form attached hereto as "APPENDIX – E".

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

Other than as stated below, the District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

From August 15, 2020 through August 1, 2023 the District entered into 5 lease obligations with Santander Bank for the purchase of School Buses. The District failed to file notice of such obligations within 10 business days as required by its outstanding undertaking agreements. Notice of financial obligation along with notice of failure to provide event filing information were filed on May 28, 2025.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

RATING

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

The District does not currently have an outstanding underlying rating issued by any rating agency.

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

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the Issuer, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

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

The District's contact information is as follows: Matthew Priest, Assistant Superintendent for Management, 80 South West Road, P.O. Box 500, Homer, New York 13077, Phone: (607) 749-7241 x5030, Fax: (607) 749-7241, email mpriest@homercentral.org.

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com and www.fiscaladvisorsauction.com.

HOMER CENTRAL SCHOOL DISTRICT

Dated: August 27, 2026

MEGHAN GILBERT
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
ASSETS					
Unrestricted Cash	$ 2,475,123	$ 2,500,265	$ 87,360	$ 1,945,403	$ 641,702
Restricted Cash	4,986,583	7,100,208	8,432,653	5,530,775	7,027,993
Due from Other Funds	1,511,313	1,238,735	1,445,037	1,187,054	1,436,103
State and Federal Aid Receivable	1,721,112	1,503,461	1,432,806	1,441,185	1,407,654
Due from Other Governments	198	117,570	84,431	142,988	1,228,582
Other	18,098	5,734	2,823	3,745	65,549
TOTAL ASSETS	$ 10,712,427	$ 12,465,973	$ 11,485,110	$ 10,251,150	$ 11,807,583
LIABILITIES AND FUND EQUITY					
Accrued Liabilities	$ 23,370	$ 102,093	$ 49,337	$ 45,769	$ 66,904
Accounts Payable	344,002	310,722	160,516	889,231	619,984
Due to Other Funds	765,500	2,561,642	2,665,187	1,206,743	3,359,148
Due to Other Governments	2	44	-	-	-
Due to Teachers' Retirement System	1,610,722	1,807,658	1,993,794	2,012,146	2,103,187
Due to Employees' Retirement System	134,491	98,174	117,717	143,232	168,111
Unearned Revenue	1,500	1,500	1,500	-	-
Compensated Absences payable	54,067	46,955	51,418	64,690	55,344
TOTAL LIABILITIES	$ 2,933,654	$ 4,928,788	$ 5,039,469	$ 4,361,811	$ 6,372,678
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	4,821,940	4,722,640	4,633,669	4,530,775	4,588,027
Assigned	1,186,187	1,189,451	824,384	733,504	696,251
Unassigned	1,770,646	1,625,094	987,588	625,060	150,627
TOTAL FUND EQUITY	7,778,773	7,537,185	6,445,641	5,889,339	5,434,905
TOTAL LIABILITIES & FUND EQUITY	$ 10,712,427	$ 12,465,973	$ 11,485,110	$ 10,251,150	$ 11,807,583

Source: Audited Financial Statements of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
REVENUES					
Real Property Taxes & Tax Items	$ 16,926,803	$ 17,106,077	$ 17,107,283	$ 17,101,467	$ 17,580,277
Non-Property Taxes	2,105	2,255	2,240	1,303	2,072
Charges for Services	689	16,847	82,600	139,610	231,953
Use of Money & Property	50,186	68,278	110,253	109,338	162,476
Sale of Property and Compensation for Loss	40,025	11,035	6,942	24,749	3,580
Miscellaneous	394,477	1,004,795	662,411	478,528	605,359
Revenues from State Sources	23,905,068	24,572,942	24,672,254	27,072,948	27,406,516
Revenues from Federal Sources	483,402	54,096	51,441	58,213	66,030
Total Revenues	$ 41,802,755	$ 42,836,325	$ 42,695,424	$ 44,986,156	$ 46,058,263
Other Sources:					
Interfund Transfers/Reserves	100,000	308,234	308,234	506,201	1,000,000
Total Revenues and Other Sources	41,902,755	43,144,559	43,003,658	45,492,357	47,058,263
EXPENDITURES					
General Support	$ 3,702,688	$ 3,917,005	$ 4,207,929	$ 4,519,569	$ 4,628,675
Instruction	21,865,571	22,569,479	23,108,959	22,793,253	23,807,225
Pupil Transportation	1,749,811	1,780,740	1,798,195	2,071,183	2,500,210
Community Services	19,244	19,877	22,215	20,089	20,692
Employee Benefits	9,838,881	10,512,423	10,925,734	11,276,622	11,716,092
Debt Service	4,296,295	4,478,167	3,926,689	5,228,293	4,782,304
Total Expenditures	$ 41,472,490	$ 43,277,691	$ 43,989,721	$ 45,909,009	$ 47,455,198
Other Uses:					
Interfund Transfers	102,882	108,456	105,481	139,650	57,499
Total Expenditures and Other Uses	41,575,372	43,386,147	44,095,202	46,048,659	47,512,697
Excess (Deficit) Revenues Over Expenditures	327,383	(241,588)	(1,091,544)	(556,302)	(454,434)
FUND BALANCE					
Fund Balance - Beginning of Year	7,451,390	7,778,773	7,537,185	6,445,641	5,889,339
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 7,778,773	$ 7,537,185	$ 6,445,641	$ 5,889,339	$ 5,434,905

Source: Audited Financial Statements of the School District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	$ 17,593,325	$ 17,593,325	$ 17,580,277	$ 18,219,141	$ 19,193,865
Non-Property Taxes	2,240	2,240	2,072	1,000	1,800
Charges for Services	95,985	95,985	231,953	140,000	101,200
Use of Money & Property	89,300	89,300	162,476	110,000	36,028
Sale of Property and Compensation for Loss	11,100	11,100	3,580	25,000	3,500
Miscellaneous	561,300	561,300	605,359	656,000	562,600
Revenues from State Sources	29,496,993	29,496,993	27,406,516	29,757,029	29,233,080
Revenues from Federal Sources	51,440	51,440	66,030	-	-
Total Revenues	$ 47,901,683	$ 47,901,683	$ 46,058,263	$ 48,908,170	$ 49,132,073
Other Sources:					
Interfund Transfers In	957,152	957,152	1,000,000	1,090,987	500,000
Appropriated Fund Balance	680,000	680,000	-	-	-
Encumbrances Carried Forward	53,504	53,504	-	-	-
Total Revenues and Other Sources	49,592,339	49,592,339	47,058,263	49,999,157	49,632,073
EXPENDITURES					
General Support	$ 4,608,928	$ 4,891,523	$ 4,628,675	$ 4,723,358	$ 5,203,142
Instruction	25,400,615	24,594,546	23,807,225	25,556,305	23,490,740
Pupil Transportation	2,920,556	2,829,491	2,500,210	2,838,150	2,305,130
Community Services	-	20,692	20,692	-	21,953
Employee Benefits	12,628,050	12,288,659	11,716,092	13,561,344	13,876,211
Debt Service	4,034,190	4,909,929	4,782,304	4,000,000	4,734,897
Total Expenditures	$ 49,592,339	$ 49,534,840	$ 47,455,198	$ 50,679,157	$ 49,632,073
Other Uses:					
Interfund Transfers Out	-	57,499	57,499	-	-
Total Expenditures and Other Uses	49,592,339	49,592,339	47,512,697	50,679,157	49,632,073
Excess (Deficit) Revenues Over Expenditures	-	-	(454,434)	(680,000)	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	5,889,339	680,000	-
Prior Period Adjustments (net)	-	-	-	-	
Fund Balance - End of Year	$ -	$ -	$ 5,434,905	$ -	$ -

Source: Audited Financial Statements and budgets (unaudited) of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2027	$ 1,900,000	$ 1,247,540	$ 3,147,540
2028	2,150,000	997,300	3,147,300
2029	2,265,000	889,800	3,154,800
2030	2,370,000	776,550	3,146,550
2031	2,490,000	658,050	3,148,050
2032	1,930,000	534,650	2,464,650
2033	1,120,000	439,250	1,559,250
2034	1,170,000	383,250	1,553,250
2035	1,175,000	324,750	1,499,750
2036	1,230,000	265,500	1,495,500
2037	1,150,000	204,500	1,354,500
2038	945,000	147,000	1,092,000
2039	995,000	99,750	1,094,750
2040	1,000,000	50,000	1,050,000
TOTALS	$ 21,890,000	$ 7,017,890	$ 28,907,890

The table above does not include any energy performance contract, capital lease, or installment purchase contract indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017C DASNY - Capital Project			2019A DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2027	$ 1,215,000	$ 378,750	$ 1,593,750	$ 45,000	$ 18,550	$ 63,550
2028	1,275,000	318,000	1,593,000	45,000	16,300	61,300
2029	1,340,000	254,250	1,594,250	50,000	14,050	64,050
2030	1,405,000	187,250	1,592,250	50,000	11,550	61,550
2031	1,475,000	117,000	1,592,000	55,000	9,050	64,050
2032	865,000	43,250	908,250	55,000	7,400	62,400
2033	-	-	-	55,000	5,750	60,750
2034	-	-	-	60,000	3,000	63,000
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
TOTALS	$ 7,575,000	$ 1,298,500	$ 8,873,500	$ 415,000	$ 85,650	$ 500,650

Fiscal Year Ending June 30th	2022A DASNY - Capital Project			2026A DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2027	$ 240,000	$ 162,750	$ 402,750	$ 400,000	$ 687,490	$ 1,087,490
2028	250,000	150,750	400,750	580,000	512,250	1,092,250
2029	265,000	138,250	403,250	610,000	483,250	1,093,250
2030	275,000	125,000	400,000	640,000	452,750	1,092,750
2031	290,000	111,250	401,250	670,000	420,750	1,090,750
2032	305,000	96,750	401,750	705,000	387,250	1,092,250
2033	320,000	81,500	401,500	745,000	352,000	1,097,000
2034	335,000	65,500	400,500	775,000	314,750	1,089,750
2035	355,000	48,750	403,750	820,000	276,000	1,096,000
2036	370,000	30,500	400,500	860,000	235,000	1,095,000
2037	250,000	12,500	262,500	900,000	192,000	1,092,000
2038	-	-	-	945,000	147,000	1,092,000
2039	-	-	-	995,000	99,750	1,094,750
2040	-	-	-	1,000,000	50,000	1,050,000
TOTALS	$ 3,255,000	$ 1,023,500	$ 4,278,500	$ 10,645,000	$ 4,610,240	$ 15,255,240

HOMER CENTRAL SCHOOL DISTRICT

2025-26 ACTUAL MONTHLY CASH FLOW
(General Fund)

CASH FLOW	2025 September	October	November	December	2026 January	February	March	April	May	June	Estimated July	Estimated August	12 MONTH TOTAL
Beginning Balance:	$ 6,253,891	$ 21,747,600	$ 24,438,045	$ 21,692,672	$ 18,161,118	$ 15,790,056	$ 13,448,064	$ 18,293,520	$ 17,001,405	$ 18,175,815	$ 11,124,365	$ 9,010,376	
Receipts:													
Property/Sales Tax	$ 8,722,645	$ 6,991,634	$ 186,047	$ 3,468	$ 727	$ -	$ -	$ 164,632	$ 921,674	$ -	$ 530	$ -	$ 16,991,358
PILOTS	-	-	-	-	-	12,028	$ 5,557	-	-	-	-	-	17,585
STAR	-	-	-	-	1,484,770	-	-	-	-	-	-	-	1,484,770
State Aid	4,731,779	131,113	259,977	1,992,485	131,113	1,248,292	9,513,222	2,004,587	3,407,057	866,491	-	411,293	24,697,409
BOCES Aid	1,051,507	-	377,850	-	-	-	571,815	-	-	-	684,916	-	2,686,088
Medicaid Aid	3,071	12,886	-	35,057	10,223	-	17,578	25,716	-	12,662	28,772	-	145,965
Other Revenues	112,078	113,672	120,065	184,466	118,588	120,643	108,175	122,153	120,004	108,419	143,796	115,000	1,487,059
Interest Earnings	19,572	75,100	65,410	54,841	49,527	37,296	41,847	46,761	47,563	31,388	40,413	35,900	545,618
Use of Reserves	-	-	-	-	-	-	-	-	-	1,366,987	-	-	1,366,987
Transfer from Special/Reserve Funds	-	-	-	-	-	-	-	-	101,736	-	744,435	-	846,170
RAN Proceeds	5,001,250	-	-	-	-	-	-	-	-	-	-	-	5,001,250
Total Receipts	$ 19,641,902	$ 7,324,405	$ 1,009,350	$ 2,270,317	$ 1,794,949	$ 1,418,259	$ 10,258,194	$ 2,363,849	$ 4,598,033	$ 2,385,946	$ 1,642,862	$ 562,193	$ 55,270,260
Total Cash	$ 25,895,793	$ 29,072,005	$ 25,447,395	$ 23,962,990	$ 19,956,067	$ 17,208,316	$ 23,706,259	$ 20,657,369	$ 21,599,439	$ 20,561,761	$ 12,767,227	$ 9,572,570	
Disbursements:													
Payroll	$ 2,131,988	$ 2,128,165	$ 2,093,240	$ 2,037,421	$ 2,060,221	$ 2,095,387	$ 2,083,029	$ 2,048,384	$ 2,063,456	$ 4,323,121	$ 679,221	$ 600,000	$ 24,343,633
Check Warrants	1,689,729	1,957,599	1,554,348	2,002,600	1,525,007	1,658,031	1,389,388	1,494,840	1,464,847	1,782,751	2,651,220	1,500,000	20,670,359
Debt Service Payments	-	-	-	315,525	-	-	-	-	-	3,032,925	-	-	3,348,450
ACH/Wire Payments	30,918	35,790	91,777	34,191	48,598	34,473	33,225	85,630	34,915	89,676	426,658	35,000	980,851
Other Expenditures	-	-	-	672,444	-	-	-	-	-	-	-	-	672,444
Transfer to Special/Reserve Funds	438,579	653,976	153,682	878,581	667,915	106,114	2,045,070	167,470	-	382,147	-	-	5,493,533
Payroll T&A Expenditures	(143,021)	(141,570)	(138,325)	(138,890)	(135,730)	(133,754)	(137,974)	(140,360)	(139,594)	(173,224)	(248)	(300)	(1,422,990)
RAN Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	$ 4,148,193	$ 4,633,959	$ 3,754,723	$ 5,801,872	$ 4,166,011	$ 3,760,251	$ 5,412,738	$ 3,655,964	$ 3,423,623	$ 9,437,396	$ 3,756,851	$ 2,134,700	$ 54,086,281
Ending Cash Balance:	$ 21,747,600	$ 24,438,045	$ 21,692,672	$ 18,161,118	$ 15,790,056	$ 13,448,064	$ 18,293,520	$ 17,001,405	$ 18,175,815	$ 11,124,365	$ 9,010,376	$ 7,437,870	
Restricted - Reserves/WC	4,607,516	4,619,536	4,632,945	4,645,698	4,659,044	4,671,691	4,684,203	4,697,686	4,711,568	4,725,559	4,738,559	4,751,559	
Restricted - Payroll	980,808	1,008,269	1,032,691	1,022,940	254,204	277,605	302,877	327,624	352,208	146,126	171,126	196,126	
Available for Operations	$ 16,159,277	$ 18,810,241	$ 16,027,037	$ 12,492,479	$ 10,876,808	$ 8,498,769	$ 13,306,440	$ 11,976,095	$ 13,112,039	$ 6,252,680	$ 4,100,691	$ 2,490,185	

HOMER CENTRAL SCHOOL DISTRICT

2026-2027 ESTIMATED MONTHLY CASH FLOW
(General Fund)

INCLUDES RAN PROCEEDS

CASH FLOW	2026 *September*	*October*	*November*	*December*	2027 *January*	*February*	*March 1-15*	*March 16-31*	*April*	*May*	*June*	*July*	*August*	*September*	13 MONTH TOTAL
Beginning Balance:	$ 7,437,870	$ 18,617,299	$ 21,904,299	$ 19,295,506	$ 14,324,026	$ 11,546,354	$ 8,640,343	$ 5,685,343	$ 14,875,681	$ 14,473,175	$ 14,768,121	$ 6,312,250	$ 3,767,650	$ 1,983,050	
Receipts:															
Property/Sales Tax	10,000,000	8,000,000	200,000	3,500	700	-	-	-	1,100,000	-	-	-	-	10,000,000	29,304,200
PILOTS	-	-	-	-	-	12,000	-	5,500	-	-	-	-	-	-	17,500
STAR	-	-	-	-	1,516,628	-	-	-	-	-	-	-	-	-	1,516,628
State Aid	4,549,695	-	611,207	1,306,398	-	896,989	2,000,000	9,084,838	2,212,494	3,694,946	231,267	-	400,000	4,500,000	29,487,834
BOCES Aid	1,028,234	-	400,000	-	-	-	600,000	-	-	-	700,000	-	-	1,000,000	3,728,234
Medicaid Aid	3,000	12,000	-	34,000	10,000	-	-	15,000	25,000	-	12,000	25,000	-	3,000	139,000
Other Revenues	100,000	100,000	110,000	150,000	110,000	110,000	50,000	50,000	110,000	110,000	100,000	130,000	115,000	100,000	1,445,000
Interest Earnings	35,000	35,000	35,000	35,000	35,000	35,000	-	35,000	35,000	35,000	35,000	35,000	35,000	35,000	455,000
Use of Reserves	-	-	-	-	-	-	-	-	-	-	500,000	-	-	-	500,000
Transfer from Special/Reserve Funds	-	-	-	-	-	-	-	-	-	90,000	-	700,000	-	-	790,000
RAN Proceeds	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000
Total Receipts	$ 20,715,929	$ 8,147,000	$ 1,356,207	$ 1,528,898	$ 1,672,328	$ 1,053,989	$ 2,650,000	$ 9,190,338	$ 3,482,494	$ 3,929,946	$ 1,578,267	$ 890,000	$ 550,000	$ 15,638,000	$ 72,383,396
Total Cash	$ 28,153,799	$ 26,764,299	$ 23,260,506	$ 20,824,404	$ 15,996,354	$ 12,600,343	$ 11,290,343	$ 14,875,681	$ 18,358,175	$ 18,403,121	$ 16,346,388	$ 7,202,250	$ 4,317,650	$ 17,621,050	
Disbursements:															
Payroll	2,300,000	2,300,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	-	2,250,000	2,250,000	4,800,000	800,000	800,000	2,400,000	29,150,000
Check Warrants	1,700,000	2,000,000	1,600,000	2,000,000	1,600,000	1,700,000	1,400,000	-	1,500,000	1,500,000	1,800,000	2,600,000	1,500,000	1,700,000	22,600,000
Debt Service Payments	-	-	-	701,390	-	-	-	-	-	-	3,139,138	-	-	-	3,840,528
ACH/Wire Payments	84,000	40,000	95,000	40,000	55,000	40,000	35,000	-	90,000	40,000	95,000	35,000	35,000	35,000	719,000
Other Expenditures	-	-	-	763,988	-	-	-	-	-	-	-	-	-	-	763,988
Transfer to Special/Reserve Funds	450,000	675,000	175,000	900,000	700,000	125,000	2,075,000	-	200,000	-	400,000	-	-	450,000	6,150,000
Payroll T&A Expenditures	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)	-	(155,000)	(155,000)	(200,000)	(400)	(400)	(165,000)	(1,760,800)
RAN Repayment	5,157,500	-	-	-	-	-	-	-	-	-	-	-	-		5,157,500
Total Disbursements	$ 9,536,500	$ 4,860,000	$ 3,965,000	$ 6,500,378	$ 4,450,000	$ 3,960,000	$ 5,605,000	$ -	$ 3,885,000	$ 3,635,000	$ 10,034,138	$ 3,434,600	$ 2,334,600	$ 4,420,000	$ 66,620,216
Ending Cash Balance:	$ 18,617,299	$ 21,904,299	$ 19,295,506	$ 14,324,026	$ 11,546,354	$ 8,640,343	$ 5,685,343	$ 14,875,681	$ 14,473,175	$ 14,768,121	$ 6,312,250	$ 3,767,650	$ 1,983,050	$ 13,201,050	
Restricted - Reserves/WC	4,764,559	4,774,559	4,784,559	4,794,559	4,804,559	4,814,559	4,824,559	4,824,559	4,834,559	4,844,559	4,854,559	4,864,559	4,874,559	4,884,559	
Restricted - Payroll	221,126	246,126	271,126	296,126	321,126	346,126	371,126	371,126	396,126	421,126	446,126	471,126	496,126	521,126	
Available for Operations	$ 13,631,614	$ 16,883,614	$ 14,239,821	$ 9,233,341	$ 6,420,669	$ 3,479,658	$ 489,658	$ 9,679,996	$ 9,242,490	$ 9,502,436	$ 1,011,565	$ (1,568,035)	$ (3,387,635)	$ 7,795,365	

Note: The District anticipates a deficit in the amount of $4,510,342 to occur on March 15, 2026
Note: Beginning Balance includes restricted funds and reserves

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

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

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

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

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

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

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

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

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

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

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

HOMER CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENT

JUNE 30, 2025

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

HOMER CENTRAL SCHOOL DISTRICT

Homer, New York

FINANCIAL REPORT

For the Year Ended
June 30, 2025

HOMER CENTRAL SCHOOL DISTRICT

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HOMER CENTRAL SCHOOL DISTRICT

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Certified Public Accountants

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, 2025, 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, 2025, 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.

Emphasis of Matter

During the year ended June 30, 2025, the School District implemented GASB Statement No. 101, "Compensated Absences." As discussed in Note 19 to the financial statements, net position as of June 30, 2024 for governmental activities was restated to reflect this change in accounting principle.

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's 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) 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025, 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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 10, 2025

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

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, 2025. 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

- Changes in enrollment - As the schedule below indicates, student enrollments indicate a slight annual decline.

School Year	Enrollment
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
2023-2024	1,887
2024-2025	1,853
2025-2026	1,849

- 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 2024-2025. New sources of State revenue being received by the School District include Mobile Sports Revenue and Cannabis Revenue. Pension and healthcare 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.

- 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
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
2023-2024	47,195,532	28,832,266	17,027,266
2024-2025	49,583,835	29,735,426	17,535,266
2025-2026	50,679,157	29,496,993	18,219,141

- 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 not compensated school districts 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 school 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.

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

Year	Levy Amount	Increase
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%
Tax Levy 2023-2024	17,027,266	0.00%
Tax Levy 2024-2025	17,535,266	2.98%
Tax Levy 2025-2026	18,219,141	3.90%

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.

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 related to the School District's unfunded actuarial liability for postemployment benefits.

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 it has changed. Net position (the difference between the School District's assets and deferred outflows of resources, and the School District's liabilities and inflows of financial resources) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

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

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

Fund Financial Statements
The Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds, not on 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.

- Fiduciary Funds: 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

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

Figure 1

Condensed Statement of Net Position	*Governmental Activities and Total School District*		*Total Dollar Change*
	2025	*2024*	
Current Assets	**$ 6,760,999**	$ 8,983,392	$ (2,222,393)
Noncurrent Assets	**11,536,757**	9,185,636	2,351,121
Capital Assets, Net	**69,849,928**	62,196,817	7,653,111
Total Assets	**88,147,684**	80,365,845	7,781,839
Total Deferred Outflows of Resources	**14,342,659**	15,785,897	(1,443,238)
Current Liabilities	**32,350,654**	24,371,542	7,979,112
Noncurrent Liabilities	**68,579,936**	70,267,528	(1,687,592)
Total Liabilities	**100,930,590**	94,639,070	6,291,520
Total Deferred Inflows of Resources	**22,840,180**	21,465,889	1,374,291
Net Investment in Capital Assets	**29,170,902**	30,906,749	(1,735,847)
Restricted	**9,183,842**	9,602,749	(418,907)
Unrestricted	**(59,635,171)**	(60,462,715)	827,544
Total Net Position (Deficit)	**$ (21,280,427)**	$ (19,953,217)	$ (1,327,210)

Significant changes from the prior year are as follows:

- Net position as of June 30, 2024 was restated to reflect a change in accounting principle for implementation of GASB Statement No. 101 "Compensated Absences." See Note 19 for additional information.

- Current assets decreased primarily as a result of capital project spending, and the reduction of restricted cash

- Noncurrent assets increased based on a conversion of the NYSTRS net pension liability in the prior year to a net pension asset in the current year.

- Deferred outflows and inflows of resources changed based on changes in actuarial assumptions related to the NYSTRS and NYSLRS pension plans, offset by changes in actuarial assumptions for the School District's OPEB plan.

- Current liabilities increased based on Bond Anticipation Notes during the year that remain outstanding at year end.

- Noncurrent liabilities decreased due to bond payments, as well as the conversion of the NYSTRS net pension liability in the prior year to a net pension asset in the current year.

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*
	2025	*2024*	
REVENUES			
Program Revenues:			
Charges for Services	**$ 318,387**	$ 324,563	$ (6,176)
Operating Grants	**2,990,428**	5,042,184	(2,051,756)
General Revenues:			
Real Property Taxes	**15,947,866**	15,277,328	670,538
Real Property Tax Items	**1,634,483**	1,825,442	(190,959)
Unrestricted State Sources	**28,419,101**	27,922,935	496,166
Use of Money and Property	**295,048**	200,306	94,742
Other General Revenues	**747,884**	676,096	71,788
Total Revenues	**$50,353,197**	$51,268,854	$ (915,657)
PROGRAM EXPENSES			
General Support	**$ 6,117,181**	$ 7,034,834	$ (917,653)
Instruction	**39,537,882**	40,828,388	(1,290,506)
Pupil Transportation	**3,353,577**	2,946,966	406,611
Community Service	**30,684**	30,841	(157)
School Lunch Program	**1,326,288**	1,215,286	111,002
Interest on Debt	**1,314,795**	1,141,958	172,837
Total Expenses	**$51,680,407**	$53,198,273	$ (1,517,866)
CHANGE IN NET POSITION	**$ (1,327,210)**	$ (1,929,419)	$ 602,209

Significant changes from the prior year are as follows:

- Operating grants revenue decreased due to a decrease in federal aid, primarily due to the ending of the Education Stabilization Fund life cycle.

- Unrestricted state sources of revenue increased due to greater Lottery Aid.

- Changes in the School District's pensions and OPEB obligations contributed to an overall decrease in total expenses.

The prior period information presented in the MD&A for the fiscal year 2024 is not consistent with the information presented for 2025 due to the change in accounting principle associated with the School District's adoption of GASB Statement No. 101.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 3 shows the changes in fund balance for the year for the School District's funds. The School District experienced a decrease in total fund balance, which is primarily attributable to fund balance in the Capital Projects Fund due to capital expenditures.

Figure 3

Governmental Fund Balances	*2025*	*2024*	*Total Dollar Change*
General Fund	**$ 5,434,905**	$ 5,889,339	$ (454,434)
Debt Service Fund	**3,962,172**	4,557,993	(595,821)
Capital Projects Fund	**(22,247,541)**	(13,101,602)	(9,145,939)
Non-Major Funds:			
School Lunch Fund	**549,769**	440,295	109,474
Miscellaneous Special Revenue Fund	**103,384**	100,892	2,492
Total Governmental Funds	**$ (12,197,311)**	$ (2,113,083)	$ (10,084,228)

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 $2,063,391, including carry-over encumbrances.

Figure 4 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ended June 30, 2025.

Figure 4

Condensed Budgetary Comparison General Fund - 2025	Original Budget	Final Budget	Actual w/ Encumbrances	Favorable (Unfavorable) Variance
REVENUES				
Real Property Taxes	$ 15,661,187	$ 15,661,187	$ 15,947,866	$ 286,679
Other Tax Items	1,934,378	1,934,378	1,634,483	(299,895)
State Sources	29,496,993	29,496,993	27,406,516	(2,090,477)
Federal Sources	51,440	51,440	66,030	14,590
Miscellaneous	757,685	757,685	1,003,368	245,683
Other, Including Financing Sources	957,152	957,152	1,000,000	42,848
Total Revenues and Other Financing Sources	**$ 48,858,835**	**$ 48,858,835**	**$ 47,058,263**	**$ (1,800,572)**
Appropriated Fund Balances and Encumbrances	**$ 733,504**	**$ 733,504**		
EXPENDITURES				
General Support	$ 4,608,928	$ 4,891,523	$ 4,643,946	$ 247,577
Instruction	25,400,615	24,594,546	23,808,205	786,341
Pupil Transportation	2,920,556	2,829,491	2,500,210	329,281
Community Service	-	20,692	20,692	-
Employee Benefits	12,628,050	12,288,659	11,716,092	572,567
Debt Service	4,034,190	4,909,929	4,782,304	127,625
Other Financing Uses	-	57,499	57,499	-
Total Expenditures and Other Financing (Uses)	**$ 49,592,339**	**$ 49,592,339**	**$ 47,528,948**	**$ 2,063,391**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2025, the School District has invested in a broad range of capital assets totaling $116,153,891, offset by accumulated depreciation of $44,463,895 and accumulated amortization of $1,840,168. *Figure 5* shows the changes in the School District's capital assets.

Figure 5

Changes in Capital Assets and Intangible Assets	2025	2024	Total Dollar Change
Land	**$ 49,400**	$ 49,400	$ -
Construction in Progress	**24,136,348**	13,829,990	10,306,358
Buildings, Net	**42,879,025**	45,646,468	(2,767,443)
Equipment, Net	**443,555**	459,566	(16,011)
Intangible Lease Assets, Net	**2,341,600**	2,211,393	130,207
Total	**$ 69,849,928**	$ 62,196,817	$ 7,653,111

Capital asset activity for the year ended June 30, 2025 included the following:

Construction in Progress	$ 10,306,358
Intangible Lease Asset	1,045,992
Total Additions	11,352,350
Less Depreciation Expense	(2,783,454)
Less Amortization Expense	(915,785)
Net Change in Capital Assets	**$ 7,653,111**

Debt Administration

Figure 6 shows the changes in the School District's outstanding debt. Total indebtedness represented 40.49% of the statutory debt limit, exclusive of building aid estimates.

Figure 6

Outstanding Debt	*Governmental Activities and Total School District*		*Total Dollar Change*
	2025	*2024*	
Serial Bonds, Net	**$ 14,762,182**	$ 16,376,157	$ (1,613,975)
Bond Anticipation Notes	**23,685,000**	17,000,000	6,685,000
Lease Liabilities	**1,723,307**	1,521,190	202,117
Total	**$ 40,170,489**	$ 34,897,347	$ 5,273,142

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 Pandemic brought to the Homer School Community. The School District is utilizing Federal State Aid and the use of reserves to help offset local costs planned for in the General Fund Budget. The increases should enable the School District to effectively manage the fiscal gap.

Capital Project

For the 2025-26 school year, the School District will focus on completing Phase I and Phase II of the 24 million dollar capital project in the School District. These phases of the project should be completed by late 2025. The School District is working with the Facilities Committee to create a Phase III with any unspent project funds.

Financial Management
The Homer Central School District maintains an AA- rating from Standard and Poor's and a MG1 rating from Moody'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, 2025

ASSETS	
Current Assets	
Cash - Unrestricted	$ 849,467
Cash - Restricted	1,769,867
Receivables:	
State and Federal Aid	2,826,835
Due From Other Governments	1,228,582
Other	66,738
Inventories	19,510
Total Current Assets	6,760,999
Noncurrent Assets	
Restricted Cash	8,653,348
Net Pension Asset - Proportionate Share	2,883,409
Capital Assets, Net:	
Land and Construction in Progress	24,185,748
Depreciable Capital Assets, Net	43,322,580
Intangible Lease Assets, Net	2,341,600
Total Noncurrent Assets	81,386,685
Total Assets	88,147,684
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	7,669,361
Other Postemployment Benefits	6,673,298
Total Deferred Outflows of Resources	14,342,659

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025

LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	$ 1,298,637
Accrued Liabilities	76,168
Due to Other Governments	38
Bond Interest and Matured Bonds	36,551
Retainage Payable	1,149,350
Bond Anticipation Notes Payable	23,685,000
Due to Teachers' Retirement System	2,103,187
Due to Employees' Retirement System	168,111
Unearned Revenues	225,173
Current Portion of Long-Term Liabilities:	
Compensated Absences Payable	1,253,787
Bonds Payable	1,703,308
Lease Liabilities	651,344
Total Current Liabilities	32,350,654
Noncurrent Liabilities	
Bonds Payable	13,058,874
Lease Liabilities	1,071,963
Compensated Absences Payable	5,939,158
Other Postemployment Benefits Liability	46,695,360
Net Pension Liability - Proportionate Share	1,814,581
Total Noncurrent Liabilities	68,579,936
Total Liabilities	100,930,590
DEFERRED INFLOWS OF RESOURCES	
Pensions	3,736,185
Other Postemployment Benefits	19,103,995
Total Deferred Inflows of Resources	22,840,180
NET POSITION	
Net Investment in Capital Assets	29,170,902
Restricted	9,183,842
Unrestricted (Deficit)	(59,635,171)
Total Net Position (Deficit)	**$ (21,280,427)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 6,117,181	$ 304	$ -	$ (6,116,877)
Instruction	39,537,882	161,857	1,704,145	(37,671,880)
Pupil Transportation	3,353,577	11,730	-	(3,341,847)
Community Services	30,684	-	-	(30,684)
School Lunch Program	1,326,288	144,496	1,286,283	104,491
Interest on Debt	1,314,795	-	-	(1,314,795)
Total Functions and Programs	**$ 51,680,407**	**$ 318,387**	**$ 2,990,428**	(48,371,592)
GENERAL REVENUES				
Real Property Taxes				15,947,866
Real Property Tax Items				1,634,483
Use of Money and Property				295,048
State Sources				28,419,101
Sale of Property and Compensation for Loss				3,580
Miscellaneous				744,304
Total General Revenues				47,044,382
Change in Net Position				(1,327,210)
Total Net Position (Deficit) - Beginning of Year, as Previously Reported				(17,143,749)
Change in Accounting Principles - Compensated Absences				(2,809,468)
Total Net Position (Deficit) - Beginning of Year, as Restated				(19,953,217)
Total Net Position (Deficit) - End of Year				**$ (21,280,427)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major Funds					
	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Fund Special Aid Fund	Total Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash - Unrestricted	$ 641,702	$ -	$ -	$ 207,765	$ -	$ 849,467
Cash - Restricted	7,027,993	1,019,115	1,757,716	-	618,391	10,423,215
Due From Other Funds	1,436,103	1,032,391	2,204,456	99,614	22,922	4,795,486
State and Federal Aid	1,407,654	-	-	1,287,784	131,397	2,826,835
Due From Other Governments	1,228,582	-	-	-	-	1,228,582
Other	65,549	-	-	-	1,189	66,738
Inventories	-	-	-	-	19,510	19,510
Total Assets	**$ 11,807,583**	**$ 2,051,506**	**$ 3,962,172**	**$ 1,595,163**	**$ 793,409**	**$ 20,209,833**
LIABILITIES						
Accounts Payable	$ 619,984	$ 613,812	$ -	$ 6,680	$ 58,161	$ 1,298,637
Accrued Liabilities	66,904	-	-	500	8,764	76,168
Due to Other Funds	3,359,148	235	-	1,380,569	55,534	4,795,486
Due to Other Governments	-	-	-	-	38	38
Bond Anticipation Notes Payable	-	23,685,000	-	-	-	23,685,000
Due to Teachers' Retirement System	2,103,187	-	-	-	-	2,103,187
Due to Employees' Retirement System	168,111	-	-	-	-	168,111
Compensated Absences Payable	55,344	-	-	-	-	55,344
Unearned Revenues	-	-	-	207,414	17,759	225,173
Total Liabilities	6,372,678	24,299,047	-	1,595,163	140,256	32,407,144
FUND BALANCES						
Nonspendable	-	-	-	-	19,510	19,510
Restricted	4,588,027	-	3,962,172	-	633,643	9,183,842
Assigned	696,251	-	-	-	-	696,251
Unassigned (Deficit)	150,627	(22,247,541)	-	-	-	(22,096,914)
Total Fund Balances (Deficit)	5,434,905	(22,247,541)	3,962,172	-	653,153	(12,197,311)
Total Liabilities and Fund Balances	**$ 11,807,583**	**$ 2,051,506**	**$ 3,962,172**	**$ 1,595,163**	**$ 793,409**	**$ 20,209,833**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2025

Fund Balances - Total Governmental Funds		**$ (12,197,311)**
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	$ 116,153,891	
Less Accumulated Depreciation	(44,463,895)	
Less Accumulated Amortization	(1,840,068)	69,849,928
The School District's proportionate share of the collective net pension (asset)/liability is not reported in the funds.		
TRS Net Pension Asset - Proportionate Share	$ 2,883,409	
ERS Net Pension Liability - Proportionate Share	(1,814,581)	1,068,828
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, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
Deferred Outflows of Resources - OPEB	$ 6,673,298	
Deferred Inflows of Resources - OPEB	(19,103,995)	
ERS Deferred Outflows of Resources - Pension	956,406	
ERS Deferred Inflows of Resources - Pension	(99,328)	
TRS Deferred Outflows of Resources - Pension	6,712,955	
TRS Deferred Inflows of Resources - Pension	(3,636,857)	(8,497,521)
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	$ (12,665,000)	
Lease Liabilities	(1,723,307)	
Retainage Payable	(1,149,350)	
Premium on Obligations	(2,097,182)	(17,634,839)
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	$ (7,137,601)	
Other Postemployment Benefits Liability	(46,695,360)	
Accrued Interest on Long-Term Debt	(36,551)	(53,869,512)
Net (Deficit) of Governmental Activities		**$ (21,280,427)**

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, 2025

	Major Funds					
	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Fund Special Aid Fund	Total Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Real Property Taxes	$ 15,947,866	$ -	$ -	$ -	$ -	$ 15,947,866
Other Tax Items	1,632,411	-	-	-	-	1,632,411
Nonproperty Taxes	2,072	-	-	-	1,610	3,682
Charges for Services	231,953	-	-	-	-	231,953
Use of Money and Property	162,476	-	124,152	-	6,810	293,438
Sale of Property and Compensation for Loss	3,580	-	-	-	-	3,580
Miscellaneous	605,359	11,069	-	-	19,042	635,470
State Sources	27,406,516	-	-	1,012,585	484,498	28,903,599
Federal Sources	66,030	-	-	1,704,145	801,785	2,571,960
Sales - School Lunch	-	-	-	-	129,238	129,238
Total Revenues	46,058,263	11,069	124,152	2,716,730	1,442,983	50,353,197
EXPENDITURES						
General Support	4,628,675	-	-	572,003	-	5,200,678
Instruction	23,807,225	-	-	2,150,281	495,439	26,452,945
Pupil Transportation	2,500,210	-	-	49,712	-	2,549,922
Community Services	20,692	-	-	-	-	20,692
Employee Benefits	11,716,092	-	-	2,233	243,115	11,961,440
Debt Service:						
Principal	2,198,875	-	-	-	-	2,198,875
Interest	2,583,429	-	-	-	-	2,583,429
Cost of Sales	-	-	-	-	592,463	592,463
Capital Outlay	-	10,203,000	-	-	-	10,203,000
Total Expenditures	47,455,198	10,203,000	-	2,774,229	1,331,017	61,763,444
Excess (Deficiency) of Revenues Over Expenditures	(1,396,935)	(10,191,931)	124,152	(57,499)	111,966	(11,410,247)
OTHER FINANCING SOURCES AND (USES)						
Premium on Obligations	-	-	280,027	-	-	280,027
Proceeds of Obligations	-	1,045,992	-	-	-	1,045,992
Operating Transfers In	1,000,000	-	-	57,499	-	1,057,499
Operating Transfers (Out)	(57,499)	-	(1,000,000)	-	-	(1,057,499)
Total Other Sources (Uses)	942,501	1,045,992	(719,973)	57,499	-	1,326,019
Net Change in Fund Balances	(454,434)	(9,145,939)	(595,821)	-	111,966	(10,084,228)
Fund Balances (Deficit) - Beginning of Year	5,889,339	(13,101,602)	4,557,993	-	541,187	(2,113,083)
Fund Balances (Deficit) - End of Year	**$ 5,434,905**	**$(22,247,541)**	**$ 3,962,172**	**$ -**	**$ 653,153**	**$(12,197,311)**

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, 2025

Net Change in Fund Balances - Total Governmental Funds		**$ (10,084,228)**
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/amortization expense.		
Capital Asset Additions	$ 11,352,350	
Depreciation Expense	(2,783,454)	
Amortization Expense	(915,785)	7,653,111
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	$ 147,363	
TRS	302,908	450,271
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. This is the amount of repayments and new borrowings.		
Proceeds of Leases	$ (1,045,992)	
Principal Payments -Bonds	1,355,000	
Principal Payments - Leases	843,875	1,152,883
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	$ (603,063)	
Other Postemployment Benefits Obligations	264,559	(338,504)
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 Bond Premium	$ 258,975	
Change in Retainage Payable	(1,149,350)	
Change in Accrued Interest Payable	729,632	(160,743)
Net Change in Net Position (Deficit) of Governmental Activities		**$ (1,327,210)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Custodial Fund
ASSETS	
Cash - Unrestricted	$ 152,723
Total Assets	**$ 152,723**
NET POSITION	
Unrestricted	$ 152,723
Total Net Position	**$ 152,723**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
ADDITIONS	
Extraclassroom Activity Receipts	$ 191,353
DEDUCTIONS	
Extraclassroom Activity Disbursements	186,994
Change in Net Position	4,359
Net Position - Beginning of Year	148,364
Net Position - End of Year	**$ 152,723**

See Notes to Basic Financial Statements

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 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 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.

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.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. 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).

There is no authority or process by which a School District can terminate its status as a BOCES component. In addition, component School Districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law.

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.

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.

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

Basis of Presentation - Fund Financial Statements
The 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 School District reports the following Major Governmental 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.

- 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.

- 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.

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.

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.

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

Basis of Presentation - Fund Financial Statements - Continued
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 Installment Purchase Debt are reported as other financing sources.

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 are fair value.

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

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.

Nonspendable fund balances associated with these non-liquid assets (inventories and prepaid items) have been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets
Capital assets are reported at actual cost, 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.

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

Capital Assets - Continued
The School District depreciates capital assets using the straight-line method and amortizes its intangible assets in line with its lease liability payments. 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:

	Capitalization Threshold	Estimated Useful Life
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

Vacation, Sick Leave, and Compensated Absences
A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off, (b) other cash payments, such as payment for unused leave upon termination of employment, or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The payment or settlement could occur during employment or upon termination of employment. Examples of compensated absences include vacation leave, sick leave, and other paid time off. The rate at which different leave types are earned, the maximum amount of those leave types allowed to be accumulated, and the eligibility to earn the leave types are generally specified in negotiated labor contracts or are outlined in individual employment contracts. Consistent with GASB Statement No. 101, "Compensated Absences," a liability is recognized when the leave is attributed to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay rates in effect as of the financial statement date and includes salary-related payments, where applicable.

Other Postemployment Benefits (OPEB)
School District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

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

Other Postemployment Benefits (OPEB) - Continued
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 12 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.

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.

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

Equity Classifications - Governmental Fund Financial Statements - 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:

- 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.

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

Legally Adopted Reserves - Continued

- Retirement Contributions Reserves (GML §6-r) - Used to reserve funds for the payment of retirement contributions, due to volatility in the economic marketplace. These reserves may be established by a majority vote of the Board and are 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 sub-fund 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 GML §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 indemnity pending claims may be transferred to any other Reserve Fund. This reserve is accounted for in the General Fund.

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, 2025, the tax lien was issued on August 13, 2024. Taxes were collected during the period September 1 to October 31, 2024.

Property Taxes - Enforcement
Uncollected real property taxes are subsequently enforced by the counties of Cayuga, Onondaga, Cortland, and Tompkins (Counties). 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 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 11 and 12, respectively.

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 11 and 12, respectively.

Leases
The School District determines if an arrangement is or contains a lease at inception. The School District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The School District uses the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the School District elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible assets or lease obligations are recorded on the Statement of Net Position and the School District will recognize short-term lease expense for these leases on a straight-line bases over the lease term.

The School District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

New Accounting Standards
The School District adopted and implemented the following current Statements of the GASB effective for the year ended June 30, 2025:

- GASB Statement No. 101, "Compensated Absences," effective for the year ended June 30, 2025**.**

- GASB Statement No. 102, "Certain Risk Disclosures," effective for the year ended June 30, 2025**.**

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

Future Changes in Accounting Standards

- GASB has issued Statement No. 103, "Financial Reporting Model Improvements," effective for the year ending June 30, 2026.

- GASB has issued Statement No. 104, "Disclosure of Certain Capital Assets," effective for the year ending June 30, 2026.

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

Note 2 **Participation in BOCES**

During the year ended June 30, 2025, the School District's share of BOCES income amounted to $2,336,258. The School District was billed $5,457,870 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.

The School District's aggregate bank balances of $12,051,245 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, 2025:

General Fund Reserves	$ 7,027,993
Restricted for Debt	1,757,716
Restricted for Misc. Special Revenue	103,384
Restricted for Capital Projects	1,019,115
Restricted for School Lunch	515,007
Total	**$ 10,423,215**

Note 4 **Due From State, Federal, and Other Governments**

State and federal aid, and other government receivables consisted of the following, which are stared at net realizable value:

	Amount
Basic State and Federal Aid	$ 1,407,654
School Lunch Claims	131,397
Special Aid Claims	1,287,784
Total State and Federal Aid	2,826,835
BOCES Aid	1,228,582
Total Due From Other Governments	1,228,582
Total	**$ 4,055,417**

Note 5 **Interfund Balances and Activity**

Interfund balances at June 30, 2025, are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,436,103	$ 3,359,148	$ 1,000,000	$ 57,499
Capital Projects Fund	1,032,391	235	-	-
Debt Service Fund	2,204,456	-	-	1,000,000
Special Aid Fund	99,614	1,380,569	57,499	-
Non-Major Funds:				
School Lunch Fund	22,922	55,534	-	-
Total	**$ 4,795,486**	**$ 4,795,486**	**$ 1,057,499**	**$ 1,057,499**

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.

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, 2025, 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	13,829,990	10,306,358	-	24,136,348
Total Nondepreciable Historical Cost	13,879,390	10,306,358	-	24,185,748
Capital Assets That Are Depreciated				
Buildings	86,540,864	-	-	86,540,864
Furniture and Equipment	1,245,611	-	-	1,245,611
Total Depreciable Historical Cost	87,786,475	-	-	87,786,475
Intangible Lease Assets				
Equipment	3,289,829	1,045,992	(154,153)	4,181,668
Total Historical Cost	104,955,694	11,352,350	(154,153)	116,153,891
Less Accumulated Depreciation				
Buildings	(40,894,396)	(2,767,443)	-	(43,661,839)
Furniture and Equipment	(786,045)	(16,011)	-	(802,056)
Total Accumulated Depreciation	(41,680,441)	(2,783,454)	-	(44,463,895)
Less Accumulated Amortization				
Equipment	(1,078,436)	(915,785)	154,153	(1,840,068)
Total Historical Cost, Net	**$ 62,196,817**	**$ 7,653,111**	**$ -**	**$ 69,849,928**

Depreciation expense was charged to governmental functions as follows:

General Support	$ 5,094
Instruction	2,762,349
Pupil Transportation	16,011
Total	**$ 2,783,454**

Amortization expense of $915,785 was charged to the instruction function.

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.

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. BANs activity for the year is as follows:

	Interest Rate	Maturity Date	Beginning Balance	Issued	Redeemed	Ending Balance
2023 BAN	4.50%	07/11/2024	$ 17,000,000	$ -	$ (17,000,000)	$ -
2024 BAN	4.50%	06/27/2025	-	6,870,303	(6,870,303)	-
2025 BAN	4.00%	06/26/2026	-	23,870,303	(185,303)	23,685,000
Total			**$ 17,000,000**	**$ 30,740,606**	**$ (24,055,606)**	**$ 23,685,000**

Interest expense related to short-term debt during the year was:

Interest Paid	$ 1,795,266
Less BAN Premium	(280,027)
Less Interest Accrued in the Prior Year	(737,375)
Interest Accrued in the Current Year	10,527
Total	**$ 788,391**

Note 8 **Long-Term Debt**

At June 30, 2025, the total outstanding indebtedness of the School District represented 40.49% 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.

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, 2025:

	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2025
Serial Bonds:				
2017 Serial Bonds	06/08/2017	06/15/2032	3.0% - 5.0%	$ 8,730,000
2019 Serial Bonds	06/17/2019	06/15/2034	5.0%	455,000
2022 Series A Bond	06/15/2022	06/15/2037	5.0%	3,480,000
Total Serial Bonds				12,665,000
Unamortized Premium				2,097,182
Total				**$ 14,762,182**

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

Interest Paid	$ 698,800
Less Interest Accrued in the Prior Year	(28,808)
Interest Accrued in the Current Year	26,024
Less Amortization of Bond Premium	(258,975)
Total	**$ 437,041**

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	$ 14,020,000	$ -	$ (1,355,000)	$ 12,665,000	$ 1,420,000
Unamortized Premium	2,356,157	-	(258,975)	2,097,182	283,308
Total	**$ 16,376,157**	**$ -**	**$ (1,613,975)**	**$ 14,762,182**	**$ 1,703,308**

Note 8 **Long-Term Debt - Continued**

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

Year	Serial Bonds Principal	Interest	Total
2026	$ 1,420,000	$ 916,575	$ 2,336,575
2027	1,500,000	560,050	2,060,050
2028	1,570,000	485,050	2,055,050
2029	1,655,000	406,550	2,061,550
2030	1,730,000	323,500	2,053,500
2031-2035	4,170,000	589,200	4,759,200
2036-2037	620,000	43,500	663,500
Total	**$ 12,665,000**	**$ 3,324,425**	**$ 15,989,425**

Note 9 **Compensated Absences**

Compensated absences represent the value of accumulated hours earned that will be used or paid out to employees.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	$ 6,599,228	$ 593,717	$ -	**$ 7,192,945**	$ 1,253,787

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 **Lease Liabilities**

The School District enters into lease agreements for certain equipment that are considered leases. The School District is not party to any material short term leases, and current leases do not require any variable payments.

At June 30, 2025, the School District reported $1,045,992, offset by accumulated amortization of $915,785, in intangible lease assets in addition to those listed below.

Note 10 **Lease Liabilities - Continued**

The following is a summary of the maturity of lease liabilities:

Description of Lease	Issue Date	Final Maturity	Discount Rate	Outstanding June 30, 2025
Usherwood 2023	01/20/2023	01/20/2027	4.50%	$ 51,017
Usherwood 2024	10/05/2023	10/05/2027	4.50%	8,463
Usherwood 2024 (2)	02/20/2024	02/20/2028	4.50%	40,610
John Deere Tractor	01/12/2024	01/12/2029	4.50%	29,708
Ventrac Tractor	07/25/2023	07/25/2025	6.99%	22,603
Santander Bus 2022	07/07/2021	07/07/2026	2.99%	115,585
Santander Bus 2022 - Additional	07/07/2021	07/07/2026	2.48%	25,572
Santander Bus 2023	07/28/2022	07/28/2027	5.33%	268,364
Santander Bus 2024	08/01/2023	08/01/2028	7.18%	364,563
Santander Bus 2025	09/01/2024	09/01/2029	13.37%	796,822
Total				**$ 1,723,307**

Interest paid for the current year amounted to $89,363.

Year	Principal	Interest	Total
2026	$ 651,344	$ 89,364	$ 740,708
2027	446,968	60,311	507,279
2028	297,335	38,136	335,471
2029	162,272	17,107	179,379
2030	165,388	60	165,448
Total	**$ 1,723,307**	**$ 204,978**	**$ 1,928,285**

Note 11 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 members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law (RSSL) of New York State. 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.

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.

Note 11 **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)

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

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' respective fiduciary 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.

Note 11 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

Contributions

The School District is required to contribute at an actuarially determined rate. Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required and were as follows:

	ERS	TRS
2025	**$ 572,928**	**$ 1,801,128**
2024	483,812	1,814,015
2023	399,635	1,653,869

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

At June 30, 2025, 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, 2025 for ERS and June 30, 2024 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.

	ERS	TRS
Actuarial Valuation Date	April 1, 2024	June 30, 2023
Net Pension (Asset)/Liability	$ 17,145,726,768	$ (2,983,608,315)
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	1,814,581	(2,883,409)
School District's Share of the Net Pension (Asset)/Liability	0.0105833%	0.096642%

Note 11 **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

For the year ended June 30, 2025, the School District recognized pension expense of $442,504 for ERS and $1,578,612 for TRS in the District-wide financial statements. At June 30, 2025, 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	$ 450,391	$ 3,104,902	$ 21,245	$ -
Changes of Assumptions	76,100	1,724,863	-	290,138
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	142,367	-	-	3,203,714
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	119,437	12,050	78,083	143,005
School District's Contributions Subsequent to the Measurement Date	168,111	1,871,140	-	-
Total	**$ 956,406**	**$ 6,712,955**	**$ 99,328**	**$3,636,857**

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

Year Ending	ERS	TRS
2026	$ 341,621	$ (1,509,926)
2027	482,142	3,495,903
2028	(147,367)	(611,123)
2029	12,571	(673,556)
2030	-	363,843
Thereafter	-	139,817

Note 11 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued**

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, 2025	June 30, 2024
Actuarial Valuation Date	April 1, 2024	June 30, 2023
Interest Rate of Return	5.90%	6.95%
Salary Increases	4.30%	1.95%-5.18%
Cost of Living Adjustments	1.50%	1.30%
Inflation Rate	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP 2021, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

Note 11 **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:

	ERS	TRS
Measurement Date	March 31, 2025	June 30, 2024
Asset Type		
Domestic Equities	3.54%	6.60%
International Equities	6.57%	7.40%
Global Equities	-	6.90%
Real Estate	4.95%	6.30%
Private Equity	7.25%	10.00%
Opportunistic/Absolute Return Strategy	5.25%	-
Real Assets	5.55%	-
Cash	0.25%	-
Credit	5.40%	-
Domestic Fixed Income	2.00%	2.60%
Global Bonds	-	2.50%
Private Debt	-	5.90%
Real Estate Debt	-	3.90%
High-Yield Bonds	-	4.80%
Cash Investments	-	0.50%

Note 11 **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 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 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, 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	$ 5,251,625	$ 1,814,581	$ (1,055,353)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	$ 13,318,635	$ (2,883,409)	$ (16,509,763)

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, 2025	June 30, 2024
Employers' Total Pension Liability	$ 247,600,239	$ 142,837,826
Plan Net Position	(230,454,512)	(145,821,435)
Employers' Net Pension (Asset)/Liability	**$ 17,145,727**	**$ (2,983,609)**
Ratio of Plan Net Position to the Employers' Total Pension Liability	93.1%	102.1%

Note 11 **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, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $168,111.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October, and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 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, 2025 amounted to $2,103,187.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Liability	$ 1,677,962	$ 136,619	$ 1,814,581
Deferred Outflows of Resources	(1,438,525)	482,119	(956,406)
Deferred Inflows of Resources	865,429	(766,101)	99,328
Subtotal	1,104,866	(147,363)	957,503
TRS			
Net Pension Liability	1,091,560	(1,091,560)	-
Net Pension (Asset)	-	(2,883,409)	(2,883,409)
Deferred Outflows of Resources	(7,400,853)	687,898	(6,712,955)
Deferred Inflows of Resources	652,694	2,984,163	3,636,857
Subtotal	(5,656,599)	(302,908)	(5,959,507)
Total	**$ (4,551,733)**	**$ (450,271)**	**$ (5,002,004)**

Note 12 Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan Description
The plan is a single employer defined benefit healthcare plan administered by the School District. The Plan provides medical and dental benefits to eligible retirees and their spouses. Benefits provisions are established through negotiations between the School District and bargaining units and are renegotiated each three-year period. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The Plan does not issue a stand-alone financial report, as 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, 2025, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries Currently Receiving Benefit	203
Active Members	366
Total	**569**

Total OPEB Liability
The School District's total OPEB liability of $46,695,360 was measured as of June 30, 2025 and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs
The total OPEB liability as of June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate:	4.81%
Single Discount Rate	4.81%
Salary Scale	Varies, based on NYS TRS & ERS
Rate of Inflation	2.60%
Healthcare Cost Trend Rates	6.50% for 2025 to 2026, Decreasing to an Ultimate Rate of 4.04% by 2075

Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

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

The salary scale is based upon salary experience for members, vary by service, and are independent of the member's gender.

The Pub-2010 Mortality table, headcount-weighted for general employees for ERS group, projected fully generationally using MP-2021.

Termination rates were based on the percentage of employees who will terminate employment at the given age each year, for reasons other than death, disability, 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, 2024 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, 2024	$ 46,389,369
Changes for the Year	
Service Cost	2,197,723
Interest Cost	2,011,093
Changes of Benefit Terms	279,219
Differences Between Expected and Actual Experience	1,991,227
Changes in Assumptions or Other Inputs	(4,520,920)
Benefit Payments	(1,652,351)
Net Change	305,991
Balance at June 30, 2025	**$ 46,695,360**

Note 12 **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 4.21% at the measurement date of June 30, 2024 to 4.81% at June 30, 2025.

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 (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB Liability	$ 54,968,486	$ 46,695,360	$ 40,129,150

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	$ 38,913,410	$ 46,695,360	$ 56,873,129

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2025, the School District recognized OPEB expense of $1,387,792.

At June 30, 2025, 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	$ 2,086,786	$ 1,973,600
Changes in Assumptions or Other Inputs	4,586,512	17,130,395
Total	**$ 6,673,298**	**$ 19,103,995**

Note 12 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
2026	$ (2,878,380)
2027	(2,790,651)
2028	(3,676,871)
2029	(1,967,221)
2030	(432,854)
Thereafter	(684,720)

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
Other Postemployment Benefits Liability	$ 46,389,369	$ 305,991	$ 46,695,360
Deferred Outflows of Resources	(6,946,519)	273,221	(6,673,298)
Deferred Inflows of Resources	19,947,766	(843,771)	19,103,995
Total Effect on Net Position	**$ 59,390,616**	**$ (264,559)**	**$ 59,126,057**

Note 13 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.

Note 13 **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, 2025, the School District incurred premiums or contribution expenditures totaling $7,118,109.

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, 2025, the School District had reserved $1,073,016 in the General Fund to fund any claims. Workers' compensation charges for the year ended June 30, 2025 were $95,324.

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.

Note 13 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.

Financial Concentrations and Constraints

The School District has reviewed its concentrations and constraints in accordance with GASB statement No. 102, "Certain Risk Disclosures." Based on this review, no events associated with said concentrations or constraints have been identified that are more likely than not to cause a substantial impact requiring additional disclosure.

Note 14 Fund Balance Detail

At June 30, 2025, nonspendable, restricted, and assigned fund balance in the Governmental Funds was as follows:

			Non-Major Funds	
	General Fund	Debt Service Fund	School Lunch Fund	Miscellaneous Special Revenue Fund
Nonspendable				
Inventory	$ -	$ -	$ 19,510	$ -
Total Nonspendable Fund Balance	**$ -**	**$ -**	**$ 19,510**	**$ -**
Restricted				
Retirement Contribution Reserve - ERS	$ 1,270,415	$ -	$ -	$ -
Unemployment Insurance Reserve	255,090	-	-	-
Workers' Compensation Reserve	1,073,016	-	-	-
Employee Benefit Accrued Liability Reserve	1,886,822	-	-	-
Tax Certiorari Reserve	102,684	-	-	-
School Lunch	-	-	530,259	-
Scholarships	-	-	-	103,384
Debt Service	-	3,962,172	-	-
Total Restricted Fund Balance	**$ 4,588,027**	**$ 3,962,172**	**$ 530,259**	**$ 103,384**
Assigned				
Appropriated for Next Year's Budget	$ 680,000	$ -	$ -	$ -
Encumbered for:				
General Support	15,271	-	-	-
Instruction	980	-	-	-
Total Assigned Fund Balance	**$ 696,251**	**$ -**	**$ -**	**$ -**

Note 15 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, 2025 were as follows:

Restricted Fund Balances	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
General Fund					
Retirement Contribution Reserves - ERS Reserve	$ 1,250,691	$ -	$ 19,724	$ -	$ 1,270,415
Employee Benefit Accrued Liability	1,857,527	-	29,295	-	1,886,822
Unemployment Insurance Reserve	251,130	-	3,960	-	255,090
Workers' Compensation Reserve	1,070,337	-	2,679	-	1,073,016
Tax Certiorari Reserve	101,090	-	1,594	-	102,684
Total General Fund	**$4,530,775**	**$ -**	**$ 57,252**	**$ -**	**$4,588,027**
Debt Service Fund	**$4,557,993**	**$ 280,027**	**$ 124,152**	**$ (1,000,000)**	**$3,962,172**
School Lunch Fund	**$ 413,089**	**$ 1,430,779**	**$ 6,810**	**$ (1,320,419)**	**$ 530,259**

Note 16 Stewardship, Compliance and Accountability

Deficit Net Position

At June 30, 2025, the District-wide Statement of Net Position had a deficit unrestricted net position of $59,635,171. 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 12). The deficit is not expected to be eliminated during the normal course of operations.

The Capital Projects Fund had a deficit fund balance of $22,247,541. This will be eliminated when short-term debt is converted to long-term debt.

Note 17 Tax Abatements

For the year ended June 30, 2025, 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.

Note 17 **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, 2025 is as follows:

	Taxable Assessed Value	Combined Tax Rates	Tax Value	PILOT Received	Taxes Abated
Cortland County Industrial Development Agency					
DG New York, CS, LLC	$3,681,900	20.63	$ 72,589	$ 12,055	$ 60,534
NY Susq. & Western Railway	-	-	-	2,105	-
Total PILOT Agreements	**$3,681,900**		**$ 72,589**	**$ 14,160**	**$ 60,534**

Note 18 **Subsequent Event**

On September 18, 2025, the School District entered into a new Revenue Anticipation Note. The new RAN is in the amount of $5,000,000, with an interest rate of 3.15%. The new RAN is to provide monies to meet a cash flow deficit expected to occur during the period that the Notes are outstanding.

Note 19 **Restatement**

During the year, the School District implemented GASB Statement No. 101, "Compensated Absences," resulting in a change in accounting principle. As a result, the School District's June 30, 2024 net position for governmental activities has been restated to reflect the following.

Net Position (Deficit) Beginning of Year	$ (17,143,749)
GASB Statement No.101 Implementation	(2,809,468)
Net Position (Deficit) Beginning of Year, as Restated	**$ (19,953,217)**

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real Property Taxes	$ 15,661,187	$ 15,661,187	$ 15,947,866	$ 286,679
Real Property Tax Items	1,932,138	1,932,138	1,632,411	(299,727)
Nonproperty Taxes	2,240	2,240	2,072	(168)
Charges for Services	95,985	95,985	231,953	135,968
Use of Money and Property	89,300	89,300	162,476	73,176
Sale of Property and Compensation for Loss	11,100	11,100	3,580	(7,520)
Miscellaneous	561,300	561,300	605,359	44,059
Total Local Sources	18,353,250	18,353,250	18,585,717	232,467
State Sources	29,496,993	29,496,993	27,406,516	(2,090,477)
Federal Sources	51,440	51,440	66,030	14,590
Total Revenues	47,901,683	47,901,683	46,058,263	(1,843,420)
OTHER FINANCING SOURCES				
Operating Transfers In	957,152	957,152	1,000,000	42,848
Total Revenues and Other Financing Sources	48,858,835	48,858,835	**$ 47,058,263**	**$ (1,800,572)**
Appropriated Fund Balance	680,000	680,000		
Encumbrances Carried Forward From Prior Year	53,504	53,504		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	**$ 49,592,339**	**$ 49,592,339**		

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, 2025

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	$ 31,606	$ 27,860	$ 27,860	$ -	$ -
Central Administration	239,267	243,885	243,090	-	795
Finance	648,996	786,102	775,391	-	10,711
Staff	154,693	201,563	195,472	-	6,091
Central Services	3,095,862	3,194,232	2,956,104	15,271	222,857
Special Items	438,504	437,881	430,758	-	7,123
Total General Support	4,608,928	4,891,523	4,628,675	15,271	247,577
Instruction					
Instruction, Administration, and Improvement	1,453,302	1,433,734	1,421,890	260	11,584
Teaching - Regular School	13,394,002	12,918,397	12,347,891	720	569,786
Programs for Children with Handicapping Conditions	5,385,647	5,387,150	5,264,520	-	122,630
Occupational Education	1,071,462	602,460	599,171	-	3,289
Teaching - Special School	16,223	89,519	89,519	-	-
Instructional Media	1,516,595	1,413,992	1,347,580	-	66,412
Pupil Services	2,563,384	2,749,294	2,736,654	-	12,640
Total Instruction	25,400,615	24,594,546	23,807,225	980	786,341
Pupil Transportation	2,920,556	2,829,491	2,500,210	-	329,281
Community Services	-	20,692	20,692	-	-
Employee Benefits	12,628,050	12,288,659	11,716,092	-	572,567
Debt Service					
Principal	-	2,198,875	2,198,875	-	-
Interest	4,034,190	2,711,054	2,583,429	-	127,625
Total Debt Service	4,034,190	4,909,929	4,782,304	-	127,625
Total Expenditures	49,592,339	49,534,840	47,455,198	16,251	2,063,391
OTHER FINANCING USES					
Operating Transfers Out	-	57,499	57,499	-	-
Total Expenditures and Other Financing Uses	**$ 49,592,339**	**$ 49,592,339**	47,512,697	**$ 16,251**	**$ 2,063,391**
Net Change in Fund Balance			(454,434)		
Fund Balance - Beginning of Year			5,889,339		
Fund Balance - End of Year			**$ 5,434,905**		

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	**$ 572,928**	$ 483,812	$ 399,635	$ 526,953	$ 476,082	$ 452,385	$ 440,939	$ 444,713	$ 446,908	$ 563,316
Contributions in Relation to the Contractually Required Contribution	**(572,928)**	(483,812)	(399,635)	(526,953)	(476,082)	(452,385)	(440,939)	(444,713)	(446,908)	(563,316)
Contribution Deficiency (Excess)	**-**	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll	**4,045,591**	3,977,618	3,688,813	3,489,933	3,445,788	3,337,638	3,216,078	3,214,082	3,112,302	3,220,366
Contributions as a Percentage of Covered Employee Payroll	**14.2%**	12.2%	10.8%	15.1%	13.8%	13.6%	13.7%	13.8%	14.4%	17.5%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	**$1,871,219**	$1,801,128	$1,814,015	$1,653,869	$1,502,596	$ 1,394,466	$1,631,737	$1,475,554	$1,777,175	$2,007,733
Contributions in Relation to the Contractually Required Contribution	**(1,871,219)**	(1,801,128)	(1,814,015)	(1,653,869)	(1,502,596)	(1,394,466)	(1,631,737)	(1,475,554)	(1,777,175)	(2,007,733)
Contribution Deficiency (Excess)	**-**	-	-	-	-	-	-	-	-	-
School District's Covered Employee Payroll	**18,674,840**	18,454,180	17,628,912	16,876,214	15,767,009	15,738,894	15,350,301	15,056,673	15,163,309	15,141,275
Contributions as a Percentage of Covered Employee Payroll	**10.1%**	9.8%	10.3%	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%

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,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension (Asset)/Liability	**0.0105833%**	0.0113961%	0.0113344%	0.0106619%	0.0104102%	0.0101490%	0.0099391%	0.0102250%	0.0106162%	0.0116511%
School District's Proportionate Share of the Net Pension (Asset)/Liability	**$ 1,814,581**	$ 1,677,962	$ 2,430,560	$ (871,564)	$ 10,366	$ 2,687,525	$ 704,214	$ 330,008	$ 997,521	$ 1,870,036
School District's Covered Employee Payroll During the Measurement Period	**4,045,591**	3,977,618	3,688,813	3,489,933	3,445,788	3,337,638	3,216,078	3,161,366	3,063,304	3,148,176
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	**44.9%**	42.2%	65.9%	25.0%	0.3%	80.5%	21.9%	10.4%	32.6%	59.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**93.1%**	93.9%	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%
The Following is a Summary of Changes of Assumptions										
Inflation	**2.90%**	2.90%	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	**4.30%**	4.40%	4.40%	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%
Cost of Living Adjustments	**1.50%**	1.50%	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	**5.90%**	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%
Discount Rate	**5.90%**	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension (Asset)/Liability	**0.096642%**	0.095451%	0.095264%	0.092894%	0.092722%	0.092051%	0.092943%	0.095015%	0.098267%	0.100798%
School District's Proportionate Share of the Net Pension (Asset)/Liability	**$ (2,883,409)**	$ 1,091,560	$ 1,828,006	$ (16,097,563)	$ 2,562,171	$ (2,391,482)	$(1,680,662)	$ (722,205)	$ 1,052,482	$ (10,469,734)
School District's Covered Employee Payroll During the Measurement Period	**18,454,180**	17,628,912	16,876,214	15,767,009	15,738,894	15,350,301	15,056,673	15,163,609	15,141,275	15,142,989
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	**15.6%**	6.2%	10.8%	102.1%	16.3%	15.6%	11.2%	4.8%	7.0%	69.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**102.1%**	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%
The Following is a Summary of Changes of Assumptions										
Inflation	**2.40%**	2.40%	2.40%	2.20%	2.20%	2.25%	2.50%	2.50%	3.00%	3.00%
Salary Increases	**1.95% - 5.18%**	1.95% - 5.18%	1.95% - 5.18%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	4.0% - 10.9%	4.0% - 10.9%
Cost of Living Adjustments	**1.30%**	1.30%	1.30%	1.30%	1.30%	1.50%	1.50%	1.50%	1.63%	1.63%
Investment Rate of Return	**6.95%**	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%
Discount Rate	**6.95%**	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2021	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	**$ 2,197,723**	$ 2,157,114	$ 1,900,760	$ 2,757,667	$ 3,069,345	$ 1,991,625	$ 1,554,922	$ 1,616,075	$ *	$ *
Interest Cost	**2,011,093**	1,884,711	1,549,149	1,170,436	1,416,922	1,653,067	2,010,288	1,816,998	*	*
Changes of Benefit Terms	**279,219**	-	-	-	884,733	-	-	-	*	*
Differences Between Expected and Actual Experience	**1,991,227**	194,419	(2,486,060)	253,734	(827,703)	287,127	(492,417)	-	*	*
Changes in Assumptions or Other Inputs	**(4,520,920)**	(612,852)	1,971,315	(12,528,586)	(12,849,515)	13,417,765	(6,949,561)	(2,564,537)	*	*
Benefit Payments	**(1,652,351)**	(1,408,878)	(1,230,951)	(1,217,067)	(1,400,497)	(1,413,232)	(1,404,494)	(1,073,198)	*	*
	305,991	2,214,514	1,704,213	(9,563,816)	(9,706,715)	15,936,352	(5,281,262)	(204,662)	*	*
Total OPEB Liability - Beginning of Year	**46,389,369**	44,174,855	42,470,642	52,034,458	61,741,173	45,804,821	51,086,083	51,290,745	*	*
Total OPEB Liability - End of Year	**$ 46,695,360**	$ 46,389,369	$ 44,174,855	$ 42,470,642	$ 52,034,458	$ 61,741,173	$ 45,804,821	$ 51,086,083	$ 51,290,745	*
Covered Employee Payroll	**$ 21,576,912**	$ 20,862,618	$ 20,525,937	$ 16,934,071	$ 17,276,045	$ 19,329,874	$ 15,756,668	$ 17,585,722	$ *	$ *
Total OPEB Liability as a Percentage of Covered Payroll	**216.41%**	222.36%	215.21%	250.80%	301.19%	319.41%	290.70%	290.50%	*	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	**6.75%-4.04%**	6.75% - 4.14%	6.75% - 4.14%	5.40% - 4.04%	5.70% - 4.04%	5.40% - 3.84%	5.50% - 3.84%	5.50% - 3.84%		
Discount Rate	**4.81%**	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%	3.87%	*	*
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014		

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

See Notes to Required Supplementary Information

HOMER CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Note 1 **Budgetary Procedures and Budgetary Accounting**

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which 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.

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 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, 2025.

Note 3 **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
The New York State Legislature modified the Tier 6 final average salary calculation (Chapter 56 of Laws of 2024, Part QQ), which was first reflected in the April 1, 2024 funding valuation.

NYSTRS

Changes in Benefit Terms
Effective with the 2024 actuarial valuation, the following plan change was effective: Chapter 56 on the Laws of 2024 amended Section 512 of Retirement and Social Security Law to change the definition of final average salary (FAS) for Tier 6 members to be based on the wages earned during any three consecutive years which provide the highest average wages, instead of five years. The legislation also reduced the lookback to the same requirements as applicable to Tier 4; namely, the FAS calculation will exclude any yearly increases in salary that exceeds 10% of the average previous two years' salaries.

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, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET		
Adopted Budget		$ 49,538,835
Prior Year's Encumbrances		53,504
Original Budget		49,592,339
Final Budget		**$ 49,592,339**
§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
Next Year's Budget is a Voter Approved Budget	**$ 50,679,157**	
Maximum Allowed (4% of 2025-2026 Budget)		$ 2,027,166
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 696,251	
Unassigned Fund Balance	150,627	
Total Unrestricted Fund Balance	846,878	
Less:		
Appropriated Fund Balance	$ 680,000	
Encumbrances Included in Assigned Fund Balance	16,251	
Total Adjustments	696,251	
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		**$ 150,627**
Actual Percentage		0.30%

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2025

PROJECT TITLE	Original Budget	Revised Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: Local Sources	Methods of Financing: Transfer to General Fund	Methods of Financing: Total	Fund Balance (Deficit) June 30, 2025	
Phase III 002-012	$ 900,482	$ 900,482	$ 438,948	$ 117,675	$ 556,623	$ 343,859	$ 170,800	$ 557,588	$ -	$ 728,388	$ 171,765	*
Sr. HS 0002-016	1,536,150	1,536,150	985,668	2,051,895	3,037,563	(1,501,413)	3,037,563	-	-	3,037,563	-	*
Elem. 0006-013	4,293,001	4,293,001	3,087,068	3,356,879	6,443,947	(2,150,946)	7,670,625	11,069	-	7,681,694	1,237,747	*
Jr. HS 0007-013	13,260,982	13,260,982	8,638,289	2,773,849	11,412,138	1,848,844	11,412,138	-	-	11,412,138	-	*
Bus Garage 5003-005	300,000	300,000	173,772	114,815	288,587	11,413	300,000	-	-	300,000	11,413	*
Bus Garage 5003-015	100,000	100,000	-	-	-	100,000	-	-	-	-	-	
Pressbox 7015-003	130,016	130,016	74,399	508,699	583,098	(453,082)	583,098	-	-	583,098	-	*
Pressbox 7023-001	681,576	681,576	431,846	233,196	665,042	16,534	681,576	-	-	681,576	16,534	*
Leased Buses	N/A	N/A	3,348,457	-	3,348,457	-	3,348,457	-	-	3,348,457	-	
Leased Equipment	N/A	N/A	-	1,045,992	1,045,992	-	-	1,045,992	-	1,045,992	-	
BANs Redeemed from Appropriations	-	-	-	-	-	-	(23,685,000)	-	-	(23,685,000)	(23,685,000)	*
Totals	**$ 21,202,207**	**$ 21,202,207**	**$ 17,178,447**	**$ 10,203,000**	**$ 27,381,447**	**$ (1,784,791)**	**$ 3,519,257**	**$ 1,614,649**	**$ -**	**$ 5,133,906**	**$ (22,247,541)**	*

**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, 2025

Capital Assets, Net	**$ 69,849,928**
Add:	
Unspent Bond Proceeds	1,254,625
(Deduct):	
Premium on Bonds	(2,097,182)
Capital Fund Payables	(613,812)
BANS Payables	(23,685,000)
Short-Term Portion of Bonds Payable	(1,420,000)
Short-Term Portion of Lease Liabilities	(651,344)
Long-Term Portion of Bonds Payable	(11,245,000)
Long-Term Portion of Lease Liabilities	(1,071,963)
Retainage Payable	(1,149,350)
Net Investment in Capital Assets	**$ 29,170,902**

HOMER CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds		Total
	School Lunch Fund	Misc. Special Revenue Fund	Non-Major Governmental Funds
ASSETS			
Cash - Restricted	$ 515,007	$ 103,384	$ 618,391
Due From Other Funds	22,922	-	22,922
State and Federal Aid	131,397	-	131,397
Other	1,189	-	1,189
Inventories	19,510	-	19,510
Total Assets	**$ 690,025**	**$ 103,384**	**$ 793,409**
LIABILITIES			
Accounts Payable	$ 58,161	$ -	$ 58,161
Accrued Liabilities	8,764	-	8,764
Due to Other Funds	55,534	-	55,534
Due to Other Governments	38	-	38
Unearned Revenues	17,759	-	17,759
Total Liabilities	140,256	-	140,256
FUND BALANCES			
Nonspendable	19,510	-	19,510
Restricted	530,259	103,384	633,643
Total Fund Balances	549,769	103,384	653,153
Total Liabilities and Fund Balances	**$ 690,025**	**$ 103,384**	**$ 793,409**

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds		Total
	School Lunch Fund	Misc. Special Revenue Fund	Non-Major Governmental Funds
REVENUES			
Nonproperty Taxes	$ -	$ 1,610	$ 1,610
Use of Money and Property	6,810	-	6,810
Miscellaneous	15,258	3,784	19,042
State Sources	484,498	-	484,498
Federal Sources	801,785	-	801,785
Sales - School Lunch	129,238	-	129,238
Total Revenues	1,437,589	5,394	1,442,983
EXPENDITURES			
Instruction	492,537	2,902	495,439
Employee Benefits	243,115	-	243,115
Cost of Sales	592,463	-	592,463
Total Expenditures	1,328,115	2,902	1,331,017
Net Change in Fund Balances	109,474	2,492	111,966
Fund Balances - Beginning of Year	440,295	100,892	541,187
Fund Balances - End of Year	**$ 549,769**	**$ 103,384**	**$ 653,153**

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Certified Public Accountants

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 the Homer Central School District (the School District), as of and for the year ended June 30, 2025, 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 10, 2025.

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 School District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 10, 2025

FORM OF BOND COUNSEL'S OPINION
September 17, 2026

Homer Central School District
80 South West Road - P.O. Box 500
Homer, New York 13077

Re: Homer Central School District
Cayuga, Cortland, Onondaga and Tompkins Counties, New York
$5,000,000 Revenue Anticipation Notes, 2026

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $5,000,000 Revenue Anticipation Notes, 2026 (the "Notes") of Homer Central School District, Counties of Cayuga, Cortland Onondaga and Tompkins, State of New York (the "District"). The Notes are dated September 17, 2026 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District dated August 26, 2025 and a Certificate of Determination dated on or before September 17, 2026 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon subject to applicable statutory limitations. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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

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

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ LAW OFFICES, LLP