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**Ciaschi • Dietershagen • Little • Mickelson  
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*Certified Public Accountants and Consultants*

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Frederick J. Ciaschi, C.P.A.

**HOMER CENTRAL SCHOOL DISTRICT**

**Homer, New York**

**EXECUTIVE SUMMARY**

**June 30, 2015**

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HOMER CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2015 AUDIT REPORT AND FINDINGS

**Basic Financial Statements**

Report of Independent Auditors on Basic Financial Statements.

Report of Independent Auditors on Supplemental Financial Information.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

**Single Audit (OMB A-133) Report**

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133.

Auditor's Communication with Those Charged with Governance at the Conclusion of the Audit.

Report of Independent Auditors on Extraclassroom Activity Funds.

**Description of Report and Findings**

**Unmodified opinion** on the School District's basic financial statements for the year ended June 30, 2015. This report contains an emphasis of a matter paragraph related to the adoption of new accounting standards for pension reporting.

**Unmodified report** on supplemental financial information in relation to primary audit report.

Report on the School District's compliance with laws and regulations that may have a direct and material effect on the basic financial statements and on the School District's internal control structure, policies and procedures based on the auditor's understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified **no instances of noncompliance and no material internal control weaknesses**. A separate letter dated September 29, 2015, which has been issued, discusses certain accounting issues and enhancements regarding financial reporting.

Report on 1) the School District's internal control structure policies and procedures used in administering federal award programs; 2) compliance with general requirements of the School District's federal awards; and 3) compliance with specific requirements applicable to each major program. This report identified **no material instances of noncompliance and no material internal control weaknesses** regarding compliance in accordance with OMB Circular A-133.

There are several federal award program expenditures that amounted to a total of \$1,807,796.

A letter that specifically addresses certain required communications to the Board of Education in accordance with professional standards - there were **no comments of concern** to be reported regarding the following:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected or Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues
- Other Matters

**Unmodified opinion** on the School District's Extraclassroom Activity Fund financial statements for the year ended June 30, 2015.

Letter of comments dated September 29, 2015 discusses new and recurring issues.

HOMER CENTRAL SCHOOL DISTRICT

5 YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

	JUNE 30, 2015	JUNE 30, 2014	JUNE 30, 2013	JUNE 30, 2012	JUNE 30, 2011
<b>ASSETS</b>					
Cash	\$ 8,688,879	\$ 11,043,626	\$ 10,348,084	\$ 9,469,590	\$ 10,872,743
Receivables	1,146,278	1,646,033	1,920,383	1,983,051	1,375,918
Prepaid expenses	-0-	121,120	-0-	-0-	-0-
Due from other funds	1,190,677	600,140	541,625	776,895	348,985
Total Assets	<u>\$ 11,025,834</u>	<u>\$ 13,410,919</u>	<u>\$ 12,810,092</u>	<u>\$ 12,229,536</u>	<u>\$ 12,597,646</u>
<b>LIABILITIES</b>					
Accounts payable and accruals	\$ 159,164	\$ 1,312,623	\$ 1,163,995	\$ 582,267	\$ 146,066
Due to other funds	613,073	300,749	83,602	-0-	193
Due to other governments	307				
Due to retirement systems	2,809,352	2,654,206	2,074,933	1,920,029	1,531,284
Unearned revenue and planned balance	13,530	8,460	9,450	196,987	114,025
Total Liabilities	<u>3,595,426</u>	<u>4,276,038</u>	<u>3,331,980</u>	<u>2,699,283</u>	<u>1,791,568</u>
<b>FUND BALANCE</b>					
Nonspendable	-0-	121,120	-0-	-0-	-0-
Restricted (reserved)	5,200,999	6,411,477	6,434,095	6,455,166	6,158,873
Assigned (appropriated and encumbrances)	837,757	1,057,775	806,236	1,830,951	3,031,259
Unassigned (unreserved)	1,391,652	1,544,509	2,237,781	1,244,136	1,615,946
Total Fund Balances	<u>7,430,408</u>	<u>9,134,881</u>	<u>9,478,112</u>	<u>9,530,253</u>	<u>10,806,078</u>
Total Liabilities and Fund Balances	<u>\$ 11,025,834</u>	<u>\$ 13,410,919</u>	<u>\$ 12,810,092</u>	<u>\$ 12,229,536</u>	<u>\$ 12,597,646</u>
<b>REVENUES</b>					
Real property and other taxes (including STAR)	\$ 15,963,801	\$ 15,742,189	\$ 15,362,223	\$ 14,869,173	\$ 14,339,291
State aid	20,011,844	19,724,559	19,054,452	18,461,864	18,378,786
Federal aid	28,210	28,368	27,159	10,902	1,170,192
Other	521,597	652,122	794,512	587,758	637,098
Transfers in	782,254	2,340,022	1,000,000	249,730	-0-
Total Revenues	<u>37,307,706</u>	<u>38,487,260</u>	<u>36,238,346</u>	<u>34,179,427</u>	<u>34,525,367</u>
<b>EXPENDITURES</b>					
General support	3,481,642	3,431,839	3,323,409	3,746,691	3,643,285
Instruction	19,374,553	18,834,009	18,810,927	17,611,827	18,188,513
Transportation	1,635,953	1,661,838	1,513,236	1,608,423	1,406,542
Community services	14,895	20,677	14,452	13,931	13,529
Employee benefits	8,456,989	8,808,949	7,908,094	7,738,451	7,160,797
Debt service	4,719,694	4,678,151	4,692,751	4,715,901	4,703,098
Interfund transfers and other	1,328,453	1,395,028	27,618	20,028	15,074
Total Expenditures	<u>39,012,179</u>	<u>38,830,491</u>	<u>36,290,487</u>	<u>35,455,252</u>	<u>35,130,838</u>
Net Fund Balance Change	<u>\$ (1,704,473)</u>	<u>\$ (343,231)</u>	<u>\$ (52,141)</u>	<u>\$ (1,275,825)</u>	<u>\$ (605,471)</u>
Capital Outlay	<u>\$ 1,207,133</u>	<u>\$ 1,039,491</u>	<u>\$ 403,246</u>	<u>\$ 846,511</u>	<u>\$ 880,714</u>
Special Aid Revenues	<u>\$ 1,491,265</u>	<u>\$ 1,253,100</u>	<u>\$ 1,513,515</u>	<u>\$ 2,321,776</u>	<u>\$ 1,089,854</u>
Special Aid Expenditures	<u>\$ 1,491,265</u>	<u>\$ 1,253,100</u>	<u>\$ 1,513,515</u>	<u>\$ 2,321,776</u>	<u>\$ 1,133,838</u>
School Lunch: Revenues	<u>\$ 960,052</u>	<u>\$ 984,156</u>	<u>\$ 1,008,156</u>	<u>\$ 1,004,475</u>	<u>\$ 976,530</u>
School Lunch: Expenditures	<u>\$ 1,035,911</u>	<u>\$ 1,044,703</u>	<u>\$ 1,049,830</u>	<u>\$ 1,049,767</u>	<u>\$ 951,248</u>

Note: Abstracted from audited financials - See audit reports for complete information

HOMER CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2015 AUDIT

**AUDIT FOCUS - REPORTING OBJECTIVES**

1) Basic Financial Statements

- \*Management's Discussion and Analysis
- \*District-wide Financial Statements
  - \*Statement of Net Position
  - \*Statement of Activities
- \*Governmental Fund Financial Statements
- \*Notes to Financial Statements
- \*Supplemental Financial Information

Independent Auditor's Report

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

2) Single Audit (OMB A-133) Requirements for Federal Awards

- \*Schedule of Federal Award Expenditures
- \*Compliance with Applicable Requirements
- \*Internal Control Over Compliance

Independent Auditor's Report on Compliance with Requirements

that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance

**AUDIT APPROACH**

- \*Preliminary Planning
- \*Consideration of Internal Control Over Financial Reporting
- \*Tests of Controls
- \*Tests of Compliance with Laws and Regulations
- \*Substantive Testing of Financial Information (Includes Analytical Review)
- \*Single Audit Tests of Compliance with Applicable Requirements
- \*Consideration of Internal Control Over Compliance Requirements

**UNDERSTANDING THE SCHOOL DISTRICT'S OPERATIONS**

- \*Services Provided
- \*Assessment of Accounting and Reporting System
- \*Nature of Activities
- \*Special Reporting Requirements
- \*Nature of Compliance Requirements
- \*Assessment of Management

**FACTORS AFFECTING THE SCOPE OF THE AUDIT**

- \*Effectiveness of Overall Financial Controls
- \*Qualifications of Key Personnel
- \*Appropriate Segregation of Duties
- \*Ability to Demonstrate Compliance with Laws and Regulations
- \*Effectiveness of Budget Process Administration
- \*Accuracy and Comprehensiveness of Internal Reporting
- \*Existence of Adequate Policies and Procedures
- \*Ability to Issue Timely and Accurate Financial Reports