PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the District 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. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. 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 as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

HOMER CENTRAL SCHOOL DISTRICT

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

GENERAL OBLIGATIONS
CUSIP BASE #: 437560

$4,229,182 Bond Anticipation Notes, 2021 (Renewals)

(referred to herein as the "Notes")

Dated: November 4, 2021 **Due: July 21, 2022**

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, without limitation as to rate or amount. 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, except for a necessary odd denomination. 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 & Marquardt, 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 November 4, 2021.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on October 21, 2021 until 11:00 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.

October 14, 2021

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.

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

SONIA APKER
President

LUKE M. MORENUS
Vice President

SHANISE RILEY
KEITH FAGERHEIM

AARON BOUWENS
EMILY OLSENWIK
CHARLES TUMMINO

JULIE MCCHESNEY
KC SLADE

* * * * * * * * * *

ADMINISTRATION

THOMAS M. TURCK
Superintendent

MICHAEL J. FALLS
Assistant Superintendent for Management

COURTNEY SPRAKER
School District Treasurer

RAQUEL YACAVONE
School District Clerk

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

TRESPASZ & MARQUARDT, 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.

TABLE OF CONTENTS

PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

HOMER CENTRAL SCHOOL DISTRICT

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

Relating To

$4,229,182 Bond Anticipation Notes, 2021 (Renewals)

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 $4,229,182 principal amount of Bond Anticipation Notes, 2021 (Renewals) (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes will be dated November 4, 2021 and will mature July 21, 2022. 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 of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. However, the power of the District to levy unlimited real estate taxes on all real property within the District for other purposes may be subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW" herein.

At the option of the purchaser, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Notes. Individual purchases will be made in book-entry form only, in the principal amount of $5,000, or integral multiples thereof, except for a necessary odd denomination. Purchasers will not receive certificates representing their interest in the Notes.

Principal and interest on the Notes are payable at maturity. Principal and interest will be paid by the District to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes, as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the District referred to therein.

No Optional Redemption

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

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 and the Local Finance Law and a bond resolution of the District dated February 25, 2020 authoring the issuance of $4,229,182 serial bonds of the District to pay the cost of renovations, additions and improvements to the District's facilities.

The proceeds of the Notes will fully redeem and renew $4,229,182 bond anticipation notes maturing November 5, 2021 for the aforementioned purpose.

Nature of Obligation

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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, except for a necessary odd denomination. 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.

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		
	2000	2006-2010	2015-2019	2000	2006-2010	2015-2019
Village of:						
Homer	$ 20,918	$ 28,116	$ 40,707	$ 44,545	$ 72,764	$ 68,875
Towns of:						
Cortlandville	19,887	25,714	35,031	46,888	65,769	83,750
Cuyler	13,111	16,581	28,542	39,896	46,471	71,793
Homer	20,145	25,687	36,609	51,968	65,854	76,926
Preble	18,983	24,657	36,796	45,789	52,426	80,179
Scott	15,588	23,027	29,621	43,438	53,448	68,661
Solon	14,555	18,404	25,062	36,875	49,013	67,500
Truxton	16,519	22,907	28,897	41,000	61,250	62,500
Sempronius	15,365	20,946	26,657	39,813	54,375	61,667
Summerhill	14,609	21,396	34,820	39,500	56,620	75,192
Spafford	24,014	37,661	51,771	61,250	77,500	102,375
Groton	18,075	23,208	29,534	50,057	61,184	74,135
Counties of:						
Cortland	16,622	22,078	28,229	42,204	57,743	70,192
Cayuga	18,003	22,959	30,509	44,973	58,761	71,907
Onondaga	21,336	27,037	34,002	51,876	65,929	81,171
Tompkins	19,659	25,737	30,075	53,041	72,231	86,232
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Note: 2016-2020 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Population

The total population of the District is estimated to be 11,910. (Source: 2019 U.S. Census Bureau Estimate.)

Major 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

Note: The information presented in the table above is based on information available prior to the outbreak of the COVID-19 pandemic.

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 implied 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 Average						
	2014	2015	2016	2017	2018	2019	2020
Cortland County	6.5%	5.9%	5.7%	5.8%	5.1%	4.9%	7.9%
Cayuga County	6.0%	5.3%	5.1%	5.0%	4.5%	4.3%	7.9%
Onondaga County	5.6%	4.9%	4.5%	4.7%	4.0%	3.9%	8.4%
Tompkins County	4.4%	4.4%	4.2%	4.3%	3.6%	3.6%	6.2%
New York State	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%	10.0%

	2021 Monthly Figures								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Cortland County	7.4%	7.5%	6.9%	5.6%	4.9%	5.5%	5.7%	5.5%	N/A
Cayuga County	6.9%	7.1%	6.5%	5.3%	4.7%	4.9%	5.1%	5.1%	N/A
Onondaga County	7.1%	7.2%	6.4%	5.5%	5.0%	5.4%	5.4%	5.4%	N/A
Tompkins County	5.3%	5.4%	4.7%	4.1%	3.7%	4.3%	4.6%	4.4%	N/A
New York State	9.4%	9.7%	8.4%	7.7%	7.0%	7.2%	7.4%	7.1%	N/A

Note: Unemployment rates for September of 2021 have not been released as of the date of this Official Statement. Unemployment rates have increased drastically since March of 2020 due to the COVID-19 outbreak.

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 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The budget for the 2019-20 fiscal year was approved by the qualified voters on May 21, 2019 by a vote of 487 to 91. The adopted budget included a total tax levy increase of 1.9%, which was below the District’s Tax Cap of 4.22%.

The budget for the 2020-21 fiscal year was approved by qualified voters on June 9, 2020 by a vote of 1,162 to 384. The District’s adopted budget for the 2020-21 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.9%, which was below the District’s tax levy limit of 3.89%.

The budget for the 2021-22 fiscal year was approved by qualified voters on May 18, 2021 by a vote of 397 to 56. The District’s adopted budget for the 2021-22 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.00%, which was below the District’s tax levy limit of 3.19%.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2021-22 fiscal year, approximately 51.7% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

COVID-19

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District. (See also "MARKET AND RISK FACTORS" herein).

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically. (See "State Aid History" herein).

It is anticipated that the State Budget Director's powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020 the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projects a $13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. (See "Stat Aid History" herein).

The State's 2021-22 Enacted Budget provides $29.5 billion in State funding to school districts for the 2021-22 school year the highest level of State aid ever. This represents an increase of $3.0 billion or 11.3 percent compared to the 2020-21 school year, and includes a $1.4 billion or 7.6 percent Foundation Aid increase. Approximately 75 percent of this increase is targeted to high-need school districts.

The State's 2021-22 Enacted Budget also programs $13 billion of federal Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund to public schools. This funding available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2021-22 Enacted Budget allocates $629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the State's 2021-22 Enacted Budget uses $105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

Potential Reductions in Federal Aid Received by the State

The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise such as the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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 Biden has signed into law the American Rescue Plan, a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. The District received $4,478,959 of American Rescue Plan funding and $1,748,146 in Elementary and Secondary School Emergency Relief Funds. As of the date of this Official Statement it is not possible to predict the long-term impacts that the American Rescue Plan will have on the finances of 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, including the diversion of federal resources to address the current COVID-19 outbreak.

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.

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.

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.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. 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 2021-2022 preliminary building aid ratios, the District expects to receive State building aid of approximately 86.3% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years. However, as discussed below the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

School district fiscal year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School district fiscal year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the 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.

State Aid Revenues

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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 42,832,507	$ 22,999,294	53.7%
2017-2018	39,627,514	23,068,409	58.2
2018-2019	40,951,193	23,690,247	57.9
2019-2020	41,413,055	23,944,270	57.8
2020-2021 (Unaudited)	42,102,758	24,075,125	57.1
2021-2022 (Budgeted)	44,266,152	25,544,652	57.7

Source: Audited financial statements of the District for the 2016-17 fiscal year through and including the 2019-20 fiscal year and 2021-2022 adopted budget of the District. The 2020-2021 projected unaudited figures are estimates and the audited results may vary therefrom. 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
2017-18	1,856	2022-23	1,775
2018-19	1,926	2023-24	1,750
2019-20	1,836	2024-25	1,750
2020-21	1,887	2025-26	1,750
2021-22	1,883	2026-27	1,750

Source: District officials.

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
197	Homer Teachers' Association	June 30, 2023
8	School Administrators' Association	June 30, 2022
54	Homer Central School Teacher Aides' Association	June 30, 2021 (1)
23	Homer Central Cafeteria	June 30, 2022
31	Homer Central School Bus Drivers' Association	June 30, 2021 (1)

(1) Currently under 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 and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2021-22 fiscal years are as follows:

Fiscal Year	ERS	TRS
2016-2017	$ 446,908	$ 2,007,733
2017-2018	444,713	1,777,175
2018-2019	440,939	1,475,554
2019-2020	440,000	1,439,296
2020-2021	553,922	1,501,977
2021-2022 (Budgeted)	400,000	1,600,000

Source: District records.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2018 to 2022) is shown below:

Year	ERS	TRS
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

Retirement System Assumptions. The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School 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 School District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

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

Other Post Employee Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. 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.

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

The District contracted with an Capital Region BOCES to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2020 and 2021.

The following table outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at:	July 1, 2019	July 1, 2020
	$ 45,804,821	$ 61,741,173
Changes for the year:		
Service cost	1,991,625	3,069,345
Interest on total OPEB liability	1,653,067	1,416,922
Changes in Benefit Terms	-	884,733
Differences between expected and actual experience	287,127	(827,703)
Changes in Assumptions or other inputs	13,417,765	(12,849,515)
Benefit payments	(1,413,232)	(1,400,497)
Net Changes	$ 15,936,352	$ (9,706,715)
Balance ending at:	June 30, 2020	June 30, 2021
	$ 61,741,173	**$ 52,034,458**

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.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced or enacted if introduced.

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 District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2020 and is attached hereto as "APPENDIX – D". The final audit report covering the period ending June 30, 2021 is unavailable as of the date of this Official Statement. The draft of the audit report covering the period ending June 30, 2021 is summarized in "APPENDIX-A" attached hereto.

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.

New York State Comptroller Report of Examination

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

The State Comptroller's office released its most recent audit report of the District on June 21, 2019. The purpose of the audit was to determine whether District officials effectively used District resources to ensure the safety of their students by performing proper criminal history background checks. Key findings and recommendations of the audit report are summarized below:

Key Findings:

- Officials did not perform fingerprint-supported criminal history background checks on nine out of 157 employees tested.

Key Recommendations:

- Discontinue allowing new employees to provide services to students prior to obtaining or confirming fingerprint clearances.
- Conduct periodic checks of employee files to ensure that they have gone through proper criminal history background checks.

A copy of the complete report can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website

As of the date of this Official Statement, there are no other State Comptrollers audits of the District that are currently in progress or pending release.

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

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

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 reports of the State Comptroller for the previous three fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2020	No Designation	3.3
2019	No Designation	3.3
2018	No Designation	3.3

Note: The State Comptroller's assessment of the District for fiscal year ending June 30, 2021 is not available as of the date of this Official Statement

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

TAX INFORMATION

Taxable Assessed Valuation

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Cortlandville	$ 218,526,233	$ 220,400,362	$ 223,324,460	$ 223,333,362	$ 225,213,428
Cuyler	4,337,198	4,314,743	4,325,107	4,331,109	4,380,836
Groton	2,792,379	2,858,219	3,033,656	3,378,141	3,385,747
Homer	332,292,961	336,177,804	339,069,961	342,190,322	345,935,021
Preble	38,456,486	38,792,071	39,206,586	39,464,758	39,769,770
Scott	58,408,320	58,813,778	59,503,359	59,952,572	60,164,558
Sempronius	12,310,146	12,344,026	12,358,404	12,302,425	12,293,614
Solon	275,182	276,366	275,716	274,585	274,545
Spafford	38,850,194	38,669,526	38,260,862	38,072,792	37,991,298
Summerhill	27,726,057	27,908,196	28,016,541	28,534,653	28,714,543
Truxton	69,704,543	70,161,097	70,518,615	70,492,434	71,656,685
Total Assessed Values	$ 803,679,699	$ 810,716,188	$ 817,893,267	$ 822,327,153	$ 829,780,045
State Equalization Rates					
Towns of:					
Cortlandville	100.00%	100.00%	92.00%	89.00%	85.00%
Cuyler	100.00%	100.00%	96.00%	94.00%	92.00%
Groton	100.00%	100.00%	100.00%	100.00%	100.00%
Homer	100.00%	100.00%	94.00%	95.00%	91.00%
Preble	96.00%	94.00%	89.00%	89.00%	86.00%
Scott	96.00%	94.00%	89.00%	89.00%	86.00%
Sempronius	100.00%	100.00%	100.00%	98.00%	92.00%
Solon	95.00%	93.50%	90.50%	85.50%	85.50%
Spafford	100.00%	90.50%	85.00%	83.00%	78.00%
Summerhill	95.00%	93.00%	84.00%	80.00%	77.00%
Truxton	100.00%	97.00%	93.00%	93.00%	91.00%
Total Taxable Full Valuation	$ 809,189,482	$ 825,295,341	$ 888,761,063	$ 901,039,383	$ 947,881,327

Tax Rates per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Cortlandville	$ 19.69	$ 19.67	$ 20.24	$ 21.03	$ 21.16
Cuyler	19.70	19.68	19.40	19.91	19.56
Groton	19.69	19.67	18.62	18.71	17.92
Homer	19.69	19.67	19.80	19.69	19.77
Preble	20.51	20.93	20.92	21.03	20.92
Scott	20.51	20.93	20.92	21.03	20.92
Sempronius	19.69	19.67	19.62	19.09	19.56
Solon	21.69	21.04	20.58	21.88	23.07
Spafford	19.89	21.67	21.83	22.47	22.99
Summerhill	20.73	21.16	22.16	23.39	22.49
Truxton	19.69	20.28	20.01	20.12	19.77

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:	2018	2019	2020	2021	2022
Total Tax Levy	$ 15,933,460	$ 16,235,856	$ 16,544,339	$ 16,858,679	$ 17,027,266
Amount Uncollected (1)	953,106	953,106	974,296	957,459	N/A
% Uncollected	5.98%	5.87%	5.89%	5.68%	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 each of the below completed fiscal years and budgeted figures 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
2016-2017	$ 42,832,507	$ 15,977,800	37.30%
2017-2018	39,627,514	16,000,064	40.38
2018-2019	40,951,193	16,302,551	39.81
2019-2020	41,413,055	16,610,379	40.11
2020-2021 (Unaudited)	42,102,758	16,858,679	40.0
2021-2022 (Budgeted)	44,266,152	17,027,266	38.4

Source: Audited financial statements and budgets of the District for the 2016-17 fiscal year through and including the 2019-20 fiscal year and 2021-2022 adopted budget of the District. The 2020-2021 projected unaudited figures are estimates and the audited results may vary therefrom. This table is not audited.

Ten Largest Taxpayers – 2021 Assessment Roll for 2021-22 Tax Roll

Name	Type	Taxable Full Valuation
Niagara Mohawk	Utility	27,161,002
Dominion Resource	Utility	9,971,867
NYS Electric & Gas	Utility	7,178,978
State of New York	Government	7,017,700
Tops Plaza	Commercial	5,775,647
New Hope View Farm LLC	Agricultural	5,487,000
Mcneill, Daniel	Commercial	5,068,400
McMahon, Michael	Agricultural	4,843,920
Delveccio, John	Commercial	4,671,000
Farm East LLC	Agricultural	4,581,300

The ten larger taxpayers listed above have a total taxable full valuation of $81,756,814 which represents 8.63% of the tax base of the District.

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

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. 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 $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-2020 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

The 2020-21 State Budget withheld STAR benefits to taxpayers who are delinquent in the payment of their school taxes and lowers the income limit for the exemption to $200,000, compared with a $500,000 limit for the credit.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Cortlandville	$ 62,920	$ 26,700	4/9/2021
Cuyler	66,460	28,200	4/9/2021
Groton	70,700	30,000	4/9/2021
Homer	67,170	28,500	4/9/2021
Preble	62,920	26,700	4/9/2021
Scott	62,920	26,700	4/9/2021
Sempronius	69,260	29,400	4/9/2021
Solon	60,450	25,650	4/9/2021
Spafford	58,680	24,900	4/9/2021
Summerhill	56,560	24,000	4/9/2021
Truxton	65,750	27,900	4/9/2021

$2,206,651 of the District's $16,544,340 school tax levy for 2019-20 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2020.

$2,077,498 of the District's $16,858,679 school tax levy for 2020-21 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2021.

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.

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:	2017	2018	2019	2020	2021
Bonds	$ 29,650,000	$ 26,710,000	$ 24,195,000	$ 21,030,000	$ 17,945,000
Bond Anticipation Notes	0	0	693,545	0	4,229,182
Installment Purchase Debt	428,847	317,083	0	0	0
Total Debt Outstanding	$ 30,078,847	$ 27,027,083	$ 25,608,545	$ 21,030,000	$ 22,174,182

Note: Does not include advance refunded serial bonds outstanding, where applicable.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of October 14, 2021:

Type of Indebtedness	Maturity		Amount
Bonds	2021-2034		$ 17,945,000
Bond Anticipation Notes			
Capital Project	November 5, 2021		4,229,182
		Total Indebtedness	$ 22,174,182

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 14, 2021:

Full Valuation of Taxable Real Property			$ 947,881,327
Debt Limit 10% thereof			94,788,132
Inclusions:			
Bonds	$ 27,945,000		
Bond Anticipation Notes	0		
Principal of this Issue	4,229,182		
Total Inclusions		$ 22,174,182	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 22,174,182
Net Debt-Contracting Margin			$ 72,613,950
The percent of debt contracting power exhausted is			23.39%

(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 2021-22 Building Aid Ratios, the School District anticipates State building aid of 86.3% 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 February 4, 2020, the qualified voters of the District approved a proposition for the renovations, additions and improvements to the District’s facilities at a maximum estimated cost of $4,229,182. On February 25, 2020 the District’s Board of Education approved a bond resolution authorizing an energy performance project at a cost not to exceed $4,229,182 and the issuance and sale of serial bonds or notes in an amount not to exceed $4,229,182 for the above mentioned project. On November 5, 2020, the District issued $4,229,182 bond anticipation notes. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes for the above mentioned project.

The District is currently considering a $24,000,000 capital project which would include approximately $131,950 of capital reserves. If the District moves forward with the project and it is approved by the voters, the project is anticipated to commence in the summer of 2023. As of the date of this Official Statement the scope and additional details regarding the project are not available.

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

Cash Flow Borrowing

The District, historically, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Lease Obligations

The School District utilizes leases to finance various transportation equipment. The combined future minimum payments under these agreements are as follows:

Fiscal Year ended June 30th:	Payment
2021	$ 593,052
2022	631,275
2022	680,540
2024	756,059
Total future minimum payments:	$ 2,660,926

The School District's operating lease expenses were $593,052 for year ended June 30, 2021.

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)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Cortland	12/31/2019	$ 30,217,882	$ 4,079,175	$ 26,138,707	30.77%	$ 8,042,880
Cayuga	12/31/2019	53,016,258	28,140,467	24,875,791	0.88%	218,907
Onondaga	12/31/2019	668,490,376	308,510,689	359,979,687	0.14%	503,972
Tompkins	12/31/2019	68,394,012	406,017	67,987,995	0.04%	27,195
Town of:						
Cortlandville	12/31/2019	10,531,500	1,728,489	8,803,011	37.50%	3,301,129
Cuyler	12/31/2019	-	-	-	7.72%	-
Groton	12/31/2019	-	-	-	0.96%	-
Homer	12/31/2019	-	-	-	98.89%	-
Preble	12/31/2019	-	-	-	42.87%	-
Scott	12/31/2019	209,076	209,076	-	100.00%	-
Sempronius	12/31/2019	-	-	-	16.35%	-
Solon	12/31/2019	-	-	-	0.54%	-
Spafford	12/31/2019	6,398,521	-	6,398,521	10.64%	680,803
Summerhill	12/31/2019	36,656	-	36,656	43.22%	15,843
Truxton	12/31/2019	-	-	-	94.60%	-
Village of:						
Homer	5/31/2020	400,534	300,000	100,534	100.00%	100,534
					Total:	$ 12,891,263

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.
(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2019 for the counties and towns and 2020 for the village listed above.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of October 14, 2021:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 22,174,182	$ 1,861.81	2.34%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	35,065,445	2,944.20	3.70

(a) The 2018 estimated population of the District is 11,910. (See "THE SCHOOL DISTRICT – District Population" herein.)
(b) The District's full value of taxable real estate for the 2021-22 tax roll is $947,881,327. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $12,891,263. (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.

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid", "State Aid History" herein).

TAX MATTERS

In the opinion of Trespasz & Marquardt, 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 personal income taxes imposed by the State of New York and the City of New York. Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E" hereto.

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 insure 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 & Marquardt, 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

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

MUNICIPAL ADVISOR

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

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.)

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

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 & Marquardt, 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: Michael Falls, Assistant Superintendent for Management, 80 South West Road, P.O. Box 248, Homer, New York 13145, Phone: (607) 749-7241 x5030, Telefax: (607) 749-7241, email: mfalls@homercentral.org.

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

HOMER CENTRAL SCHOOL DISTRICT

Dated: October 14, 2021

SONIA APKER
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021 DRAFT
ASSETS					
Unrestricted Cash	$ 982,080	$ 1,604,129	$ 3,281,681	$ 2,592,335	$ 2,475,123
Restricted Cash	7,108,105	6,817,865	5,003,813	5,072,373	4,986,583
Accounts Receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
Due from Other Funds	1,152,389	1,462,738	1,097,988	1,191,414	1,511,313
State and Federal Aid Receivable	2,181,491	1,745,596	1,282,807	1,298,806	1,721,112
Due from Other Governments	254,298	395	198	199	198
Other	27,838	100,305	258,830	274,580	18,098
Prepaid Items	-	-	152,089	-	-
TOTAL ASSETS	$ 11,706,201	$ 11,731,028	$ 11,077,406	$ 10,429,707	$ 10,712,427
LIABILITIES AND FUND EQUITY					
Accrued Liabilities	$ 394,094	$ 901,007	$ 765,157	$ 12,977	$ 23,370
Accounts Payable	61,083	42,163	52,745	828,306	344,002
Due to Other Funds	991,471	984,142	478,092	470,210	765,500
Due to Other Governments	215,757	-	2	2	2
Due to Teachers' Retirement System	1,865,202	1,577,085	1,727,108	1,493,974	1,610,722
Due to Employees' Retirement System	115,083	114,129	111,903	117,772	134,491
Planned Balance	-	-	-	-	-
Due to Fiduciary Funds	-	-	-	-	-
Unearned Revenue	6,650	8,750	10,500	-	1,500
Compensated Absences payable	40,827	44,534	50,011	55,076	54,067
TOTAL LIABILITIES	3,690,167	3,671,810	3,195,518	2,978,317	2,933,654
FUND EQUITY					
Nonspendable	$ -	$ -	$ 152,089	$ -	$ -
Restricted	5,483,519	5,484,419	4,990,110	4,993,980	4,821,940
Assigned	897,150	912,740	1,374,881	804,269	1,186,187
Unassigned	1,635,365	1,662,059	1,364,808	1,653,141	1,770,646
TOTAL FUND EQUITY	8,016,034	8,059,218	7,881,888	7,451,390	7,778,773
TOTAL LIABILITIES & FUND EQUITY	$ 11,706,201	$ 11,731,028	$ 11,077,406	$ 10,429,707	$ 10,712,427

Source: 2017-2020 Audited financial reports and 2021 draft audited financial report of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021 DRAFT
REVENUES					
Real Property Taxes & Tax Items	$ 15,977,800	$ 16,000,064	$ 16,302,551	$ 16,610,379	$ 16,926,803
Non-Property Taxes	1,850	2,331	2,416	2,312	2,105
Charges for Services	50,967	42,133	51,143	41,310	689
Use of Money & Property	78,445	78,091	87,852	86,039	50,186
Sale of Property and Compensation for Loss	54,943	13,073	12,260	26,734	40,025
Miscellaneous	442,362	391,934	448,319	360,005	394,477
Revenues from State Sources	22,999,294	23,068,409	23,690,247	23,944,270	23,905,068
Revenues from Federal Sources	26,635	31,479	48,171	33,772	483,402
Total Revenues	$ 39,632,296	$ 39,627,514	$ 40,642,959	$ 41,104,821	$ 41,802,755
Other Sources:					
Interfund Transfers/Reserves	3,200,211	-	308,234	308,234	100,000
Total Revenues and Other Sources	42,832,507	39,627,514	40,951,193	41,413,055	41,902,755
EXPENDITURES					
General Support	$ 4,155,947	$ 3,596,965	$ 3,604,664	$ 3,788,750	$ 3,702,688
Instruction	19,867,314	21,066,783	21,527,127	22,274,327	21,865,571
Pupil Transportation	1,604,832	1,659,508	1,790,854	1,788,510	1,749,811
Community Services	16,953	17,495	18,053	18,741	19,244
Employee Benefits	8,580,805	8,674,657	9,360,687	9,431,279	9,838,881
Debt Service	8,023,363	4,535,170	4,295,000	4,400,740	4,296,295
Total Expenditures	$ 42,249,214	$ 39,550,578	$ 40,596,385	$ 41,702,347	$ 41,472,490
Other Uses:					
Interfund Transfers	359,895	33,752	532,138	141,206	102,882
Total Expenditures and Other Uses	42,609,109	39,584,330	41,128,523	41,843,553	41,575,372
Excess (Deficit) Revenues Over Expenditures	223,398	43,184	(177,330)	(430,498)	327,383
FUND BALANCE					
Fund Balance - Beginning of Year	7,792,636	8,016,034	8,059,218	7,881,888	7,451,390
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 8,016,034	$ 8,059,218	$ 7,881,888	$ 7,451,390	$ 7,778,773

Source: 2017-2020 Audited financial reports and 2021 draft audited financial report 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:	2021 DRAFT Adopted Budget	2021 DRAFT Modified Budget	2021 DRAFT Actual	2022 Adopted Budget
REVENUES				
Real Property Taxes & Tax Items	$ 16,926,744	$ 16,926,744	$ 16,926,803	$ 17,027,266
Non-Property Taxes	2,500	2,500	2,105	-
Charges for Services	42,797	42,797	689	-
Use of Money & Property	87,852	87,852	50,186	-
Sale of Property and Compensation for Loss	38,346	38,346	40,025	-
Miscellaneous	405,700	405,700	394,477	606,000
Revenues from State Sources	25,135,348	25,135,348	23,905,068	25,544,652
Revenues from Federal Sources	47,674	47,674	483,402	-
Total Revenues	$ 42,686,961	$ 42,686,961	$ 41,802,755	$ 43,177,918
Other Sources:				
Interfund Transfers In	925,978	925,978	100,000	-
Total Revenues and Other Sources	43,612,939	43,612,939	41,902,755	43,177,918
EXPENDITURES				
General Support	$ 4,041,251	$ 4,172,347	$ 3,702,688	$ 3,917,508
Instruction	23,329,623	23,581,169	21,865,571	22,948,845
Pupil Transportation	2,334,319	1,889,525	1,749,811	2,324,803
Community Services	-	19,244	19,244	-
Employee Benefits	10,595,215	10,203,657	9,838,881	11,138,005
Debt Service	4,016,800	4,448,384	4,296,295	3,836,991
Total Expenditures	$ 44,317,208	$ 44,314,326	$ 41,472,490	$ 44,166,152
Other Uses:				
Interfund Transfers Out	100,000	102,882	102,882	100,000
Total Expenditures and Other Uses	44,417,208	44,417,208	41,575,372	44,266,152
Excess (Deficit) Revenues Over Expenditures	(804,269)	(804,269)	327,383	(1,088,234)
FUND BALANCE				
Fund Balance - Beginning of Year	804,269	804,269	7,451,390	1,088,234
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 7,778,773	$ -

Source: 2021 Draft audited financial reports and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2022	$ 2,970,000	$ 824,600	$ 3,794,600
2023	2,285,000	703,750	2,988,750
2024	2,365,000	619,500	2,984,500
2025	1,140,000	514,050	1,654,050
2026	1,195,000	457,050	1,652,050
2027	1,260,000	397,300	1,657,300
2028	1,320,000	334,300	1,654,300
2029	1,390,000	268,300	1,658,300
2030	1,455,000	198,800	1,653,800
2031	1,530,000	126,050	1,656,050
2032	920,000	50,650	970,650
2033	55,000	5,750	60,750
2034	60,000	3,000	63,000
TOTALS	$ 17,945,000	$ 4,503,100	$ 22,448,100

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2010 Parital Refunding of 2003 A & B Serial Bonds Principal	Interest	Total	2016 Refunding of 2006 & 2009 Principal	Interest	Total
2022	$ 790,000	$ 23,700	$ 813,700	$ 1,185,000	$ 140,700	$ 1,325,700
2023	-	-	-	1,240,000	93,300	1,333,300
2024	-	-	-	1,280,000	51,200	1,331,200
TOTALS	$ 790,000	$ 23,700	$ 813,700	$ 3,705,000	$ 285,200	$ 3,990,200

Fiscal Year Ending June 30th	2017C DASNY - Capital Project Principal	Interest	Total	2019A DASNY - Capital Project Principal	Interest	Total
2022	$ 960,000	$ 632,400	$ 1,592,400	$ 35,000	$ 27,800	$ 62,800
2023	1,010,000	584,400	1,594,400	35,000	26,050	61,050
2024	1,050,000	544,000	1,594,000	35,000	24,300	59,300
2025	1,100,000	491,500	1,591,500	40,000	22,550	62,550
2026	1,155,000	436,500	1,591,500	40,000	20,550	60,550
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
TOTALS	$ 12,850,000	$ 3,987,300	$ 16,837,300	$ 600,000	$ 206,900	$ 806,900

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, 2020

Such Audited Financial Statement and 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, 2020

insero&co

Certified Public Accountants | Business Advisors

HOMER CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

HOMER CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

insero&co

Certified Public Accountants | Business Advisors

INDEPENDENT AUDITORS' REPORT

Board of Education
Homer Central School District
Homer, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Homer Central School District (the School District) as of and for the year ended June 30, 2020, 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.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, Schedule of Changes in the School District's Total OPEB Liability and Related Ratios, the Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plans, and the Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability, and related notes on pages 4-4l and 47-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures - Capital Projects Fund, and Schedule of Net Investment in Capital Assets (supplementary information) on pages 57-59 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the 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 13, 2020 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 13, 2020

HOMER CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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, 2020. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The School District ended the year with a total net position deficit of $11,596,356, an increase in net deficit of $4,697,724 from the prior year. Year end net position was composed of $10,591,406 in restricted, $28,833,143 in net investment in capital assets, and $51,020,905 in an unrestricted deficit. The unrestricted deficit increased $5,655,702 compared to the prior year. The unrestricted deficit at June 30, 2020 is primarily attributable to recognition of the net accumulated other postemployment benefits (OPEB) liability of $57,173,336.

- Expenses exceeded revenues by $4,697,724 in 2020, compared to revenues exceeding expenses by $378,719 in 2019.

- The School District had $25,064,667 in outstanding debt at year end, a decrease of $2,625,261 from the prior year; primarily due to principal payments on outstanding long-term debt.

- Capital asset additions during 2020 amounted to $1,324,466 for the purchase of equipment and construction in progress expenditures. Depreciation expense was $2,639,979 for the current year.

- General Fund budgeted expenditures, including carry-over encumbrances, and other financing uses, were underspent by $1,947,709. General Fund revenues and other financing sources were less than budgeted amounts by $1,127,595. These differences were primarily the result of COVID-19, and the resulting School District closures.

- Total General Fund balance, including reserves, was $7,451,390 at June 30, 2020. Unassigned fund balance amounted to $1,653,141 which was subject to and below the maximum limit (4% of 2020-2021 appropriations) permitted under New York State Real Property Tax Law.

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

School Year	Enrollment
2000-2001	2,464
2001-2002	2,431
2002-2003	2,427
2003-2004	2,363
2004-2005	2,318
2005-2006	2,275
2006-2007	2,265
2007-2008	2,201
2008-2009	2,215
2009-2010	2,169
2010-2011	2,202
2011-2012	2,154
2012-2013	2,098
2013-2014	2,139
2014-2015	2,036
2015-2016	2,041
2016-2017	2,036
2017-2018	1,899
2018-2019	1,917
2019-2020	1,888

- 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 an increase in state aid for 2019-2020. It is difficult for the New York State to support public education in the wake of fiscal distress in the economy and natural disasters throughout the nation. Increases in retirement and health insurance costs continue to stress our ability to provide educational programming for our children.

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

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
2001-2002	$25,433,397	$14,226,684	$8,698,930
2002-2003	28,434,163	16,326,691	9,477,860
2003-2004	28,366,636	15,079,697	10,828,620
2004-2005	29,397,295	15,802,920	11,529,815
2005-2006	31,165,450	16,556,920	12,215,850
2006-2007	33,261,250	18,011,890	12,927,370
2007-2008	36,162,815	19,361,255	13,419,900
2008-2009	37,198,050	20,292,070	13,969,410
2009-2010	40,078,343	20,553,032	13,969,410
2010-2011	38,286,495	18,378,786	14,282,650
2011-2012	39,846,943	18,461,864	14,865,845
2012-2013	38,830,951	19,054,452	15,240,767
2013-2014	39,145,840	19,724,559	15,697,990
2014-2015	38,997,379	20,011,844	15,933,460
2015-2016	39,570,810	21,599,969	15,933,460
2016-2017	41,886,438	22,999,294	15,933,460
2017-2018	40,884,142	23,068,409	15,933,460
2018-2019	42,055,168	23,690,247	16,235,856
2019-2020	43,220,650	23,944,270	16,544,929

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

The implementation of rules commonly referred to as the NYS 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.

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

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.

District-Wide Financial Statements
The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's combined net position for the fiscal year ended June 30, 2020 decreased by $4,697,724. 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*
	2019	*2020*	*2019 - 2020*
Current Assets	$ 6,426,458	$ 5,084,627	$ (1,341,831)
Noncurrent Assets	11,910,305	12,923,342	1,013,037
Capital Assets, Net	54,768,640	53,560,496	(1,208,144)
Total Assets	**73,105,403**	**71,568,465**	**(1,536,938)**
Deferred Charges on Defeased Debt	473,559	337,314	(136,245)
Pensions	9,677,777	9,723,496	45,719
OPEB		11,991,780	11,991,780
Total Deferred Outflows of Resources	**9,677,777**	**22,052,590**	**12,037,499**
Current Liabilities	6,994,676	6,190,318	(804,358)
Noncurrent Liabilities	72,200,130	88,302,855	16,102,725
Total Liabilities	**79,194,806**	**94,493,173**	**15,298,367**
Pensions	2,400,136	3,300,295	900,159
OPEB	8,560,429	7,423,943	(1,136,486)
Total Deferred Inflows of Resources	**10,960,565**	**10,724,238**	**(236,327)**
Net Investment in Capital Assets	27,552,271	28,833,143	1,280,872
Restricted	10,914,300	10,591,406	(322,894)
Unrestricted	(45,365,203)	(51,020,905)	(5,655,702)
Total Net (Deficit)	**$ (6,898,632)**	**$ (11,596,356)**	**$ (4,697,724)**

The decrease in current assets is primarily a result of decreases in the current portion of unrestricted and restricted cash, as well as a decrease in prepaid expenses. The increase in noncurrent assets is a result of an increase in the noncurrent portion of restricted cash and an increase in the net pension asset proportionate share. The decrease in net capital assets stems from depreciation expense exceeding capital asset additions in 2020.

Current liabilities decreased primarily due to the repayment of a short-term bond anticipation note. Increases in noncurrent liabilities are in large part due to the increase of the School District's other postemployment benefits liability and the long-term portion of installment purchase debt.

The changes in the deferred inflows of resources - pensions, and the deferred outflows of resources - pensions, are related to changes in the actuarially determined proportionate share of the School District's net pension asset/liability and related deferred outflows and inflows of resources for the pension plans recognized under Government Accounting Standards Board (GASB) Statement No. 68.

Additional changes in noncurrent liabilities, deferred outflows of resources - other postemployment benefits, and deferred inflows of resources - other postemployment benefits, are due to actuarially determined changes in the future costs of plan benefits recognized under GASB Statement No. 75.

Deferred outflows - deferred charges on defeased debt decreased based on the regular amortization of deferred charges.

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

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***
	2019	***2020***	***2019 - 2020***
REVENUES			
Program Revenues:			
Charges for Services	$ 486,033	$ 309,399	$ (176,634)
Operating Grants	1,667,420	1,850,489	183,069
General Revenues:			
Real Property Taxes	13,884,413	14,328,100	443,687
Real Property Tax Items	2,420,554	2,284,591	(135,963)
Unrestricted State Sources	23,859,413	24,059,895	200,482
Use of Money and Property	112,644	101,742	(10,902)
Other General Revenues	779,618	496,163	(283,455)
Total Revenues	**$ 43,210,095**	**$ 43,430,379**	**$ 220,284**
PROGRAM EXPENSES			
General Support	$ 4,367,039	$ 4,957,044	$ 590,005
Instruction	34,020,029	38,568,828	4,548,799
Pupil Transportation	2,392,350	2,650,366	258,016
Community Service	27,824	32,429	4,605
School Lunch Program	1,028,063	1,064,293	36,230
Interest on Debt	996,071	855,143	(140,928)
Total Expenses	**$ 42,831,376**	**$ 48,128,103**	**$ 5,296,727**
CHANGE IN NET POSITION	**$ 378,719**	**$ (4,697,724)**	**$ (5,076,443)**

Total revenues for the School District's governmental activities increased 0.5%, while total expenses increased 12.4%. The increase in total expenses is primarily due to increases in both pension and OPEB expense in comparison to expenses recorded in the prior year. The increase in revenue is due to increases in the School District's tax levy and lottery state aid received.

.

Figures 3 and *4* show the sources of revenue for 2020 and 2019.

Figure 3

Sources of Revenue for 2020

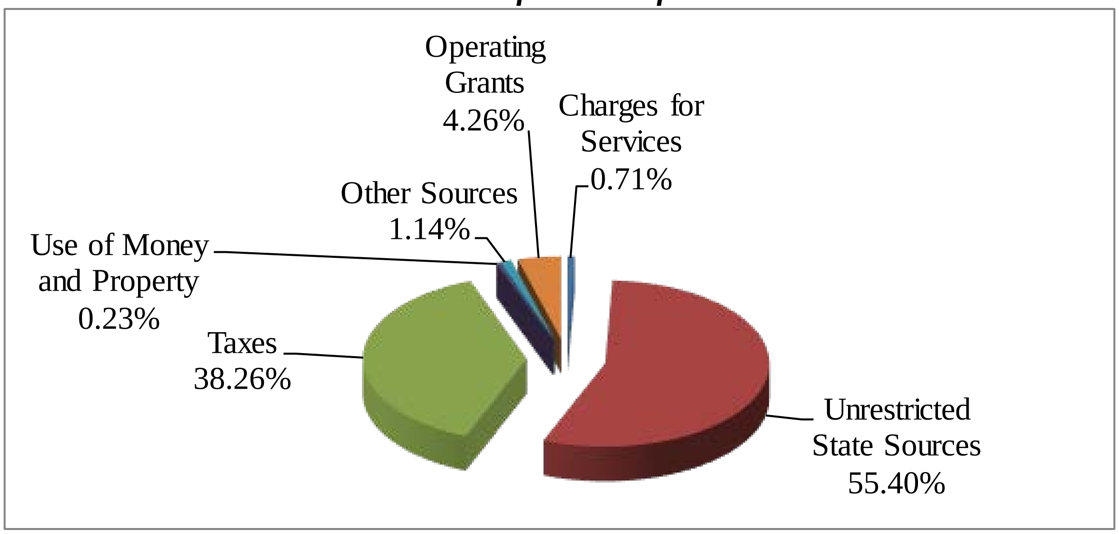
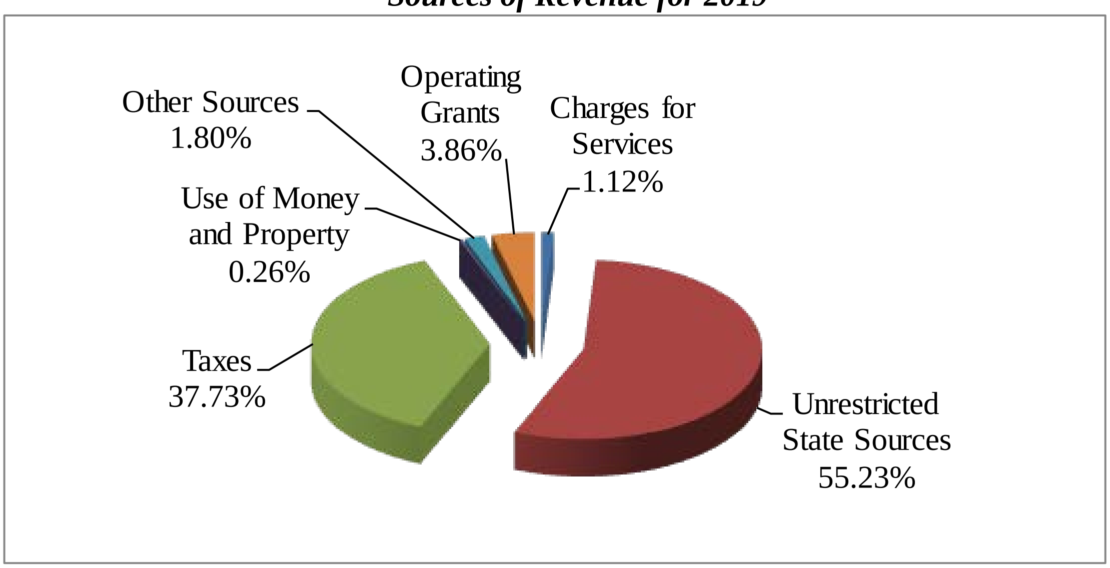


Figure 4

Sources of Revenue for 2019



Figures 5 and *6* present the cost of each of the School District's programs for 2020 and 2019.

Figure 5

Cost of Programs for 2020

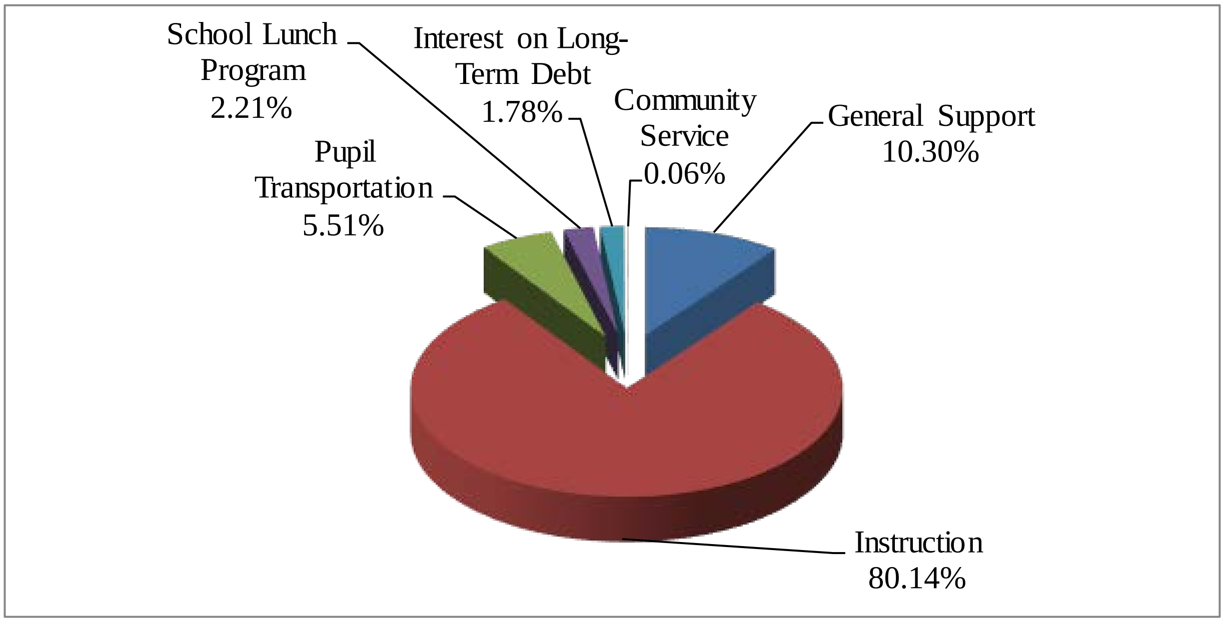
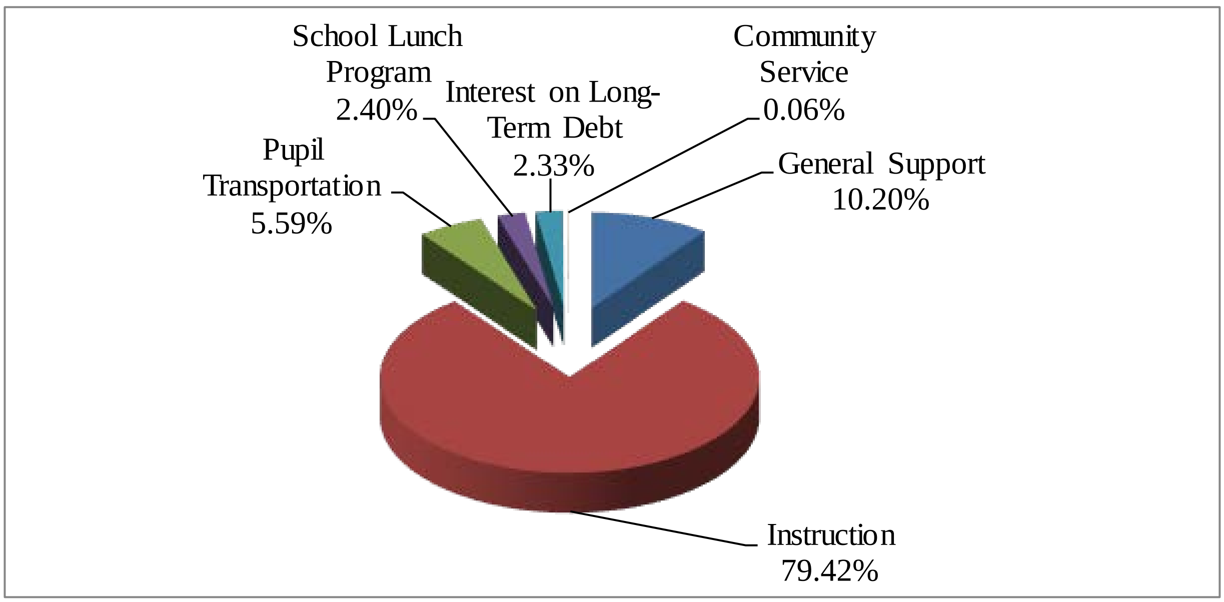


Figure 6

Cost of Programs for 2019



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in fund balance for the year for the School District's funds. The School District experienced a decrease of 0.9% in total fund balance, which is primarily attributable to a fund balance decrease in the General Fund and Debt Service Fund offset by the conversion of short-term financing to long-term within the Capital Projects Fund.

Figure 7

Governmental Fund Balances	*2019*	*2020*	*Total Dollar Change 2019-2020*
General Fund	$ 7,881,888	$ 7,451,390	$ (430,498)
School Lunch Fund	171,733	80,860	(90,873)
Debt Service Fund	5,766,270	5,473,189	(293,081)
Capital Projects Fund	(628,854)	64,691	693,545
Total Governmental Funds	**$ 13,191,037**	**$ 13,070,130**	**$ (120,907)**

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 $1,947,709, including carry-over encumbrances.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances) and variances for the year ended June 30, 2020.

Figure 8

Condensed Budgetary Comparison General Fund - 2020	*Original Budget*	*Revised Budget*	*Actual w/ Encumbrances*	*Favorable (Unfavorable) Variance*
REVENUES				
Real Property Taxes	$ 14,274,750	$ 14,274,750	$ 14,328,100	$ 53,350
Other Tax Items	2,340,154	2,340,154	2,284,591	(55,563)
State Sources	25,020,143	25,020,143	23,944,270	(1,075,873)
Federal Sources	47,674	47,674	33,772	(13,902)
Miscellaneous	549,695	549,695	514,088	(35,607)
Other, Including Financing Sources	308,234	308,234	308,234	-
Total Revenues and Other Financing Sources	**$ 42,540,650**	**$ 42,540,650**	**$ 41,413,055**	**$ (1,127,595)**
Appropriated Fund Balances and Encumbrances	**$ 1,374,881**	**$ 1,374,881**		
EXPENDITURES				
General Support	$ 3,950,809	$ 4,102,057	$ 3,901,867	$ 200,190
Instruction	23,441,797	23,282,361	22,279,511	1,002,850
Pupil Transportation	2,302,108	2,139,467	1,794,218	345,249
Community Service	-	18,741	18,741	-
Employee Benefits	9,897,517	9,830,959	9,431,539	399,420
Debt Service	4,223,300	4,400,740	4,400,740	-
Other Financing Uses	100,000	141,206	141,206	-
Total Expenditures and Other Financing (Uses)	**$ 43,915,531**	**$ 43,915,531**	**$ 41,967,822**	**$ 1,947,709**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2020, the School District has invested in a broad range of capital assets totaling $84,937,047 offset by accumulated depreciation of $31,376,551. Figure 9 shows the changes in the School District's capital assets.

Figure 9

Changes in Capital Assets	*2019*	*2020*	*Total Dollar Change 2019 - 2020*
Land	$ 49,400	$ 49,400	$ -
Construction in Progress	2,063,927	2,063,927	-
Buildings, Net	52,378,751	50,013,424	(2,365,327)
Equipment, Net	276,562	1,433,745	1,157,183
Total	**$ 54,768,640**	**$ 53,560,496**	**$ (1,208,144)**

Capital asset activity for the year ended June 30, 2020 included the following:	
Construction in Progress	$ 100,000
Transportation and Instructional Equipment	1,224,466
Total additions	1,324,466
Net Book Value of Disposed Equipment	107,369
Less Depreciation Expense	(2,639,979)
Net Decrease in Capital Assets	**$ (1,208,144)**

Debt Administration
Figure 10 shows the changes in the School District's outstanding debt. Total indebtedness represented 26.68% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

Outstanding Debt	*Governmental Activities and Total School District*		*Total Dollar Change*
	2019	*2020*	*2019-2020*
Serial Bonds, Net	$ 26,996,383	$ 24,271,612	$ (2,724,771)
Bond Anticipation Notes	693,545	-	(693,545)
Installment Debt, Net	-	793,055	793,055
Total	**$ 27,689,928**	**$ 25,064,667**	**$ (2,625,261)**

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

Priorities addressed in year five of Homer Central School District's Strategic Management Plan will play a significant role in determining the School District's financial future.

Energy Performance Project

The Homer Central School District is in the process of finalizing NYSED approval for their Energy Performance Project. The District will work with Bond Counsel to secure funding in the Fall of 2020. Possible project commencement would begin in the Winter of 2020.

Capital Outlay Projects

In 2019-20, the School District used project money to focus on HVAC improvements at the Homer Bus Garage. For the 2020-21 school year, the District will focus on completion of the HVAC improvements through the Capital Outlay Project. The Capital Outlay Projects are 100% aidable through NYS Education Funding.

Financial Management

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Homer Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Homer Central School District, at P.O Box 500, Homer, New York.

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	
Current Assets	
Cash - Unrestricted	$ 2,908,166
Cash - Restricted	15,379
Receivables:	
State and Federal Aid	1,862,597
Due from Other Governments	199
Other	276,972
Inventories	21,314
Total Current Assets	5,084,627
Noncurrent Assets	
Restricted Cash	10,531,860
Net Pension Asset - Proportionate Share	2,391,482
Capital Assets, Net:	
Land and Construction in Progress	2,113,327
Depreciable Capital Assets, Net	51,447,169
Total Noncurrent Assets	66,483,838
Total Assets	71,568,465
DEFERRED OUFLOWS OF RESOURCES	
Deferred Charges on Defeased Debt	337,314
Pensions	9,723,496
OPEB	11,991,780
Total Deferred Outflows of Resources	22,052,590
LIABILITIES	
Current Liabilities	
Payables:	
Accounts Payable	843,569
Accrued Liabilities	15,202
Due to Other Governments	7
Bond Interest and Matured Bonds	105,116
Due to Teachers' Retirement System	1,493,974
Due to Employees' Retirement System	117,772
Compensated Absences Payable	55,076
Unearned Revenues	20,757
Current Portion of Long-Term Liabilities:	
Bonds Payable	3,386,756
Installment Debt Payable	152,089
Total Current Liabilities	6,190,318

STATEMENT OF NET POSITION (Continued)
JUNE 30, 2020

Noncurrent Liabilities and Obligations	
Bonds Payable	$ 20,884,856
Installment Debt Payable	640,966
Compensated Absences Payable	2,348,335
Other Postemployment Benefits Liability	61,741,173
Net Pension Liability - Proportionate Share	2,687,525
Total Noncurrent Liabilities and Obligations	88,302,855
Total Liabilities	94,493,173
DEFERRED INFLOWS OF RESOURCES	
Pensions	3,300,295
OPEB	7,423,943
Total Deferred Inflows of Resources	10,724,238
NET POSITION	
Net Investment in Capital Assets	28,833,143
Restricted	10,591,406
Unrestricted (Deficit)	(51,020,905)
Total Net Position (Deficit)	**$ (11,596,356)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General Support	$ 4,957,044	$ 15,476	$	$	$ (4,941,568)
Instruction	38,568,828	39,927	1,207,753		(37,321,148)
Pupil Transportation	2,650,366	17,624			(2,632,742)
Community Services	32,429				(32,429)
School Lunch Program	1,064,293	236,372	642,736		(185,185)
Interest on Debt	855,143				(855,143)
Total Functions and Programs	**$ 48,128,103**	**$ 309,399**	**$1,850,489**	**$ -**	(45,968,215)

GENERAL REVENUES	
Real Property Taxes	14,328,100
Real Property Tax Items	2,284,591
Use of Money and Property	101,742
State Sources	24,059,895
Sale of Property and Compensation for Loss	134,103
Miscellaneous	362,060
Total General Revenues	41,270,491
Change in Net Position	(4,697,724)
Total Net Position (Deficit) - Beginning of Year	(6,898,632)
Total Net Position (Deficit) - End of Year	**$ (11,596,356)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major Funds		
		Special Revenue Funds	
	General Fund	Special Aid Fund	School Lunch Fund
ASSETS			
Cash - Unrestricted	$ 2,592,335	$ 179,387	$ 136,444
Cash - Restricted	5,072,373		15,379
Due from Other Funds	1,191,414	59,864	32,417
State and Federal Aid	1,298,806	519,841	43,950
Due from Other Governments	199		
Other	274,580		217
Inventories			21,314
Total Assets	**$ 10,429,707**	**$ 759,092**	**$ 249,721**
LIABILITIES			
Accounts Payable	$ 828,306	$ 1,499	$ 13,764
Accrued Liabilities	12,977	700	1,525
Due to Other Funds	470,210	747,893	141,810
Due to Other Governments	2		5
Due to Teachers' Retirement System	1,493,974		
Due to Employees' Retirement System	117,772		
Compensated Absences Payable	55,076		
Unearned Revenues		9,000	11,757
Total Liabilities	2,978,317	759,092	168,861
FUND BALANCES			
Nonspendable			21,314
Restricted	4,993,980		59,546
Assigned	804,269		
Unassigned	1,653,141		
Total Fund Balances	7,451,390	-	80,860
Total Liabilities and Fund Balances	**$ 10,429,707**	**$ 759,092**	**$ 249,721**

See Notes to Basic Financial Statements

	Major Funds		
	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	$	$	$ 2,908,166
	4,932,013	527,474	10,547,239
	849,410	326,564	2,459,669
			1,862,597
			199
		2,175	276,972
			21,314
	$ 5,781,423	**$ 856,213**	**$ 18,076,156**
	$	$	$ 843,569
			15,202
	308,234	791,522	2,459,669
			7
			1,493,974
			117,772
			55,076
			20,757
	308,234	791,522	5,006,026
			21,314
	5,473,189	64,691	10,591,406
			804,269
			1,653,141
	5,473,189	64,691	13,070,130
	$ 5,781,423	**$ 856,213**	**$ 18,076,156**

HOMER CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2020

Fund Balances - Total Governmental Funds		**$ 13,070,130**
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	$ 84,937,047	
Less Accumulated Depreciation	(31,376,551)	53,560,496
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	$ 2,391,482	
ERS Net Pension Liability - Proportionate Share	(2,687,525)	(296,043)
Deferred outflows of resources, including deferred charges on defeased debt, pensions, and OPEB, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including pensions and OPEB, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
Deferred Charges on Defeased Debt	$ 337,314	
Deferred Outflows of Resources - OPEB	11,991,780	
Deferred Inflows of Resources - OPEB	(7,423,943)	
ERS Deferred Outflows of Resources - Pension	1,816,393	
ERS Deferred Inflows of Resources - Pension	(73,113)	
TRS Deferred Outflows of Resources - Pension	7,907,103	
TRS Deferred Inflows of Resources - Pension	(3,227,182)	11,328,352
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	$ (21,030,000)	
Installment debt payable	(793,055)	
Premium on Obligations	(3,241,612)	(25,064,667)
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	$ (2,348,335)	
Other Postemployment Benefits Liability	(61,741,173)	
Accrued Interest on Long-term Debt	(105,116)	(64,194,624)
Net (Deficit) of Governmental Activities		**$ (11,596,356)**

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, 2020

	Major Funds		
		Special Revenue Funds	
	General Fund	Special Aid Fund	School Lunch Fund
REVENUES			
Real Property Taxes	$14,328,100	$	$
Other Tax Items	2,282,279		
Nonproperty Taxes	2,312		
Charges for Services	41,310		
Use of Money and Property	86,039		550
Sale of Property and Compensation for Loss	26,734		
Miscellaneous	360,005		4,945
State Sources	23,944,270	280,449	52,608
Federal Sources	33,772	1,042,929	590,128
Sales - School Lunch			231,427
Total Revenues	41,104,821	1,323,378	879,658
EXPENDITURES			
General Support	3,788,750		
Instruction	22,274,327	1,275,612	437,103
Pupil Transportation	1,788,510	52,931	
Community Services	18,741		
Employee Benefits	9,431,279	36,041	179,151
Debt Service:			
Principal	3,317,089		
Interest	1,083,651		
Cost of Sales			354,277
Capital Outlay			
Total Expenditures	41,702,347	1,364,584	970,531
Excess (Deficiency) of Revenues Over Expenditures	(597,526)	(41,206)	(90,873)
OTHER FINANCING SOURCES AND (USES)			
Premium on Obligations			
Proceeds of Obligations			
Operating Transfers In	308,234	41,206	
Operating Transfers (Out)	(141,206)		
Total Other Sources (Uses)	167,028	41,206	-
Net Change in Fund Balances	(430,498)	-	(90,873)
Fund Balances (Deficit) - Beginning of Year	7,881,888	-	171,733
Fund Balances - End of Year	**$ 7,451,390**	**$ -**	**$ 80,860**

See Notes to Basic Financial Statements

Major Funds		
Debt Service Fund	Capital Projects Fund	Total Governmental Funds
$	$	$ 14,328,100
		2,282,279
		2,312
		41,310
15,153		101,742
		26,734
		364,950
		24,277,327
		1,666,829
		231,427
15,153	-	43,323,010
65,573		3,854,323
		23,987,042
		1,841,441
		18,741
		9,646,471
		3,317,089
		1,083,651
		354,277
	100,000	100,000
65,573	100,000	44,203,035
(50,420)	(100,000)	(880,025)
109,118		109,118
	650,000	650,000
	143,545	492,985
(351,779)		(492,985)
(242,661)	793,545	759,118
(293,081)	693,545	(120,907)
5,766,270	(628,854)	13,191,037
$ 5,473,189	**$ 64,691**	**$ 13,070,130**

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, 2020

Net Change in Fund Balances - Total Governmental Funds		**$ (120,907)**
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 1,324,466	
Gain on Sale of Equipment	107,369	
Depreciation Expense	(2,639,979)	(1,208,144)
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	$ (488,011)	
TRS	(1,638,920)	(2,126,931)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Proceeds of Debt	$ (650,000)	
Proceeds of Installment Purchase Debt	(945,144)	
Premiums on Obligations	(109,118)	
Principal Payments - Installment Purchase Debt	152,089	
Principal Payments	3,165,000	1,612,827
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	$ (274,991)	
Other Postemployment Benefits Obligations	(2,808,086)	(3,083,077)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds. This is the amount of change from the prior year.		
Amortization of Charges on Defeased Debt	$ (136,245)	
Amortization of Bond Premium	318,889	
Change in Accrued Interest Payable	45,864	228,508
Net Change in Net Position (Deficit) of Governmental Activities		**$ (4,697,724)**

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash - Unrestricted	$	$ 369,426
Cash - Restricted	105,369	
Accounts Receivable	100	5,627
Total Assets	105,469	**$ 375,053**
LIABILITIES		
Extraclassroom Activity Funds Balances		$ 133,767
Other Liabilities	100	241,286
Total Liabilities	100	**$ 375,053**
NET POSITION		
Restricted for Scholarships	**$ 105,369**	

See Notes to Basic Financial Statements

HOMER CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Fund
ADDITIONS	
Gifts and Contributions	$ 1,350
Investment Earnings	155
Total Additions	1,505
DEDUCTIONS	
Scholarships and Awards	3,280
Total Deductions	3,280
Change in Net Position	(1,775)
Net Position - Beginning of Year	107,144
Net Position - End of Year	**$ 105,369**

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

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

- The primary government, which is the Homer Central School District;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

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

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

The Extraclassroom Activity Funds of the Homer Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's office, located at 80 S. West Street, Homer, New York 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. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

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

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

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

Note 1 Summary of Significant Accounting Policies - Continued

Governmental Fund Financial Statements

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

The 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.

- 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.

  - School Lunch Fund: Used to account for child nutrition activities whose funds are restricted as to use.

- 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.

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

The School District reports the following Fiduciary Funds:

- Private-Purpose Trust Fund: Accounts for Scholarship Funds awarded to individual students. These activities, and those of the Agency Funds described below, 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.

- Agency Funds: Strictly custodial in nature and do not involve measurement of results of operations. Assets are held by the School District as agent for various student groups or Extraclassroom Activity Funds and for payroll or employee withholding.

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

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

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

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

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.

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.

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

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

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

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

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

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

	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

Note 1 Summary of Significant Accounting Policies - Continued

Vested Employee Benefits - Compensated Absences

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

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

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

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other Postemployment Benefits (OPEB)

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 11 for additional information.

Note 1 Summary of Significant Accounting Policies - Continued

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.

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 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."

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

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.

- 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 §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.

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

Legally Adopted Reserves

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

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

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

- Retirement Contribution Reserve (GML §6-r) - Used to finance retirement contributions payable to the New York State and Local Employees' Retirement System. This reserve may be established without voter approval and funded with budgetary appropriations, revenues not required by law to be paid into other funds or accounts, transfers from other Reserve Funds as permitted by law and other such funds as the school board may legally appropriate. Funds from this reserve may be expended without voter approval. This reserve is 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.

Note 1 Summary of Significant Accounting Policies - Continued

Legally Adopted Reserves - Continued

- 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.

Property Taxes - Calendar
Real property taxes are levied annually by the Board of Education no later than September 1. For the year then ended June 30, 2020, the tax lien was issued on August 13, 2019. Taxes were collected during the period September 3, to October 31, 2019.

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

Note 1 Summary of Significant Accounting Policies - Continued

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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

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

Future Changes in Accounting Standards

- GASB has issued Statement No. 84, “Fiduciary Activities,” effective for the year ending June 30, 2021. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.

- GASB has issued Statement No. 87, “Leases,” effective for the year ending June 30, 2022.

- GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period,” effective for the year ending June 30, 2022.

- GASB has issued Statement No. 90, “Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61,” effective for the year ending June 30, 2021.

- GASB has issued Statement No. 91, “Conduit Debt Obligations,” effective for the year ending June 30, 2023.

- GASB has issued Statement No. 92, “Omnibus 2020,” effective for the year ending June 30, 2022.

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

Note 2 **Participation in BOCES**

During the year ended June 30, 2020, the School District's share of BOCES income amounted to $2,128,206. The School District was billed $5,130,526 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 $14,547,655 are either insured or collateralized with securities held by the pledging financial institution in the School District’s name.

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

Restricted cash consists of the following at June 30, 2020:

General Fund Reserves	$ 4,993,980
Restricted for Debt	5,473,189
Restricted for Capital Projects	64,691
Restricted for School Lunch	15,379
Subtotal	10,547,239
Private Purpose Trust Fund	105,369
Total	**$ 10,652,608**

Note 4 **Other Receivables**

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

	Description	Amount
General Fund	Reimbursements	$ 274,580
School Lunch Fund	Sales	217
Capital Projects Fund	Reimbursements	2,175
Total		**$ 276,972**

Note 5 **Interfund Balances and Activity**

Interfund balances at June 30, 2020, are as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,191,414	$ 470,210	$ 308,234	$ 141,206
Special Aid Fund	59,864	747,893	41,206	
School Lunch Fund	32,417	141,810		
Debt Service Fund	849,410	308,234		351,779
Capital Projects Fund	326,564	791,522	143,545	
Total	**$ 2,459,669**	**$ 2,459,669**	**$ 492,985**	**$ 492,985**

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, 2020, 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	2,063,927	100,000	(100,000)	2,063,927
Total Nondepreciable Historical Cost	2,113,327	100,000	(100,000)	2,113,327
Capital Assets That Are Depreciated:				
Buildings	80,487,733		100,000	80,587,733
Furniture and Equipment	1,106,081	1,224,466	(94,560)	2,235,987
Total Depreciable Historical Cost	81,593,814	1,224,466	5,440	82,823,720
Total Historical Cost	83,707,141	1,324,466	(94,560)	84,937,047
Less Accumulated Depreciation:				
Buildings	(28,108,982)	(2,465,327)		(30,574,309)
Furniture and Equipment	(829,519)	(174,652)	201,929	(802,242)
Total Accumulated Depreciation	(28,938,501)	(2,639,979)	201,929	(31,376,551)
Total Historical Cost, Net	**$ 54,768,640**	**$ (1,315,513)**	**$ 107,369**	**$ 53,560,496**

Depreciation expense was charged to governmental functions as follows:

General Support	$ 9,301
Instruction	2,359,318
Pupil Transportation	265,912
School Lunch Program	5,448
Total	**$ 2,639,979**

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.

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

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

	Interest Rate	Maturity Date	Beginning Balance	Issued	Redeemed	Ending Balance
2019 BAN -						
Capital Construction	2.35%	7/12/2019	$ 693,545	$ -	$ (693,545)	$ -
Total			**$ 693,545**	**$ -**	**$(693,545)**	**$ -**

Interest Paid	$ 16,298
Interest Accrued in the Prior Year	(15,673)
Total	**$ 625**

Note 8 Long-Term Debt

At June 30, 2020, the total outstanding indebtedness of the School District represented 26.68% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- Serial Bonds - The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

- Installment Purchase Debt - During 2019-2020, the School District entered into installment purchase agreements for the purchase of school buses. The cost and net book value of assets acquired with installment purchase debt totaled $945,144 and $850,632, respectively.

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, 2020:

	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2020
Refunding Bonds:				
Refunding Bonds	10/01/2010	02/15/2022	3.0% - 4.0%	$ 1,560,000
Refunding Bonds	04/19/2016	03/15/2021	2.0% - 4.0%	210,000
Refunding Bonds	04/19/2016	03/15/2024	2.0% - 4.0%	4,855,000
Total Refunding Bonds				6,625,000
Serial Bonds:				
2017 Serial Bonds	06/08/2017	06/15/2032	3.0% - 5.0%	13,775,000
2019 Serial Bonds	06/17/2019	06/15/2034	5.0%	630,000
Total Serial Bonds				14,405,000
Plus: Unamortized Premium				3,241,612
Subtotal Bonds				24,271,612
Installment Purchase Debt	07/01/2019	07/01/2024	3.4%	793,055
Total				**$ 25,064,667**

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

Interest Paid	$ 1,067,353
Less Interest Accrued in the Prior Year	(135,307)
Plus Interest Accrued in the Current Year	105,116
Plus Amortization of Deferred Charges on Defeased Debt	136,245
Less Amortization of Bond Premium	(318,889)
Total	**$ 854,518**

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	$ 23,545,000	$ 650,000	$ (3,165,000)	$ 21,030,000	$ 3,085,000
Unamortized Premium	3,451,383	109,118	(318,889)	3,241,612	301,756
Installment Purchase Debt	-	945,144	(152,089)	793,055	152,089
Total	**$ 26,996,383**	**$ 1,704,262**	**$ (3,635,978)**	**$ 25,064,667**	**$ 3,538,845**

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

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

Year	Serial Bonds Principal	Interest	Total
2021	$ 3,085,000	$ 931,800	$ 4,016,800
2022	2,970,000	824,600	3,794,600
2023	2,285,000	703,750	2,988,750
2024	2,365,000	619,500	2,984,500
2025	1,140,000	514,050	1,654,050
2026-2030	6,620,000	1,940,975	8,560,975
2031-Thereafter	2,565,000	185,450	2,750,450
Total	**$ 21,030,000**	**$ 5,720,125**	**$ 26,750,125**

Year Ending June 30,	Installment Purchase Debt Payments
2021	$ 152,089
2022	152,089
2023	152,089
2024	336,788
Total	**$ 793,055**

On April 19, 2016, the School District issued $8,830,000 in general obligation bonds, with interest rates ranging between 1.5% and 4.0%. The School District issued the bonds to advance refund the $8,830,000 of outstanding various general obligation bonds with interest rates ranging from 3.5 % to 4.0%. The School District used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bonds. As a result, the $8,830,000 in bonds is considered defeased and the liability has been removed from the financial statements. The outstanding principal of the defeased bonds was $0 at June 30, 2020.

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

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges on defeased debt are summarized as follows:

Governmental Activities	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Deferred Charges on Defeased Debt	$ 473,559	$ -	$ (136,245)	$ 337,314	**$ 120,341**

Note 9 **Compensated Absences**

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

Compensated absences balances and activity are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated Absences	$ 2,123,355	$ 280,056	$ -	$ 2,403,411	**$ 55,076**

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

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

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

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

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

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

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

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

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.

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

Summary of Significant Accounting Policies

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

Contributions

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

	ERS	TRS
2020	**$ 452,385**	**$ 1,631,738**
2019	440,939	1,475,554
2018	444,713	1,777,175

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

At June 30, 2020, 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, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/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	4/1/2019	6/30/2018
Net Pension Asset/Liability	$ 26,480,579,097	$ (2,598,006,772)
School District's Proportionate Share of the Plan's Total Net Pension Asset/Liability	2,687,525	(2,391,482)
School District's Share of the Net Pension Asset/Liability	0.0101490%	0.092051%

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

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

For the year ended June 30, 2020, the School District recognized pension expense of $946,264 for ERS and $3,035,222 for TRS in the District-wide financial statements. At June 30, 2020 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	$ 158,172	$ 1,620,646	$	$ 177,835
Changes of Assumptions	54,114	4,517,830	46,727	1,101,575
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,377,756			1,917,845
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	108,579	374,161	26,386	29,927
School District's Contributions Subsequent to the Measurement Date	117,772	1,394,466		
Total	**$1,816,393**	**$ 7,907,103**	**$ 73,113**	**$ 3,227,182**

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, 2021. 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
2021	$ 281,019	$ 1,159,683
2022	411,967	146,394
2023	518,318	1,155,761
2024	414,204	775,298
2025		114,910
Thereafter	-	(66,591)

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

Actuarial Assumptions
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, 2020	June 30, 2019
Actuarial Valuation Date	April 1, 2019	June 30, 2018
Investment Rate of Return	6.8%	7.1%
Salary Increases	4.2%	1.9% - 4.72%
Cost of Living Adjustments	1.3%	1.3%
Inflation Rate	2.5%	2.2%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP 2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

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

Actuarial Assumptions - Continued

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expect future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

	ERS	TRS
Measurement Date	March 31, 2020	June 30, 2019
Asset Type		
Domestic Equities	4.1%	6.3%
International Equities	6.2%	7.8%
Global Equities		7.2%
Real Estate	5.0%	4.6%
Private Equity/Alternative Investments	6.8%	9.9%
Absolute Return Strategies	3.3%	
Opportunistic Portfolio	4.7%	
Real Assets	6.0%	
Cash	0.0%	
Inflation-Indexed Bonds	0.5%	
Domestic Fixed Income Securities		1.3%
Global Fixed Income Securities		0.9%
Private Debt		6.5%
Real Estate Debt		2.9%
High-Yield Fixed Income Securities		3.6%
Mortgages and Bonds	0.8%	
Short-Term		0.3%

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

Discount Rate

The discount rate used to calculate the total pension asset/liability was 6.8% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

The following presents the School District's proportionate share of the net pension asset/liability calculated using the discount rate of 6.8% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
School District's Proportionate Share of the Net Pension Asset/Liability	$ 4,932,368	$ 2,687,525	$ 620,016

TRS	1% Decrease (6.1%)	Current (7.1%)	1% Increase (8.1%)
School District's Proportionate Share of the Net Pension Asset/Liability	$ 10,794,901	$(2,391,482)	$ (13,453,370)

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, 2020	June 30, 2019
Employers' Total Pension Asset/Liability	$ 194,596,261	$ 119,879,474
Plan Net Position	(168,115,682)	(122,477,481)
Employers' Net Pension Asset/Liability	**$ 26,480,579**	**$ (2,598,007)**
Ratio of Plan Net Position to the Employers' Total Pension Asset/Liability	86.4%	102.2%

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Employee contributions are remitted monthly. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to $117,772.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October, and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 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, 2020 amounted to $1,493,974.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Liability	$ 704,214	$ 1,983,311	$ 2,687,525
Deferred Outflows of Resources	(518,224)	(1,298,169)	(1,816,393)
Deferred Inflows of Resources	270,244	(197,131)	73,113
Subtotal	456,234	488,011	944,245
TRS			
Net Pension Asset	(1,680,662)	(710,820)	(2,391,482)
Deferred Outflows of Resources	(9,159,553)	1,252,450	(7,907,103)
Deferred Inflows of Resources	2,129,892	1,097,290	3,227,182
Subtotal	(8,710,323)	1,638,920	(7,071,403)
Total	**$ (8,254,089)**	**$ 2,126,931**	**$ (6,127,158)**

Note 11 **Postemployment Benefits Other Than Pensions (OPEB)**

General Information about the OPEB Plan

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

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

Employees Covered by Benefit Terms - At June 30, 2020, the following employees were covered by the benefit terms.

Inactive Employees or Beneficiaries Currently Receiving Benefit	220
Active Members	352
Total	**572**

Total OPEB Liability

The School District's total OPEB liability of $61,741,173 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	2.21%
Salary Scale	Varies, based on NYS TRS & ERS
Rate of Inflation	2.20%
Marital Assumption	70.00%
Participation Rate	100% for Retirees 80.00% for Spouses
Healthcare Cost Trend Rates	5.40% for 2019, Decreasing to an Ultimate Rate of 3.84% by 2075

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

Total OPEB Liability - Continued

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the following:

- Mortality rates were based on Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2018.

- Termination and retirement rates were based on NYS ERS assumptions first adopted on April 1, 2015 and NYS TRS assumptions first adopted on June 30, 2015.

- Medical trend rates are based on the 2018 Getzen model with initial trend rate of 5.40% decreasing gradually to an ultimate rate of 3.84% in 2075.

- Dental trend rates are based on an initial rate of 4.50% decreasing by 0.25% annually to an ultimate rate of 3.00%.

- Actual spousal health coverage election was used for existing retirees.

The actuarial assumptions used in the June 30, 2018 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, 2019	$ 45,804,821
Changes for the Year	
Service Cost	1,991,625
Interest Cost	1,653,067
Differences Between Expected and Actual Experience	287,127
Changes in Assumptions or Other Inputs	13,417,765
Benefit Payments	(1,413,232)
Net Change	15,936,352
Balance at June 30, 2020	**$ 61,741,173**

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

Changes in the Total OPEB Liability - Continued

Changes of assumptions and other inputs reflect a change in the discount rate from 3.51% at the measurement date of June 30, 2019 to 2.21% in June 30, 2020.

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 (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	$ 75,744,789	$ 61,741,173	$ 51,030,925

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 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 48,815,837	$ 61,741,173	$ 75,744,789

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

For the year ended June 30, 2020, the School District recognized OPEB expense of $4,221,318.

At June 30, 2020, 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	$ 251,236	$ (382,991)
Changes in Assumptions or Other Inputs	11,740,544	(7,040,952)
Total	**$ 11,991,780**	**$ (7,423,943)**

Note 11 **Postemployment Benefits Other Than Pensions (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
2021	$ 576,626
2022	576,626
2023	576,626
2024	576,626
2025	576,626
Thereafter	1,684,707

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
Other Postemployment Benefits Liability	$ 45,804,821	$ 15,936,352	$ 61,741,173
Deferred Outflows of Resources	-	(11,991,780)	(11,991,780)
Deferred Inflows of Resources	8,560,429	(1,136,486)	7,423,943
Total Effect on Net Position	**$ 54,365,250**	**$ 2,808,086**	**$ 57,173,336**

Note 12 **Commitments and Contingencies**

Risk Financing and Related Insurance - General Information

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

Risk Financing and Related Insurance - Health Insurance

The School District incurs costs related to an employee health insurance plan (Plan) sponsored by BOCES and its component districts. The Plan's objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage and to develop a comprehensive loss control program.

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.

Note 12 **Commitments and Contingencies - Continued**

Risk Financing and Related Insurance - Health Insurance - Continued
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, 2020, the School District incurred premiums or contribution expenditures totaling $5,988,272.

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, 2020, the School District had reserved $1,066,543 in the General Fund to fund any claims. Workers' compensation charges for the year ended June 30, 2020 were $81,303.

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.

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

Note 13 Lease Obligations

The School District utilizes operating leases for the use of transportation equipment. The terms, interest rate, and annual payments for each lease are summarized below:

	Dated	Term	Interest Rate	Annual Payment
2019 Lease	7/3/2018	5 years	2.75%	$ 60,736
2019 Lease	7/3/2018	5 years	2.75%	14,695
2018 Lease	7/11/2017	5 years	2.80%	101,666
2017 Lease	8/30/2016	5 years	1.73%	107,976

Combined future minimum payments under these agreements are as follows:

2021	$ 285,073
2022	177,097
2023	75,431
Total	**$ 537,601**

The School District's operating lease expenses were $285,073 for year ended June 30, 2020.

Note 14 **Fund Balance Detail**

At June 30, 2020, nonspendable, restricted, assigned, and unassigned fund balance in the Governmental Funds was as follows:

	General Fund	School Lunch Fund	Debt Service Fund	Capital Projects Fund
Nonspendable				
Inventory	$	$ 21,314	$	$
Total Nonspendable Fund Balance	**$ -**	**$ 21,314**	**$ -**	**$ -**
Restricted				
Retirement Contribution Reserve	$ 1,609,517	$	$	$
Unemployment Insurance Reserve	248,420			
Workers' Compensation Reserve	1,066,543			
Employee Benefit Accrued Liability Reserve	1,837,454			
Tax Certiorari Benefit Reserve	100,109			
Capital Reserve	131,937			
School Lunch		59,546		
Debt Service			5,473,189	
Capital Projects				64,691
Total Restricted Fund Balance	**$ 4,993,980**	**$ 59,546**	**$ 5,473,189**	**$ 64,691**
Assigned				
Appropriated for Next Year's Budget	$ 680,000	$	$	$
Encumbered for:				
General Support	113,117			
Instruction	5,184			
Pupil Transportation	5,708			
Employee Benefits	260			
Total Assigned Fund Balance	**$ 804,269**	**$ -**	**$ -**	**$ -**
Total Unassigned Fund Balance	**$ 1,653,141**	**$ -**	**$ -**	**$ -**

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, 2020 were as follows:

Restricted Fund Balances	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
General Fund					
Retirement Contribution Reserve	$ 1,607,215	$	$ 2,302	$	$ 1,609,517
Employee Benefit Accrued Liability Reserve	1,836,634		820		1,837,454
Unemployment Insurance Reserve	248,065		355		248,420
Workers' Compensation Reserve	1,066,067		476		1,066,543
Tax Certiorari Reserve	100,380	100,000	143	(100,414)	100,109
Capital Reserve	131,749		188		131,937
Total General Fund	**$4,990,110**	**$ 100,000**	**$ 4,284**	**$ (100,414)**	**$4,993,980**
Debt Service Fund	**$5,766,270**	**$ 109,118**	**$ 15,153**	**$ (417,352)**	**$5,473,189**
School Lunch Fund	**$ 157,920**	**$ -**	**$ -**	**$ (98,374)**	**$ 59,546**

Note 16 Stewardship, Compliance and Accountability

Deficit Net Position

At June 30, 2020, the District-wide Statement of Net Position had an unrestricted deficit net position of $51,020,905. This is primarily the result of the requirement to record other postemployment benefit liability with no requirement or mechanism to fund this liability (see Note 11). The deficit is not expected to be eliminated during the normal course of operations.

Note 17 Tax Abatements

For the year ended June 30, 2020, 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, 2020 is as follows:

	Taxable Assessed Value	Combined Tax Rates	Tax Value	PILOT Received	Taxes Abated
Cortland County Industrial Development Agency					
Forkey Construction & Fabricating Inc.	$ 1,701,000	20.48	$ 34,831	$ 17,416	$ 17,416
NY Susquehanna & Western Railway	159,574	20.48	3,268	5,841	-
Village of Homer					
Homer Housing Company	536,316	20.48	10,982	3,919	7,063
Total PILOT Agreements	**$ 2,396,890**		**$ 49,081**	**$ 27,176**	**$ 24,479**

Note 18 Uncertainty

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies on the area in which the School District operates. The School District completed the school year in an online learning format and is beginning the 2020-2021 academic year in a partially online format. While it is unknown how long these conditions will last and what the complete financial effect will be, the School District expects disruptions to businesses and residents and potential effects to state government funding, which could negatively impact operating results in future periods.

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real Property Taxes	$ 14,274,750	$ 14,274,750	$ 14,328,100	$ 53,350
Real Property Tax Items	2,337,654	2,337,654	2,282,279	(55,375)
Nonproperty Taxes	2,500	2,500	2,312	(188)
Charges for Services	51,143	51,143	41,310	(9,833)
Use of Money and Property	87,852	87,852	86,039	(1,813)
Sale of Property and Compensation for Loss	5,000	5,000	26,734	21,734
Miscellaneous	405,700	405,700	360,005	(45,695)
Total Local Sources	17,164,599	17,164,599	17,126,779	(37,820)
State Sources	25,020,143	25,020,143	23,944,270	(1,075,873)
Federal Sources	47,674	47,674	33,772	(13,902)
Total Revenues	42,232,416	42,232,416	41,104,821	(1,127,595)
OTHER FINANCING SOURCES				
Operating Transfers In	308,234	308,234	308,234	-
Total Revenues and Other Financing Sources	42,540,650	42,540,650	**$ 41,413,055**	**$ (1,127,595)**
Appropriated Fund Balance	680,000	680,000		
Encumbrances Carried Forward from Prior Year	694,881	694,881		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	**$ 43,915,531**	**$ 43,915,531**		

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, 2020

	Original Budget	Final Budget
EXPENDITURES		
General Support		
Board of Education	$ 25,717	$ 22,346
Central Administration	207,146	211,127
Finance	553,871	585,141
Staff	147,229	165,918
Central Services	2,638,917	2,717,700
Special Items	377,929	399,825
Total General Support	3,950,809	4,102,057
Instruction		
Instruction, Administration, and Improvement	1,261,703	1,241,447
Teaching - Regular School	12,642,908	12,318,844
Programs for Children with Handicapping Conditions	4,589,169	4,717,403
Occupational Education	1,190,915	1,190,509
Teaching - Special School	15,000	15,000
Instructional Media	1,443,277	1,463,814
Pupil Services	2,298,825	2,335,344
Total Instruction	23,441,797	23,282,361
Pupil Transportation	2,302,108	2,139,467
Community Services		18,741
Employee Benefits	9,897,517	9,830,959
Debt Service		
Principal	3,195,000	3,317,089
Interest	1,028,300	1,083,651
Total Debt Service	4,223,300	4,400,740
Total Expenditures	43,815,531	43,774,325
OTHER FINANCING USES		
Operating Transfers Out	100,000	141,206
Total Expenditures and Other Financing Uses	**$ 43,915,531**	**$ 43,915,531**
Net Change in Fund Balance		
Fund Balance - Beginning of Year		
Fund Balance - End of Year		

See Notes to Required Supplementary Information

Actual	Encumbrances	Variance Favorable (Unfavorable)
$ 20,372	$	$ 1,974
207,768		3,359
543,384		41,757
163,718		2,200
2,479,044	113,117	125,539
374,464		25,361
3,788,750	113,117	200,190
1,219,493		21,954
11,774,356	3,976	540,512
4,566,924	1,080	149,399
1,185,290		5,219
9,503		5,497
1,417,058	128	46,628
2,101,703		233,641
22,274,327	5,184	1,002,850
1,788,510	5,708	345,249
18,741		-
9,431,279	260	399,420
3,317,089		-
1,083,651		-
4,400,740	-	-
41,702,347	124,269	1,947,709
141,206		-
41,843,553	**$ 124,269**	**$ 1,947,709**
(430,498)		
7,881,888		
$ 7,451,390		

HOMER CENTRAL SCHOOL DISTRICT

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

	2020	**2019**	**2018**
Contractually Required Contribution	**$ 452,385**	$ 440,939	$ 444,713
Contributions in Relation to the Contractually Required Contribution	**(452,385)**	(440,939)	(444,713)
Contribution Deficiency (Excess)	**-**	-	-
School District's Covered Employee Payroll	**3,337,638**	3,216,078	3,214,082
Contributions as a Percentage of Covered Employee Payroll	**13.6%**	13.7%	13.8%

* Information unavailable at this time

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

	2020	**2019**	**2018**
Contractually Required Contribution	**$ 1,394,466**	$ 1,631,737	$ 1,475,554
Contributions in Relation to the Contractually Required Contribution	**(1,394,466)**	(1,631,737)	(1,475,554)
Contribution Deficiency (Excess)	**-**	-	-
School District's Covered Employee Payroll	**15,738,894**	15,350,301	15,056,673
Contributions as a Percentage of Covered Employee Payroll	**8.9%**	10.6%	9.8%

See Notes to Required Supplementary Information

2017	2016	2015	2014	2013	2012	2011
$ 446,908	$ 563,316	$ 500,913	$ 631,180	$ 609,827	$ 461,529	$ 354,860
(466,908)	(563,316)	(500,913)	(631,180)	(609,827)	(461,529)	(354,860)
-	-	-	-	-	-	-
3,112,302	3,220,366	3,064,569	3,183,592	3,251,047	3,099,768	3,184,951
14.4%	17.5%	16.3%	19.8%	18.8%	14.9%	11.1%

2017	2016	2015	2014	2013	2012	2011
$ 1,777,175	$ 2,007,733	$ 2,654,266	$ 2,375,633	$ 1,790,258	$ 1,603,408	$ 1,244,046
(1,777,175)	(2,007,733)	(2,654,266)	(2,375,633)	(1,790,258)	(1,603,408)	(1,244,046)
-	-	-	-	-	-	-
15,163,309	15,141,275	15,142,989	14,619,280	15,120,422	14,432,115	14,432,088
11.7%	13.3%	17.5%	16.3%	11.8%	11.1%	8.6%

HOMER CENTRAL SCHOOL DISTRICT

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

	2020	2019
School District's Proportion of the Net Pension Asset/Liability	**0.0101490%**	0.0099391%
School District's Proportionate Share of the Net Pension Asset/Liability	**$ 2,687,525**	$ 704,214
School District's Covered Employee Payroll During the Measurement Period	**3,337,638**	3,216,078
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Employee Payroll	**80.5%**	21.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	**86.4%**	96.3%

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

	2020	2019
School District's Proportion of the Net Pension Asset/Liability	**0.092051%**	0.092943%
School District's Proportionate Share of the Net Pension Asset/Liability	**$ (2,391,482)**	$ (1,680,662)
School District's Covered Employee Payroll During the Measurement Period	**15,350,301**	15,056,673
School District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered Employee Payroll	**15.6%**	11.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset/Liability	**102.2%**	101.5%

See Notes to Required Supplementary Information

2018	2017	2016	2015
0.0102250%	0.0106162%	0.0116511%	0.0115939%
$ 330,008	$ 997,521	$ 1,870,036	$ 391,671
3,161,366	3,063,304	3,148,176	3,030,571
10.4%	32.6%	59.4%	12.9%
98.2%	94.7%	90.7%	97.9%

2018	2017	2016	2015
0.095015%	0.098267%	0.100798%	0.098969%
$ (722,205)	$ 1,052,482	$ (10,469,734)	$ (11,024,542)
15,163,609	15,141,275	15,142,989	14,619,280
4.8%	7.0%	69.1%	75.4%
100.7%	99.0%	110.5%	111.5%

HOMER CENTRAL SCHOOL DISTRICT

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

	2020	2019	2018
Service Cost	**$ 1,991,625**	$ 1,554,922	$ 1,616,075
Interest Cost	**1,653,067**	2,010,288	1,816,998
Changes of Benefit Terms	**-**	-	-
Differences Between Expected and Actual Experience	**287,127**	(492,417)	-
Changes in Assumptions or Other Inputs	**13,417,765**	(6,949,561)	(2,564,537)
Benefit Payments	**(1,413,232)**	(1,404,494)	(1,073,198)
	15,936,352	(5,281,262)	(204,662)
Total OPEB Liability - Beginning	**45,804,821**	51,086,083	51,290,745
Total OPEB Liability - Ending	**$ 61,741,173**	$ 45,804,821	$ 51,086,083
Covered Employee Payroll	**$ 19,329,874**	$ 15,756,668	$ 17,585,722
Total OPEB Liability as a Percentage of Covered Payroll	**319.41%**	290.70%	290.50%

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

See Notes to Required Supplementary Information

2017	2016	2015	2014	2013	2012	2011
$ *	$ *	$ *	$ *	$ *	$ *	$ *
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
$51,290,745	*	*	*	*	*	*
$ *	$ *	$ *	$ *	$ *	$ *	$ *
*	*	*	*	*	*	*

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Note 1 **Budget Basis of Accounting**

Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or an expenditure in accounting principles generally accepted in the United States (U.S. GAAP) based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year-end, thereby ensuring that appropriations are not exceeded.

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 **Budget Policies**

Budget policies are as follows:

- An annual operating budget is maintained for the General Fund, which is a Governmental Fund.

- The School District Administration prepares a proposed budget for approval by the Board of Education for the fiscal year commencing the following July 1. The proposed budget includes proposed expenditures and the proposed means of financing. The Board must complete the proposed budget at least seven days prior to the public hearing at which it will be presented to the voters.

- The School District presents the proposed budget at a public hearing, conducted to obtain voters comments, seven to 14 days prior to the date of the School District's annual meeting and election. The School District's annual election must be held on the third Tuesday of May.

- Annual budgets adopted represent the legal limit on expenditures for that period. At the end of each year unexpended, unencumbered appropriations lapse. Encumbered appropriations do not lapse and are carried forward.

- Expenditures may not legally exceed appropriations at the fund level.

- All modifications of the budget must be approved by the Board of Education.

Note 2 **Budget Policies - Continued**

- The Board may approve supplemental appropriations, subject to legal restrictions, during the fiscal year where additional revenues or expenditures not involved in the original adopted budget are identified. The following supplemental appropriations occurred during the year:

Adopted Budget	$ 43,220,650
Prior Year's Encumbrances	694,881
Original Budget	43,915,531
Final Budget	**$ 43,915,531**

Note 3 **Reconciliation of the General Fund Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of expenditures and other uses over revenues and other sources on the U.S. GAAP basis to the budget basis as encumbrances are presented in a separate column and are not included in the actual results at June 30, 2020.

Note 4 **Schedule of Changes in the School District's Total OPEB Liability and Related Ratios**

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

2020 - 2.21%
2019 - 3.51%

Note 5 **Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

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

Note 6 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability**

NYSLRS

Changes in Benefit Terms

There were no significant legislative changes in benefits for April 1, 2019 actuarial valuation.

Changes of Assumptions

There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation. The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%. The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

Note 6 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions
The April 1, 2018 actuarial valuation determines the employer rates for contributions payable in fiscal year 2020. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	3.8% in ERS, indexed by service.
Investment Rate of Return	7.0% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

NYSTRS

Changes in Benefit Terms
Effective with the 2019 actuarial valuation an increase in the NYS Governor's salary limit from $179,000 to $200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary limit may ultimately increase to $250,000 phased in over the next two years.

Note 6 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

NYSTRS - Continued

Changes of Assumptions

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

The System’s long-term rate of return assumption for purposes of the NPL is 7.10%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System’s long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System’s long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System’s long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement is changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

Note 6 **Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Asset/Liability - Continued**

NYSTRS - Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine contribution rates reported in the Schedule of the School District's Contributions.

Actuarial Cost Method	The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.
Asset Valuation Method	Five-year phased-in deferred recognition of each year's net investment income/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20% per year, until fully recognized after five years.
Inflation	2.25%
Projected Salary Increases	Rates of increase differ based on age and gender. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return	7.25% compounded annually, net of investment expenses, including inflation.
Projected Cost of Living Adjustments	1.3% compounded annually.

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET		
Adopted Budget		$ 43,220,650
Prior Year's Encumbrances		694,881
Original Budget		43,915,531
Final Budget		**$ 43,915,531**
§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
Next Year's Budget is a Voter Approved Budget	**$ 44,292,939**	
2020-2021 Expenditure Budget Maximum Allowed (4% of 2020-2021 Budget)		$ 1,771,718
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 804,269	
Unassigned Fund Balance	1,653,141	
Total Unrestricted Fund Balance	2,457,410	
Less:		
Appropriated Fund Balance	$ 680,000	
Encumbrances Included in Assigned Fund Balance	124,269	
Total Adjustments	804,269	
General Fund Fund Balance Subject to §1318 of Real Property Tax Law		**$ 1,653,141**
Actual Percentage		3.73%

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

			Expenditures		
PROJECT TITLE	**Original Budget**	**Revised Budget**	**Prior Years**	**Current Year**	**Total**
Phase III 02-012	$ 900,482	$ 900,482	$ 438,948	$	$ 438,948
HS Stadium Renovations 002-014	1,093,545	1,093,545	911,419		911,419
Bus Garage 5003-010	100,000	100,000	97,520		97,520
Bus Garage 5003-011	100,000	100,000	96,000		96,000
Bus Garage 5003-012	100,000	100,000		100,000	100,000
Totals	**$2,294,027**	**$2,294,027**	**$1,543,887**	**$ 100,000**	**$ 1,643,887**

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

	Methods of Financing			Fund	
Unexpended Balance	Proceeds of Obligations	Local Sources	Total	Balance (Deficit) June 30, 2020	
$ 461,534	$ 315,033	$	$ 315,033	$ (123,915)	*
182,126	693,545	400,000	1,093,545	182,126	*
2,480		100,000	100,000	2,480	*
4,000		100,000	100,000	4,000	*
		100,000	100,000	-	
$ 650,140	**$1,008,578**	**$ 700,000**	**$ 1,708,578**	**$ 64,691**	

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

Capital Assets, Net	$ 53,560,496
Add:	
Deferred Charges on Defeased Debt	337,314
Deduct:	
Premium on Bonds	(3,241,612)
Short-term Portion of Bonds Payable	(3,085,000)
Short-term Portion of Installment Purchase Debt	(152,089)
Long-term Portion of Bonds Payable	(17,945,000)
Long-term Portion of Installment Purchase Debt	(640,966)
Net Investment in Capital Assets	**$ 28,833,143**

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

Board of Education
Homer Central School District
Homer, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Homer Central School District (the School District), as of and for the year ended June 30, 2020, 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 13, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 13, 2020

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

Board of Education
Homer Central School District
Homer, New York

Report on Compliance for Each Major Federal Program

We have audited Homer Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 13, 2020

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass - Through Grantor Program Title	Federal CFDA #	Pass - Through Grantor #	Pass - Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education:				
Title I Grants to Local Educational Agencies	84.010	0021200570	$	$ 399,314
Special Education Cluster:				
Special Education - Grants to States	84.027	0032200154		487,270
Special Education - Preschool Grants	84.173	0033200154		9,275
Total Special Education Cluster			-	496,545
Supporting Effective Instruction State Grants	84.367	0147200570		108,605
Student Support and Academic Enrichment Program	84.424	2004200570		38,465
Total Department of Education			-	1,042,929
U.S. Department of Agriculture				
Passed Through NYS Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	(1)		306,257
School Breakfast Program	10.553	(1)		70,411
COVID-19 Summer Food Service Program	10.559	(1)		213,460
Total Child Nutrition Cluster			-	590,128
Total U.S. Department of Agriculture			-	590,128
Total Expenditures of Federal Awards			**$ -**	**$ 1,633,057**

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

See Notes to Schedule of Expenditures of Federal Awards

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

Note 1 **Basis of Presentation**

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

Note 2 **Basis of Accounting**

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

Note 3 **Indirect Costs**

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

Note 4 **Matching Costs**

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

Note 5 **Non-Monetary Federal Program**

The School District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a “non-monetary program.” During the year ended June 30, 2020, the School District received $70,975 worth of commodities under the National School Lunch Program (CFDA #10.555).

Note 6 **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the School District’s casualty insurance policies. There were no loans or loan guarantees outstanding at year end. No amounts were provided to subrecipients.

HOMER CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I **Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ____ yes __X__ no

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

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards

Internal control over major programs

Material weakness(es) identified? ____ yes __X__ no

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

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

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

Identification of major programs

CFDA Numbers	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

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

Auditee qualified as low risk? __X__ yes ____ no

Section II **Financial Statement Findings** None

Section III **Federal Award Findings and Questioned Costs** None

FORM OF BOND COUNSEL'S OPINION
November 4, 2021

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
$4,229,182 Bond Anticipation Notes, 2021 (Renewals)

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $4,229,182 Bond Anticipation Notes, 2021 (Renewals) (the "Notes") of Homer Central School District, Counties of Cayuga, Cortland Onondaga and Tompkins, State of New York (the "District"). The Notes are dated November 4, 2021 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before November 4, 2021 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 without limitation of rate or amount. 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 a specific preference item for purposes of the federal individual alternative minimum tax. 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 & MARQUARDT, LLP