

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



September 20, 2024

The Board of Education
Hornell City School District, New York:

We have audited the financial statements of the Hornell City School District, New York (the “District”) as of and for the year ended June 30, 2024, and have issued our report thereon dated September 20, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 8, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments on other matters noted during our audit in a separate letter to you dated September 20, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2024.

During the year ended June 30, 2024, the District implemented the remainder of Governmental Accounting Standards Board (“GASB”) Statement No. 99, *Omnibus 2022*; and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The remaining portion of GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. GASB Statement No. 100 improves financial reporting by enhancing accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statements No. 99 and 100 did not have a material impact on the District's financial position or results from operations.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements for the year ended June 30, 2024 are the liabilities for the compensated absences, other postemployment benefits obligation, net pension position, and the asset for workers' compensation.

Management's estimate of the liability for compensated absences is based on available information regarding eligibility, leave balances accrued and current compensation rates. Management's estimates of the asset for workers' compensation, liability for other postemployment benefits obligation and the net pension position are based on information obtained from third party specialists, including information obtained from insurance companies, loss run reports obtained from third party administrators, and an actuarial valuation performed by a consultant. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to significant accounting policies and the disclosures relating to contingencies, estimates, and risk management as described in Notes 1, 8, and 17.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We encountered no significant unusual transactions throughout our audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified material misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Material misstatements that were identified as a result of our audit procedures were brought to the attention of, and corrected by, management. Those items are included within the proposed adjusting journal entries for the year ended June 30, 2024, which are attached to the management representation letter dated September 20, 2024 as Exhibit I (copy attached).

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated September 20, 2024.

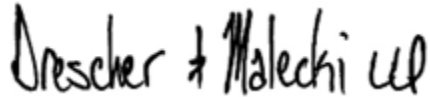
Management's Consultation with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the District's Board of Education, the audit committee, and management of the District, and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in black ink that reads "Drescher & Malecki LLP".

September 20, 2024



HORNELL CITY SCHOOL DISTRICT

Jeremy P. Palotti, Superintendent

120 Raider Road Hornell, New York 14843
Phone 607.324.1302 ext. 1450 | Fax 607.324.1345

High School | 607.324.1303
Intermediate | 607.324.1304
N. Hornell | 607.324.0014
District Offices | 607.324.1302

September 20, 2024

Drescher & Malecki LLP
2721 Transit Road, Suite 111
Elma, New York 14059

This representation letter is provided in connection with your audit of the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hornell City School District, New York (the "District") as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and the results of operations of the various opinion units of the District in accordance with accounting principles generally accepted for governments in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 20, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 8, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- There are no identified material uncorrected misstatements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues or general revenues.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated/amortized.
- All required supplementary information is measured and presented within the prescribed guidelines.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements, including Management's Discussion and Analysis:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for our assumptions and interpretations underlying those measurements or presentations, are reasonable and appropriate in the circumstances.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
- We believe that the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for our assumptions and interpretations underlying those measurements or presentations are reasonable and appropriate in the circumstances.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Single Audit

With respect to federal awards, we represent the following to you:

- We are responsible for understanding and complying with, and have complied with, the audit 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”).
- We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
- We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for our assumptions and interpretations, underlying those measurements or presentations, are reasonable and appropriate in the circumstances.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- We are responsible for including the auditor’s report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
- When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor’s report thereon.
- We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
- We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- The reporting package does not contain personally identifiable information.
- We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.

- We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- We have a reconciliation of the Schedule of Expenditures of Federal Awards to the District's financial statements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance

Other Specific Representations

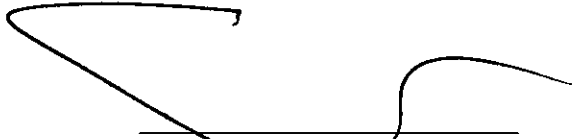
- The District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 101, *Compensated Absences*; and GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025, and GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 101, 102, and 103 will have on its financial position and results of operations when such statements are adopted.
- Management has appropriately recognized and recorded all significant leases and subscription-based information technology arrangements.
- Management has disclosed whether, subsequent to June 30, 2024, any changes in internal control or other factors that might significantly affect internal control, including any

corrective action taken by management with regard to reportable conditions (including material weaknesses), have occurred.

- The District is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, interfund receivables, and accounts receivable, as well as estimates used to determine such amounts. Management believes an allowance is not necessary.
- Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value. All inventories are the property of the District and do not include any items consigned to it, any items billed to customers, or any items for which the liability has not been recorded.
- We have no intention of withdrawing from multi-employer pension plans, or taking any other action that could result in an effective termination or reportable events for any of the plans. We are not aware of any occurrences that could result in the termination of any of our multi-employer pension plans to which we contribute. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purpose are appropriate in the circumstances.
- We are unable to determine the possibility of a withdrawal liability in a multi-employer benefit plan.
- We agree with the work of the specialists in evaluating the workers' compensation other asset, net pension liability/(asset), and other postemployment benefits obligation, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists. We believe that the actuarial assumptions and methods used to measure the workers' compensation, net pension liability/(asset), and other postemployment benefits obligations and costs are appropriate in the circumstances.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- The District considers encumbrances to be significant for amounts that are encumbered in excess of \$20,000. Significant encumbrances are disclosed in the notes to the financial statements.
- We have received and approved the adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements. We have posted these adjusting journal entries to our records. The proposed adjusting journal entries are presented in Exhibit I.
- The District's labor agreements provide for sick leave, vacations, and miscellaneous other paid absences. Based on the agreements, upon retirement, certain eligible employees qualify for payment for fractional values of unused sick leave and vacation time. Payment of sick leave and vacation time is dependent upon many factors; therefore, timing of future payments is not readily determinable. The value recorded in the government-wide financial statements at June 30, 2024 for governmental activities is \$6,934,507. Management estimates that

\$346,725 of the liability is due within one year. Management believes that sufficient resources will be made available for the payments of sick leave and vacation time when such payments become due.


- The District reports nonspendable, restricted, assigned and unassigned fund balances. The District has nonspendable balances of \$51,544, restricted balances of \$27,703,207, assigned balances of \$3,483,745 and unassigned balances of \$1,770,181 within its governmental funds for the year ended June 30, 2024.
- In the opinion of management, all fund balance restrictions are appropriate and reasonable as of June 30, 2024.
- With respect to the preparation of the financial statements and federal financial assistance schedule, we have performed the following:
 - Made all management decisions and performed all management functions.
 - Assigned a competent individual to oversee the services.
 - Evaluated the adequacy of the services performed.
 - Evaluated and accepted responsibility for the results of the service performed.
 - Established and maintained internal controls, including a process to monitor the system of internal control.
- District management understands that Drescher & Malecki, LLP has not performed any management functions or made management decisions on behalf of the District. Any nonattest services were performed in accordance with the applicable professional standards issued by the American Institute of Certified Public Accountants.



Jeremy P. Palotti,
Superintendent of Schools



Patrick Flaitz,
Business Official



Susan Brown,
Treasurer

Hornell City School District
Proposed Adjusting Journal Entries
Year Ended June 30, 2024

Exhibit I

Account	Description	Debit	Credit
Proposed Adjusting Journal Entries JE # 1			
To record current year bond activity for the year ended June 30, 2024.			
W 628	BONDS PAYABLE	\$ 5,060,000	
W 125	PROVISIONS FOR FUTURE BUDGETS		\$ 5,060,000
Total		<u><u>5,060,000</u></u>	<u><u>5,060,000</u></u>
Proposed Adjusting Journal Entries JE # 2			
To record the amortization of premium for the year ended June 30, 2024.			
W 689.1	UNAMORTIZED PREMIUM BALANCE	239,988	
W 125	PROVISIONS FOR FUTURE BUDGETS		239,988
Total		<u><u>239,988</u></u>	<u><u>239,988</u></u>
Proposed Adjusting Journal Entries JE # 3			
To record reclassification adjustments related to GASB Statement No. 84.			
A 200.02	COMMUNITY BANK MMA	19,802	
A 200.02	COMMUNITY BANK MMA	21,155	
A 380	ACCOUNTS RECEIVABLE	1,506	
OT 522.01	MED/DEP CARE	19,744	
OT 630	DUE G/F	58	
TA 020	GRP HLTH INS	22,584	
TA 085.01	NYS EMPL RET	77	
A 391.05	DUE FROM FLEX		58
A 601	ACCRUED LIABILITIES		19,744
A 601	ACCRUED LIABILITIES		22,661
OT 200	CASH		19,802
TA 200.01	CASH		21,155
TA 380	A/R		1,506
Total		<u><u>84,926</u></u>	<u><u>84,926</u></u>
Proposed Adjusting Journal Entries JE # 4			
To record Extraclassroom Activity Fund for the year ended June 30, 2024.			
TA 038	STUDENT ACT	151,842	
TA 1935	Extraclassroom Expenditures	228,969	
TA 2770	Extraclassroom Revenues		256,318
TA 909	Extraclassroom Fund Balance		124,493
Total		<u><u>380,811</u></u>	<u><u>380,811</u></u>
Proposed Adjusting Journal Entries JE # 5			
To record current year OPEB activity for the year ended June 30, 2024.			
W 125	PROVISIONS FOR FUTURE BUDGETS	1,144,314	
W 683	OPEB - OTHER POST EMPLOYMENT BENEFITS		1,144,314
Total		<u><u>1,144,314</u></u>	<u><u>1,144,314</u></u>
Proposed Adjusting Journal Entries JE # 6			
To adjust Special Aid fund for the year ended June 30, 2024.			
FPAL 4289	US DEPT OF ED REV	125	
FPAL 410	DUE FR STATE/FEDERAL		125
Total		<u><u>125</u></u>	<u><u>125</u></u>

Proposed Adjusting Journal Entries JE # 7

To adjust the workers compensation asset for the year ended June 30, 2024.

K 152	INVESTMENT IN PENSION ASSETS	4,430	
K 109	WORKERS COMP ASSET		4,430
Total		<u><u>4,430</u></u>	<u><u>4,430</u></u>

Proposed Adjusting Journal Entries JE # 8

To update net pension balances as of June 30, 2024.

K 152	INVESTMENT IN PENSION ASSETS	1,906,331	
W 125	PROVISIONS FOR FUTURE BUDGETS	864,406	
W 638	NET PENSION LIABILITY	1,304,934	
K 496	DOR - PENSIONS		1,906,331
W 125	PROVISIONS FOR FUTURE BUDGETS		1,304,934
W 697	DEFERRED INFLOWS OF RESOURCES		864,406
Total		<u><u>4,075,671</u></u>	<u><u>4,075,671</u></u>

Proposed Adjusting Journal Entries JE # 9

To update capital asset balances for the year ended June 30, 2024.

K 102	BUILDINGS	1,712,826	
K 104	EQUIPMENT	392,277	
K 105	CONSTRUCTION WORK IN PROGRESS	2,493,606	
K 115.1	DEPRECIATION - LEASED ASSETS	169,348	
K 112	DEPRECIATION - BLDGS		2,510,035
K 113	DEPRECIATION - IMPROV OTHER THAN BLDGS		112,197
K 114	DEPRECIATION - EQUIPMENT		86,347
K 115	LEASED ASSETS		89,320
K 151	INVESTMENT GEN FIXED ASSETS		1,970,158
Total		<u><u>\$ 4,768,057</u></u>	<u><u>\$ 4,768,057</u></u>