

# **SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT**

**Spencer, New York**

## **EXECUTIVE SUMMARY**

**For the Year Ended  
June 30, 2022**



# SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

## EXECUTIVE SUMMARY OF 2022 AUDIT

### 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 Spencer-Van Etten Central School District's (the School District) basic financial statements for the year ended June 30, 2022.

**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.

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 \$1,865,842.

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, 2022.

Letter of comments dated September 30, 2022 discusses no current concerns.

# ***SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT***

## **EXECUTIVE SUMMARY OF 2022 DISCUSSION UPDATES**

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

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending June 30, 2023.
- GASB has issued statement No. 101, “Compensated Absences,” effective for the year ending June 30, 2025.

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.

# SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

## FIVE YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

General Fund	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
<b>ASSETS</b>					
Cash and Investments	\$ 8,048,234	\$ 5,772,186	\$ 4,117,110	\$ 4,286,929	\$ 3,876,699
Receivables	968,832	926,785	1,029,815	957,297	959,580
Prepays	-	-	-	7,053	2,727
Due from Other Funds	851,193	999,716	869,401	183,550	379,886
<b>Total Assets</b>	<b>\$ 9,868,259</b>	<b>\$ 7,698,687</b>	<b>\$ 6,016,326</b>	<b>\$ 5,434,829</b>	<b>\$ 5,218,892</b>
<b>LIABILITIES</b>					
Accounts Payable and Accruals	\$ 940,573	\$ 184,553	\$ 162,907	\$ 172,551	\$ 149,121
Other Liabilities	687,336	664,513	-	-	-
Compensated Absences	50,371	63,977	198,206	152,005	69,728
Due to Retirement Systems	816,256	802,544	827,699	913,614	817,492
Due to Other Governments	48,467	48,467	10	-	7,515
Due to Other Funds	1,219	1,462	4,705	2,478	-
<b>Total Liabilities</b>	<b>2,544,222</b>	<b>1,765,516</b>	<b>1,193,527</b>	<b>1,240,648</b>	<b>1,043,856</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	7,053	2,727
Restricted	5,378,435	4,023,584	3,284,485	3,044,507	2,918,447
Assigned	946,064	936,647	366,752	243,353	384,721
Unassigned	999,538	972,940	1,171,562	899,268	869,141
<b>Total Fund Balances</b>	<b>7,324,037</b>	<b>5,933,171</b>	<b>4,822,799</b>	<b>4,194,181</b>	<b>4,175,036</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,868,259</b>	<b>\$ 7,698,687</b>	<b>\$ 6,016,326</b>	<b>\$ 5,434,829</b>	<b>\$ 5,218,892</b>
<b>REVENUES</b>					
Real Property Taxes (Including STAR and Tax Items)	\$ 7,372,023	\$ 7,219,021	\$ 7,071,421	\$ 6,902,766	\$ 6,762,847
State Sources	15,186,565	14,420,929	14,594,918	14,299,817	14,716,324
Federal Sources	51,486	245,574	-	-	-
Other	666,711	492,640	527,968	589,628	431,094
Interfund Transfers	-	9,969	-	-	-
<b>Total Revenues</b>	<b>23,276,785</b>	<b>22,388,133</b>	<b>22,194,307</b>	<b>21,792,211</b>	<b>21,910,265</b>
<b>EXPENDITURES</b>					
General Support	2,835,752	2,576,417	2,633,393	2,567,607	2,451,727
Instruction	10,764,788	9,952,034	10,319,608	10,121,055	9,550,054
Transportation	920,317	777,049	815,657	1,516,606	848,881
Employee Benefits	5,011,412	5,279,124	5,477,145	5,240,994	5,521,046
Debt Service	2,344,985	2,216,495	2,241,372	2,234,647	3,269,843
Interfund Transfers	8,665	476,642	78,514	92,157	80,592
<b>Total Expenditures</b>	<b>\$ 21,885,919</b>	<b>\$ 21,277,761</b>	<b>\$ 21,565,689</b>	<b>\$ 21,773,066</b>	<b>\$ 21,722,143</b>
Excess of Revenues (Expenditures)	<b>\$ 1,390,866</b>	<b>\$ 1,110,372</b>	<b>\$ 628,618</b>	<b>\$ 19,145</b>	<b>\$ 188,122</b>
<b>Capital Outlay: Capital Project Fund</b>	<b>\$ 5,484,752</b>	<b>\$ 388,153</b>	<b>\$ 460,934</b>	<b>\$ -</b>	<b>\$ 616,624</b>
<b>Special Aid Revenue/Expenditures</b>	<b>\$ 1,780,449</b>	<b>\$ 957,987</b>	<b>\$ 1,117,663</b>	<b>\$ 1,147,243</b>	<b>\$ 1,054,195</b>
<b>PBIS - Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,137</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PBIS - Expenditures</b>	<b>\$ 243</b>	<b>\$ 344</b>	<b>\$ 331</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Misc. Special Revenue Fund - Revenues</b>	<b>\$ 5,215</b>	<b>\$ 5,794</b>	<b>\$ 3,959</b>	<b>\$ 1,802</b>	<b>\$ 2,020</b>
<b>Misc. Special Revenue Fund - Expenditures</b>	<b>\$ 11,000</b>	<b>\$ 5,601</b>	<b>\$ 6,000</b>	<b>\$ 5,785</b>	<b>\$ 6,000</b>
<b>School Lunch - Revenues</b>	<b>\$ 634,820</b>	<b>\$ 372,455</b>	<b>\$ 514,574</b>	<b>\$ 517,442</b>	<b>\$ 502,705</b>
<b>School Lunch - Expenditures</b>	<b>\$ 550,933</b>	<b>\$ 418,111</b>	<b>\$ 492,549</b>	<b>\$ 499,756</b>	<b>\$ 483,558</b>

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

# SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

## FIVE YEAR GENERAL FUND BALANCE ANALYSIS

Fund Balance	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
<b>Nonspendable</b>					
Prepaid Items	\$ -	\$ -	\$ -	\$ 7,053	\$ 2,727
<b>Total Nonspendable</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,053</u>	<u>2,727</u>
<b>Restricted</b>					
Unemployment Insurance Reserve	350,249	200,218	110,208	70,124	70,110
Reserve for Employees' Retirement Contributions	2,170,298	1,975,762	1,758,529	1,829,997	1,716,239
Reserve for Teachers' Retirement Contributions	562,449	427,857	277,832	132,083	-
Liability Reserve	100,184	100,167	100,159	100,087	100,000
Tax Certiorari Reserve	75,007	50,000	-	-	5,010
Employee Benefit Accrued Liability Reserve	859,220	719,560	631,366	805,901	920,879
Capital Reserve	1,261,028	550,020	300,000	-	-
Repair Reserve	-	-	106,391	106,315	106,209
<b>Total Restricted</b>	<u>5,378,435</u>	<u>4,023,584</u>	<u>3,284,485</u>	<u>3,044,507</u>	<u>2,918,447</u>
<b>Assigned</b>					
Appropriated for Next Year's Budget	678,119	778,119	220,723	220,723	-
Encumbrances	267,945	158,528	146,029	22,630	384,721
<b>Total Assigned</b>	<u>946,064</u>	<u>936,647</u>	<u>366,752</u>	<u>243,353</u>	<u>384,721</u>
<b>Unassigned</b>					
Unassigned	999,538	972,940	1,171,562	899,268	869,141
<b>Total Unassigned</b>	<u>999,538</u>	<u>972,940</u>	<u>1,171,562</u>	<u>899,268</u>	<u>869,141</u>
<b>Total Fund Balance</b>	<u>\$ 7,324,037</u>	<u>\$ 5,933,171</u>	<u>\$ 4,822,799</u>	<u>\$ 4,194,181</u>	<u>\$ 4,175,036</u>
<b>Compliance With §1318 of Real Property Law</b>					
Next Year's Budget is a Voter Approved Budget	\$ 24,988,515	\$ 24,323,506	\$ 22,879,055	\$ 21,680,909	\$ 21,641,551
Maximum Allowed (4% of Budget)	999,541	972,940	915,162	867,236	865,662
General Fund Fund Balance Subject to §1318 of Real Property Law	999,538	972,940	1,171,562	899,268	869,141
Actual Percentage	4.00%	4.00%	5.12%	4.15%	4.02%
<b>Current Year Reserve Activity</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Interest Earned</b>	<b>Appropriated</b>	<b>Ending Balance</b>
<b>General Fund</b>					
Unemployment Insurance Reserve	\$ 200,218	\$ 150,000	\$ 31	\$ -	\$ 350,249
Reserve for Employees' Retirement Contributions	1,975,762	600,000	796	(406,260)	2,170,298
Reserve for Teachers' Retirement Contributions	427,857	134,525	67	-	562,449
Liability Reserve	100,167	-	17	-	100,184
Tax Certiorari Reserve	50,000	25,000	7	-	75,007
Employee Benefit Accrued Liability Reserve	719,560	198,117	267	(58,724)	859,220
Capital Reserve	550,020	710,777	231	-	1,261,028
<b>Total Reserve Activity</b>	<u>\$ 4,023,584</u>	<u>\$ 1,818,419</u>	<u>\$ 1,416</u>	<u>\$ (464,984)</u>	<u>\$ 5,378,435</u>

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

# SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

## TWO YEAR GENERAL FUND BUDGET ANALYSIS

2022

	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)
<b>REVENUES</b>				
Real Property Taxes	\$ 7,145,248	\$ 7,145,248	\$ 6,288,973	\$ (856,275)
Other Tax Items	199,676	199,676	1,083,050	883,374
State Sources	15,164,607	15,164,607	15,186,565	21,958
Other, Including Financing Sources	362,300	364,194	718,197	354,003
<b>Total Revenues and Other Financing Sources</b>	<b>22,871,831</b>	<b>22,873,725</b>	<b>\$ 23,276,785</b>	<b>\$ 403,060</b>
Appropriated Fund Balances, Appropriated Reserves, and Encumbrances	1,610,203	1,657,414		
<b>Total Revenues</b>	<b>\$ 24,482,034</b>	<b>\$ 24,531,139</b>		
<b>EXPENDITURES</b>				
General Support	\$ 2,966,653	\$ 3,083,814	\$ 2,875,691	\$ 208,123
Instruction	12,011,697	11,897,350	10,911,702	985,648
Pupil Transportation	1,002,765	1,023,075	985,522	37,553
Employee Benefits	6,236,812	6,173,250	5,027,299	1,145,951
Debt Service	2,264,107	2,344,985	2,344,985	-
Other Financing Uses	-	8,665	8,665	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 24,482,034</b>	<b>\$ 24,531,139</b>	<b>\$ 22,153,864</b>	<b>\$ 2,377,275</b>

2021

<b>REVENUES</b>				
Real Property Taxes	\$ 7,009,619	\$ 7,009,619	\$ 6,112,081	\$ (897,538)
Other Tax Items	220,450	220,450	1,106,940	886,490
State Sources	14,767,482	14,535,867	14,420,929	(114,938)
Other, Including Financing Sources	346,650	578,265	748,183	169,918
<b>Total Revenues and Other Financing Sources</b>	<b>22,344,201</b>	<b>22,344,201</b>	<b>\$ 22,388,133</b>	<b>\$ 43,932</b>
Appropriated Fund Balances, Appropriated Reserves, and Encumbrances	680,883	1,140,110		
<b>Total Revenues</b>	<b>\$ 23,025,084</b>	<b>\$ 23,484,311</b>		
<b>EXPENDITURES</b>				
General Support	\$ 2,832,741	\$ 2,877,177	\$ 2,623,086	\$ 254,091
Instruction	10,941,734	10,911,649	10,013,893	897,756
Pupil Transportation	913,739	955,950	827,049	128,901
Community Services	11,100	4,100	-	4,100
Employee Benefits	5,993,498	6,011,760	5,279,124	732,636
Debt Service	2,237,272	2,222,272	2,216,495	5,777
Other Financing Uses	95,000	501,403	476,642	24,761
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 23,025,084</b>	<b>\$ 23,484,311</b>	<b>\$ 21,436,289</b>	<b>\$ 2,048,022</b>

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

# ***SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT***

## **FIVE YEAR NET POSITION ANALYSIS**

	<b>JUNE 30, 2022</b>	<b>JUNE 30, 2021</b>	<b>JUNE 30, 2020</b>	<b>JUNE 30, 2019</b>	<b>JUNE 30, 2018</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	<b>\$ 20,017,300</b>	\$ 19,424,253	\$ 18,564,954	\$ 17,808,239	\$ 16,796,064
Restricted	<b>6,308,041</b>	4,857,790	4,164,707	3,912,414	3,774,016
Unrestricted	<b>(41,582,651)</b>	(45,621,987)	(45,794,403)	(43,363,703)	(42,501,091)
<b>Total Net Position (Deficit)</b>	<b><u>\$ (15,257,310)</u></b>	<b><u>\$ (21,339,944)</u></b>	<b><u>\$ (23,064,742)</u></b>	<b><u>\$(21,643,050)</u></b>	<b><u>\$(21,931,011)</u></b>
<b>Unrestricted Net Position (Deficit)</b>	<b>\$ (41,582,651)</b>	\$ (45,621,987)	\$ (45,794,403)	\$(43,363,703)	\$(42,501,091)
Less:					
GASB 68 - Net Pension (Asset)/Liability and Deferred Inflows and Outflows	<b>(2,950,242)</b>	(1,669,756)	(2,527,024)	(3,560,140)	(3,415,241)
GASB 75/45 - OPEB Liability and Deferred Inflows and Outflows	<b>46,278,856</b>	48,641,784	49,015,703	47,209,386	46,275,754
<b>Total Unrestricted Net Position Without the Effect of GASB 68 and GASB 75</b>	<b><u>\$ 1,745,963</u></b>	<b><u>\$ 1,350,041</u></b>	<b><u>\$ 694,276</u></b>	<b><u>\$ 285,543</u></b>	<b><u>\$ 359,422</u></b>

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

# ***SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT***

## **EXECUTIVE SUMMARY OF 2022 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 Internal Control Over Financial Reporting and on Compliance and Other Matters
- 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