

# **MAINE-ENDWELL CENTRAL SCHOOL DISTRICT**

**Endwell, New York**

## **EXECUTIVE SUMMARY**

**For the Year Ended  
June 30, 2021**



# ***MAINE-ENDWELL CENTRAL SCHOOL DISTRICT***

## **EXECUTIVE SUMMARY OF 2021 AUDIT REPORT AND FINDINGS**

### **Basic Financial Statements**

Independent Auditors' Report on Basic Financial Statements.

Independent Auditors' Report on Supplementary Financial Information.

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*.

### **Single Audit (Uniform Guidance) Report**

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.

Communication With Those Charged With Governance at the Conclusion of the Audit.

Independent Auditors' Report on Extraclassroom Activity Funds.

Management Comment Letter.

### **Description of Report and Findings**

**Unmodified opinion** on Maine-Endwell Central School District's (the School District) basic financial statements for the year ended June 30, 2021.

**Unmodified opinion** on supplementary financial information in relation to the 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 auditors' 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** at the financial statement level. In addition, a separate letter dated October 7, 2021, which has been issued, discusses no issues.

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 instances of noncompliance and no material internal control weaknesses** regarding compliance in accordance with Uniform Guidance.

There are several federal award program expenditures that amounted to a total of \$2,664,201.

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 and Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings and Issues
- Other Matters

**Unmodified opinion** on the School District's Extraclassroom Activity Funds financial statements for the year ended June 30, 2021.

Letter of comments dated October 7, 2021 discusses several issues.

# ***MAINE-ENDWELL CENTRAL SCHOOL DISTRICT***

## **EXECUTIVE SUMMARY OF 2021 AUDIT REPORT AND FINDINGS**

### **Discussion Items**

#### **Impact of Future Standards of the Governmental Accounting Standards Board (GASB)**

GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," which delays the implementation dates for several GASB statements as follows:

- GASB has issued Statement No. 87, "Leases," delayed by GASB Statement No. 95, to the year ending June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," delayed by GASB Statement No. 95, to the year ending June 30, 2022.
- GASB has issued Statement No. 92, "Omnibus 2020," effective for the year ending June 30, 2022.

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

# MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

## FIVE YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
<b>General Fund</b>					
<b>ASSETS</b>					
Cash and Investments	\$ 7,496,218	\$ 5,696,057	\$ 4,890,410	\$ 9,517,871	\$ 9,778,011
Receivables and Other Assets	12,388,002	4,407,451	7,795,712	3,015,843	2,896,312
<b>Total Assets</b>	<b>\$ 19,884,220</b>	<b>\$ 10,103,508</b>	<b>\$ 12,686,122</b>	<b>\$ 12,533,714</b>	<b>\$ 12,674,323</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>					
Accounts Payable and Accruals	\$ 1,765,966	\$ 1,158,919	\$ 1,134,612	\$ 1,321,804	\$ 1,098,524
Revenue Anticipation Notes	8,000,000	-	-	-	-
Due to Retirement Systems	1,601,686	1,565,041	1,772,631	1,730,521	1,957,463
Deferred Inflows - State Aid	461,895	460,101	460,507	459,210	461,307
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>11,829,547</b>	<b>3,184,061</b>	<b>3,367,750</b>	<b>3,511,535</b>	<b>3,517,294</b>
<b>FUND BALANCE</b>					
Nonspendable	-	5,000	-	-	-
Restricted (Reserved)	4,255,182	4,133,840	7,227,477	6,701,502	6,711,653
Assigned (Appropriated Plus Encumbrances)	1,751,872	333,055	310,867	289,425	490,786
Unassigned (Unreserved)	2,047,619	2,447,552	1,780,028	2,031,252	1,954,590
<b>Total Fund Balances</b>	<b>8,054,673</b>	<b>6,919,447</b>	<b>9,318,372</b>	<b>9,022,179</b>	<b>9,157,029</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,884,220</b>	<b>\$ 10,103,508</b>	<b>\$ 12,686,122</b>	<b>\$ 12,533,714</b>	<b>\$ 12,674,323</b>
<b>REVENUES</b>					
Real Property Taxes (Including STAR)	\$ 25,052,196	\$ 24,600,934	\$ 24,073,632	\$ 23,576,297	\$ 23,364,272
State and Federal Aid	27,262,956	27,204,679	27,428,487	25,908,221	25,141,661
Other/Interfund Transfers	798,801	1,143,821	1,186,274	1,490,970	1,315,596
<b>Total Revenues</b>	<b>53,113,953</b>	<b>52,949,434</b>	<b>52,688,393</b>	<b>50,975,488</b>	<b>49,821,529</b>
<b>EXPENDITURES</b>					
General Support	4,784,014	4,654,199	4,607,955	4,555,807	4,617,556
Instruction	23,864,477	25,165,076	23,910,119	23,471,588	22,896,721
Transportation	1,657,119	1,625,856	1,750,895	1,613,765	1,592,100
Employee Benefits	14,521,442	14,277,216	14,208,529	14,073,343	13,330,624
Debt Service	7,018,994	7,064,130	7,753,804	7,075,900	7,022,804
Interfund Transfers	132,681	2,561,882	160,898	319,935	161,405
<b>Total Expenditures</b>	<b>51,978,727</b>	<b>55,348,359</b>	<b>52,392,200</b>	<b>51,110,338</b>	<b>49,621,210</b>
Net Increase (Decrease)	\$ 1,135,226	\$ (2,398,925)	\$ 296,193	\$ (134,850)	\$ 200,319
<b>Capital Outlay</b>	<b>\$ 16,343,704</b>	<b>\$ 4,517,463</b>	<b>\$ 1,081,817</b>	<b>\$ 7,349,952</b>	<b>\$ 3,361,790</b>
<b>Special Aid: Revenues/Expenditures</b>	<b>\$ 1,448,731</b>	<b>\$ 1,493,479</b>	<b>\$ 1,541,828</b>	<b>\$ 1,534,485</b>	<b>\$ 1,533,208</b>
<b>School Lunch: Revenues</b>	<b>\$ 1,799,040</b>	<b>\$ 1,190,933</b>	<b>\$ 1,326,709</b>	<b>\$ 1,282,628</b>	<b>\$ 1,249,330</b>
<b>School Lunch Expenditures</b>	<b>\$ 1,442,807</b>	<b>\$ 1,363,478</b>	<b>\$ 1,293,366</b>	<b>\$ 1,255,222</b>	<b>\$ 1,135,476</b>

*Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.*

# MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

## FIVE YEAR GENERAL FUND BALANCE ANALYSIS

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>
<b>Fund Balance</b>					
<b>Nonspendable</b>					
Prepaid Items	\$ -	\$ 5,000	\$ -	\$ -	\$ -
<b>Restricted</b>					
Reserve for ERS Contributions	1,524,369	1,524,227	2,344,212	2,315,571	2,298,394
Reserve for TRS Contributions	889,599	586,922	300,000	-	-
Unemployment Insurance Reserve	73,253	70,753	71,197	87,788	93,946
Capital Reserve	45,750	45,746	2,444,122	2,117,925	1,597,100
Tax Certiorari Reserve	-	84,151	83,615	82,594	484,511
Employee Benefit Accrued Liability Reserve	1,722,211	1,822,041	1,984,331	2,097,624	2,237,702
<b>Total</b>	<u>4,255,182</u>	<u>4,133,840</u>	<u>7,227,477</u>	<u>6,701,502</u>	<u>6,711,653</u>
<b>Assigned</b>					
Appropriated for Next Year's Budget	1,546,389	250,000	250,000	250,000	470,000
Encumbrances	205,483	83,055	60,867	39,425	20,786
<b>Total</b>	<u>1,751,872</u>	<u>333,055</u>	<u>310,867</u>	<u>289,425</u>	<u>490,786</u>
<b>Unassigned</b>	<u>2,047,619</u>	<u>2,447,552</u>	<u>1,780,028</u>	<u>2,031,252</u>	<u>1,954,590</u>
<b>Total Fund Balance</b>	<u>\$ 8,054,673</u>	<u>\$ 6,914,447</u>	<u>\$ 9,318,372</u>	<u>\$ 9,022,179</u>	<u>\$ 9,157,029</u>
<b>Compliance With §1318 of Real Property Law</b>					
Next Year's Budget is a Voter Approved Budget	\$57,755,236	\$54,190,263	\$53,521,094	\$52,498,862	\$51,290,970
Maximum Allowed (4% of Budget)	2,310,209	2,167,611	2,140,844	2,099,954	2,051,639
General Fund Fund Balance Subject to §1318 of Real Property Law	2,047,619	2,447,552	1,780,028	2,031,252	1,954,590
Actual Percentage	3.55%	4.52%	3.33%	3.87%	3.81%
<b>Current Year Reserve Activity</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Interest Earned</b>	<b>Appropriated</b>	<b>Ending Balance</b>
Reserve for ERS Contributions	\$ 1,524,227	\$ -	\$ 142	\$ -	\$ 1,524,369
Reserve for TRS Contributions	586,922	302,623	54	-	889,599
Unemployment Insurance Reserve	70,753	50,000	3	(47,503)	73,253
Capital Reserve	45,746	-	4	-	45,750
Tax Certiorari Reserve	84,151	-	7	(84,158)	-
Employee Benefit Accrued Liability Reserve	1,822,041	-	170	(100,000)	1,722,211
<b>Total</b>	<u>\$ 4,133,840</u>	<u>\$ 352,623</u>	<u>\$ 380</u>	<u>\$ (231,661)</u>	<u>\$ 4,255,182</u>

*Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.*



# MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

## FIVE YEAR NET POSITION ANALYSIS

	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 57,417,292	\$ 47,081,817	\$ 40,368,478	\$ 36,595,197	\$ 32,656,884
Restricted	5,091,007	4,497,153	7,856,787	7,206,533	7,377,634
Unrestricted	<u>(130,619,159)</u>	<u>(129,737,624)</u>	<u>(126,820,538)</u>	<u>(127,256,316)</u>	<u>(123,143,900)</u>
<b>Total Net (Deficit)</b>	<b>\$ (68,110,860)</b>	<b>\$ (78,158,654)</b>	<b>\$ (78,595,273)</b>	<b>\$ (83,454,586)</b>	<b>\$ (83,109,382)</b>
<b>Unrestricted Net (Deficit)</b>	<b>\$ (130,619,159)</b>	<b>\$ (129,737,624)</b>	<b>\$ (126,820,538)</b>	<b>\$ (127,256,316)</b>	<b>\$ (123,143,900)</b>
Less:					
GASB 68 - Net Pension Asset/Liability and Deferred Inflows and Outflows	(3,851,538)	(5,584,665)	(7,641,179)	(7,400,747)	(7,634,396)
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	<u>129,016,338</u>	<u>136,366,898</u>	<u>135,948,264</u>	<u>136,407,192</u>	<u>133,287,906</u>
<b>Unrestricted Net Position</b>	<b>\$ (5,454,359)</b>	<b>\$ 1,044,609</b>	<b>\$ 1,486,547</b>	<b>\$ 1,750,129</b>	<b>\$ 2,509,610</b>

*Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.*

# ***MAINE-ENDWELL CENTRAL SCHOOL DISTRICT***

## **EXECUTIVE SUMMARY OF 2021 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
  - \*Supplementary Financial InformationReport on Compliance and on Internal Control Over Financial Reporting
- 2) Single Audit (Uniform Guidance) Requirements for Federal Awards
  - \*Schedule of Federal Award Expenditures
  - \*Compliance With Applicable Requirements
  - \*Internal Control Over Compliance
- 3) Extraclassroom Activity Funds of the School District
  - \* Independent Auditors' Report

### **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