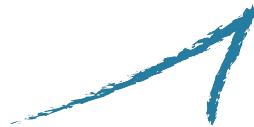


**SPENCER-VAN ETTEN
CENTRAL SCHOOL DISTRICT**

Spencer, New York

EXECUTIVE SUMMARY

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



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Certified Public Accountants | Business Advisors

SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2021 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, 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.

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 \$951,099.

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, 2021.

Letter of comments dated September 29, 2021.

SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2021 AUDIT

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.

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

SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

FIVE YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

General Fund	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
ASSETS					
Cash and Investments	\$ 5,772,186	\$ 4,117,110	\$ 4,286,929	\$ 3,876,699	\$ 4,352,620
Receivables	926,785	1,029,815	957,297	959,580	941,349
Prepays	-	-	7,053	2,727	1,878
Due from Other Funds	999,716	869,401	183,550	379,886	424,632
Total Assets	\$ 7,698,687	\$ 6,016,326	\$ 5,434,829	\$ 5,218,892	\$ 5,720,479
LIABILITIES					
Accounts Payable and Accruals	\$ 184,553	\$ 162,907	\$ 172,551	\$ 149,121	\$ 44,744
Other Liabilities	664,513				
Compensated Absences	63,977	198,206	152,005	69,728	83,328
Due to Retirement Systems	802,544	827,699	913,614	817,492	941,031
Due to Other Governments	48,467	10	-	7,515	-
Due to Other Funds	1,462	4,705	2,478	-	664,462
Total Liabilities	1,765,516	1,193,527	1,240,648	1,043,856	1,733,565
FUND BALANCE					
Nonspendable	-	-	7,053	2,727	1,878
Restricted	4,023,584	3,284,485	3,044,507	2,918,447	2,721,879
Assigned	936,647	366,752	243,353	384,721	361,060
Unassigned	972,940	1,171,562	899,268	869,141	902,097
Total Fund Balances	5,933,171	4,822,799	4,194,181	4,175,036	3,986,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,698,687	\$ 6,016,326	\$ 5,434,829	\$ 5,218,892	\$ 5,720,479
REVENUES					
Real Property Taxes (Including STAR and Tax Items)	\$ 7,219,021	\$ 7,071,421	\$ 6,902,766	\$ 6,762,847	\$ 6,713,286
State Sources	14,420,929	14,594,918	14,299,817	14,716,324	13,843,352
Federal Sources	245,574	-	-	-	-
Other	492,640	527,968	589,628	431,094	573,036
Interfund Transfers	9,969	-	-	-	105,000
Total Revenues	22,388,133	22,194,307	21,792,211	21,910,265	21,234,674
EXPENDITURES					
General Support	2,576,417	2,633,393	2,567,607	2,451,727	2,463,619
Instruction	9,952,034	10,319,608	10,121,055	9,550,054	9,365,117
Transportation	777,049	815,657	1,516,606	848,881	1,055,635
Employee Benefits	5,279,124	5,477,145	5,240,994	5,521,046	5,051,383
Debt Service	2,216,495	2,241,372	2,234,647	3,269,843	3,244,879
Interfund Transfers	476,642	78,514	92,157	80,592	153,558
Total Expenditures	\$ 21,277,761	\$ 21,565,689	\$ 21,773,066	\$ 21,722,143	\$21,334,191
Excess of Revenues (Expenditures)	\$ 1,110,372	\$ 628,618	\$ 19,145	\$ 188,122	\$ (99,517)
Capital Outlay	\$ 388,153	\$ 460,934	\$ -	\$ 616,624	\$ 7,206,238
Special Aid Revenue/Expenditures	\$ 957,987	\$ 1,117,663	\$ 1,147,243	\$ 1,054,195	\$ 1,010,633
PBIS - Revenues	\$ -	\$ 2,137	\$ -	\$ -	\$ -
PBIS - Expenditures	\$ 344	\$ 331	\$ -	\$ -	\$ -
Misc. Special Revenue Fund - Revenues	\$ 5,794	\$ 3,959	\$ 1,802	\$ 2,020	\$ 2,135
Misc. Special Revenue Fund - Expenditures	\$ 5,601	\$ 6,000	\$ 5,785	\$ 6,000	\$ 8,900
School Lunch - Revenues	\$ 372,455	\$ 514,574	\$ 517,442	\$ 502,705	\$ 449,395
School Lunch - Expenditures	\$ 418,111	\$ 492,549	\$ 499,756	\$ 483,558	\$ 453,365

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, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
Nonspendable					
Prepaid Items	\$ -	\$ -	\$ 7,053	\$ 2,727	\$ 1,878
Total Nonspendable	-	-	7,053	2,727	1,878
Restricted					
Unemployment Insurance Reserve	200,218	110,208	70,124	70,110	85,093
Reserve for Employees' Retirement Contributions	1,975,762	1,758,529	1,829,997	1,716,239	1,735,429
Reserve for Teachers' Retirement Contributions	427,857	277,832	132,083	-	-
Liability Reserve	100,167	100,159	100,087	100,000	-
Tax Certiorari Reserve	50,000	-	-	5,010	5,005
Employee Benefit Accrued Liability Reserve	719,560	631,366	805,901	920,879	790,230
Capital Reserve	550,020	300,000	-	-	-
Repair Reserve	-	106,391	106,315	106,209	106,122
Total Restricted	4,023,584	3,284,485	3,044,507	2,918,447	2,721,879
Assigned					
Appropriated for Next Year's Budget	778,119	220,723	220,723	-	243,440
Encumbrances	158,528	146,029	22,630	384,721	117,620
Total Assigned	936,647	366,752	243,353	384,721	361,060
Unassigned					
Unassigned	972,940	1,171,562	899,268	869,141	902,097
Total Unassigned	972,940	1,171,562	899,268	869,141	902,097
Total Fund Balance	\$ 5,933,171	\$ 4,822,799	\$ 4,194,181	\$ 4,175,036	\$ 3,986,914
Compliance with §1318 of Real Property Law					
Next Year's Budget is a Voter Approved Budget	\$ 24,323,506	\$ 22,879,055	\$ 21,680,909	\$ 21,641,551	\$ 21,180,633
Maximum Allowed (4% of Budget)	972,940	915,162	867,236	865,662	847,225
General Fund Fund Balance Subject to §1318 of Real Property Law	972,940	1,171,562	899,268	869,141	902,097
Actual Percentage	4.00%	5.12%	4.15%	4.02%	4.26%
Current Year Reserve Activity					
	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
General Fund					
Unemployment Insurance Reserve	\$ 110,208	\$ 100,000	\$ 10	\$ (10,000)	\$ 200,218
Reserve for Employees' Retirement Contributions	1,758,529	500,000	144	(282,911)	1,975,762
Reserve for Teachers' Retirement Contributions	277,832	150,000	25	-	427,857
Liability Reserve	100,159	-	8	-	100,167
Tax Certiorari Reserve	-	50,000	-	-	50,000
Employee Benefit Accrued Liability Reserve	631,366	140,965	53	(52,824)	719,560
Capital Reserve	300,000	656,391	32	(406,403)	550,020
Repair Reserve	106,391	-	-	(106,391)	-
Total Reserve Activity	\$ 3,284,485	\$ 1,597,356	\$ 272	\$ (858,529)	\$ 4,023,584

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

SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

TWO YEAR GENERAL FUND BUDGET ANALYSIS

2021

	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)
REVENUES				
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
Total Revenues and Other Financing Sources	22,344,201	22,344,201	\$ 22,388,133	\$ 43,932
Appropriated Fund Balances				
Appropriated Reserves, and Encumbrances	680,883	1,140,110		
Total Revenues	\$ 23,025,084	\$ 23,484,311		
EXPENDITURES				
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
Total Expenditures and Other Financing Uses	\$ 23,025,084	\$ 23,484,311	\$ 21,436,289	\$ 2,048,022
2020				
REVENUES				
Real Property Taxes	\$ 5,904,101	\$ 5,904,101	\$ 5,967,351	\$ 63,250
Other Tax Items	1,166,706	1,166,706	1,104,070	(62,636)
State Sources	14,616,785	14,616,785	14,594,918	(21,867)
Other, Including Financing Sources	256,500	258,755	527,968	269,213
Total Revenues and Other Financing Sources	21,944,092	21,946,347	\$ 22,194,307	\$ 247,960
Appropriated Fund Balances				
Appropriated Reserves, and Encumbrances	560,235	735,436		
Total Revenues	\$ 22,504,327	\$ 22,681,783		
EXPENDITURES				
General Support	\$ 2,760,348	\$ 2,813,734	\$ 2,658,421	\$ 155,313
Instruction	10,862,706	10,853,160	10,422,408	430,752
Pupil Transportation	884,532	860,733	822,163	38,570
Community Services	11,100	11,100	-	11,100
Employee Benefits	5,652,956	5,806,684	5,488,840	317,844
Debt Service	2,237,685	2,241,372	2,241,372	-
Other Financing Uses	95,000	95,000	78,514	16,486
Total Expenditures and Other Financing Uses	\$ 22,504,327	\$ 22,681,783	\$ 21,711,718	\$ 970,065

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

SPENCER-VAN ETTEN CENTRAL SCHOOL DISTRICT

FIVE YEAR NET POSITION 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>
NET POSITION					
Net Investment in Capital Assets	\$ 19,056,513	\$ 18,564,954	\$ 17,808,239	\$ 16,796,064	\$ 14,809,366
Restricted	4,857,790	4,164,707	3,912,414	3,774,016	238,266
Unrestricted	(45,621,987)	(45,794,403)	(43,363,703)	(42,501,091)	(36,786,131)
Total Net Position (Deficit)	<u>\$ (21,707,684)</u>	<u>\$ (23,064,742)</u>	<u>\$ (21,643,050)</u>	<u>\$(21,931,011)</u>	<u>\$ (21,738,499)</u>
Unrestricted Net Position (Deficit)	\$ (45,621,987)	\$ (45,794,403)	\$ (43,363,703)	\$(42,501,091)	\$ (36,786,131)
Less:					
GASB 68 - Net Pension Asset/Liability and Deferred Inflows and Outflows	(1,669,756)	(2,527,024)	(3,560,140)	(3,415,241)	(3,526,876)
GASB 75/45 - OPEB Liability and Deferred Inflows and Outflows	48,641,784	49,015,703	47,209,386	46,275,754	44,599,618
Total Unrestricted Net Position Without the Effect of GASB 68 and GASB 75	<u>\$ 1,350,041</u>	<u>\$ 694,276</u>	<u>\$ 285,543</u>	<u>\$ 359,422</u>	<u>\$ 4,286,611</u>

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

SPENCER-VAN ETTEN 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 Information

Report 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