

**MAINE-ENDWELL
CENTRAL SCHOOL DISTRICT**

Endwell, New York

EXECUTIVE SUMMARY

**For the Year Ended
June 30, 2020**



MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2020 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, 2020.

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 **one instance of noncompliance and no material internal control weaknesses** at the financial statement level. In addition, a separate letter dated October 15, 2020 which has been issued, discusses upcoming accounting standards and Extraclassroom policy.

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 \$1,804,553.

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, 2020.

Letter of comments dated October 15, 2020 discusses several issues.

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

5 YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

	General Fund				
	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016
ASSETS					
Cash and Investments	\$ 5,696,057	\$ 4,890,410	\$ 9,517,871	\$ 9,778,011	\$ 9,344,496
Receivables and Other Assets	4,407,451	7,795,712	3,015,843	2,896,312	2,874,618
Total Assets	\$ 10,103,508	\$ 12,686,122	\$ 12,533,714	\$ 12,674,323	\$ 12,219,114
LIABILITIES AND DEFERRED INFLOWS					
Accounts Payable and Accruals	\$ 1,158,919	\$ 1,134,612	\$ 1,321,804	\$ 1,098,524	\$ 679,650
Due to Retirement Systems	1,565,041	1,772,631	1,730,521	1,957,463	2,123,623
Deferred Inflows - State Aid	460,101	460,507	459,210	461,307	459,131
Total Liabilities and Deferred Inflows of Resources	3,184,061	3,367,750	3,511,535	3,517,294	3,262,404
FUND BALANCE					
Nonspendable	5,000	-0-	-0-	-0-	-0-
Restricted (Reserved)	4,133,840	7,227,477	6,701,502	6,711,653	6,578,822
Assigned (Appropriated Plus Encumbrances)	333,055	310,867	289,425	490,786	451,371
Unassigned (Unreserved)	2,447,552	1,780,028	2,031,252	1,954,590	1,926,517
Total Fund Balances	6,919,447	9,318,372	9,022,179	9,157,029	8,956,710
Total Liabilities and Fund Balances	\$ 10,103,508	\$ 12,686,122	\$ 12,533,714	\$ 12,674,323	\$ 12,219,114
REVENUES					
Real Property Taxes (Including STAR)	\$ 24,600,934	\$ 24,073,632	\$ 23,576,297	\$ 23,364,272	\$ 23,103,606
State and Federal Aid	27,204,679	27,428,487	25,908,221	25,141,661	23,951,086
Other/Interfund Transfers	1,143,821	1,186,274	1,490,970	1,315,596	1,442,020
Total Revenues	52,949,434	52,688,393	50,975,488	49,821,529	48,496,712
EXPENDITURES					
General Support	4,654,199	4,607,955	4,555,807	4,617,556	4,253,630
Instruction	25,165,076	23,910,119	23,471,588	22,896,721	22,277,403
Transportation	1,625,856	1,750,895	1,613,765	1,592,100	1,596,182
Employee Benefits	14,277,216	14,208,529	14,073,343	13,330,624	11,845,256
Debt Service	7,064,130	7,753,804	7,075,900	7,022,804	6,319,568
Interfund Transfers	2,561,882	160,898	319,935	161,405	212,294
Total Expenditures	55,348,359	52,392,200	51,110,338	49,621,210	46,504,333
Net Increase (Decrease)	\$ (2,398,925)	\$ 296,193	\$ (134,850)	\$ 200,319	\$ 1,992,379
Capital Outlay	\$ 4,517,463	\$ 1,081,817	\$ 7,349,952	\$ 3,361,790	\$ 6,064,519
Special Aid: Revenues/Expenditures	\$ 1,493,479	\$ 1,541,828	\$ 1,534,485	\$ 1,533,208	\$ 1,542,723
School Lunch: Revenues	\$ 1,190,933	\$ 1,326,709	\$ 1,282,628	\$ 1,249,330	\$ 989,809
School Lunch Expenditures	\$ 1,363,478	\$ 1,293,366	\$ 1,255,222	\$ 1,135,476	\$ 915,407

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

5 YEAR GENERAL FUND BALANCE ANALYSIS

	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2016</u>
Fund Balance					
Nonspendable					
Prepaid Items	\$ 5,000	\$	\$	\$	\$
Restricted					
Reserve for ERS Contributions	\$ 1,524,227	\$ 2,344,212	\$ 2,315,571	\$ 2,298,394	\$ 2,395,906
Reserve for TRS Contributions	586,922	300,000			
Unemployment Insurance Reserve	70,753	71,197	87,788	93,946	97,471
Capital Reserve	45,746	2,444,122	2,117,925	1,597,100	1,245,766
Tax Certiorari Reserve	84,151	83,615	82,594	484,511	524,022
Employee Benefit Accrued Liability Reserve	<u>1,822,041</u>	<u>1,984,331</u>	<u>2,097,624</u>	<u>2,237,702</u>	<u>2,315,657</u>
Total	<u>4,133,840</u>	<u>7,227,477</u>	<u>6,701,502</u>	<u>6,711,653</u>	<u>6,578,822</u>
Assigned					
Appropriated for Next Year's Budget	250,000	250,000	250,000	470,000	250,000
Encumbrances	<u>83,055</u>	<u>60,867</u>	<u>39,425</u>	<u>20,786</u>	<u>201,371</u>
Total	<u>333,055</u>	<u>310,867</u>	<u>289,425</u>	<u>490,786</u>	<u>451,371</u>
Unassigned	<u>2,447,552</u>	<u>1,780,028</u>	<u>2,031,252</u>	<u>1,954,590</u>	<u>1,926,517</u>
Total Fund Balance	<u>\$ 6,914,447</u>	<u>\$ 9,318,372</u>	<u>\$ 9,022,179</u>	<u>\$ 9,157,029</u>	<u>\$ 8,956,710</u>
<u>Compliance with §1318 of Real Property Law</u>					
Next Year's Budget is a Voter Approved Budget	\$ 54,190,263	\$ 53,521,094	\$ 52,498,862	\$ 51,290,970	\$ 49,727,838
Maximum Allowed (4% of Budget)	2,167,611	2,140,844	2,099,954	2,051,639	1,989,114
General Fund Fund Balance Subject to §1318 of Real Property Law	2,447,552	1,780,028	2,031,252	1,954,590	1,926,517
Actual Percentage	4.52%	3.33%	3.87%	3.81%	3.87%

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

TWO YEAR GENERAL FUND BUDGET ANALYSIS

	2020			\$ Variance Fav. (Unfav.)
	Original Budget	Revised Budget	Actual w/ Encumbrances	
REVENUES				
Real Property Taxes	\$ 24,374,532	\$ 20,353,460	\$ 20,352,431	\$ (1,029)
Other Tax Items	230,998	4,252,070	4,248,503	(3,567)
State Sources	27,085,217	27,160,217	27,087,965	(72,252)
Other, Including Financing Sources	1,027,347	1,056,421	1,260,535	204,114
Total Revenues and Other Financing Sources	52,718,094	52,822,168	\$ 52,949,434	\$ 127,266
Appropriated Fund Balances	863,867	3,438,867		
Total	\$ 53,581,961	\$ 56,261,035		
EXPENDITURES				
General Support	\$ 4,923,064	\$ 4,850,514	\$ 4,690,989	\$ 159,525
Instruction	24,641,739	25,511,551	25,199,433	312,118
Pupil Transportation	1,824,405	1,671,160	1,629,680	41,480
Employee Benefits	14,963,000	14,595,897	14,285,300	310,597
Debt Service	7,064,753	7,064,753	7,064,130	623
Other Financing Uses	165,000	2,567,160	2,561,882	5,278
Total	\$ 53,581,961	\$ 56,261,035	\$ 55,431,414	\$ 829,621
2019				
REVENUES				
Real Property Taxes	\$ 23,929,914	\$ 19,696,436	\$ 19,669,054	\$ (27,382)
Other Tax Items	169,918	4,403,396	4,404,578	1,182
State Sources	26,974,788	27,049,788	27,316,497	266,709
Other, Including Financing Sources	1,092,817	1,096,898	1,298,264	201,366
Total Revenues and Other Financing Sources	52,167,437	52,246,518	\$ 52,688,393	\$ 441,875
Appropriated Fund Balances	289,425	289,425		
Appropriated Reserves	81,425	220,738		
Total	\$ 52,538,287	\$ 52,756,681		
EXPENDITURES				
General Support	\$ 4,686,867	\$ 4,739,307	\$ 4,642,480	\$ 96,827
Instruction	23,121,429	24,063,745	23,936,216	127,529
Pupil Transportation	1,778,953	1,777,115	1,751,140	25,975
Employee Benefits	15,008,000	14,260,573	14,208,529	52,044
Debt Service	7,798,038	7,755,042	7,753,804	1,238
Other Financing Uses	145,000	160,899	160,898	1
Total	\$ 52,538,287	\$ 52,756,681	\$ 52,453,067	\$ 303,614

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

5 YEAR NET POSITION ANALYSIS

	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016
NET POSITION					
Net Investment in Capital Assets	\$ 47,081,817	\$ 40,368,478	\$ 36,595,197	\$ 32,656,884	\$ 30,340,617
Restricted	4,477,495	7,835,768	7,206,533	6,723,630	6,639,057
Unrestricted	(129,777,954)	(126,819,177)	(127,256,316)	(45,666,807)	(38,087,067)
Total Net (Deficit)	\$(78,218,642)	\$(78,614,931)	\$(83,454,586)	\$ (6,286,293)	\$ (1,107,393)
Unrestricted Net (Deficit)	(129,777,954)	(126,819,177)	(127,256,316)	(45,666,807)	(38,087,067)
Less:					
GASB 68 - Net Pension Asset/Liability and Deferred Inflows and Outflows	(5,584,665)	(7,641,179)	(7,400,747)	(7,634,396)	(7,657,941)
GASB 45 - OPEB Liability				55,810,813	47,717,352
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	136,366,898	135,948,264	136,407,192		
Unrestricted Net Position	\$ 1,004,279	\$ 1,487,908	\$ 1,750,129	\$ 2,509,610	\$ 1,972,344

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

MAINE-ENDWELL CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2020 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 Information

Report 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

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