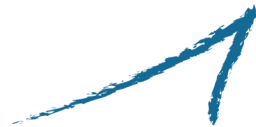


**WEST GENESEE
CENTRAL SCHOOL DISTRICT**

Camillus, New York

EXECUTIVE SUMMARY

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



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Certified Public Accountants | Business Advisors

WEST GENESEE 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 West Genesee 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 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 September 24, 2020, which has been issued, discusses upcoming accounting standards and compliance with federal grant requirements.

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 \$2,622,477.

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, 2020.

Letter of comments dated September 24, 2020 discusses several issues.

WEST GENESEE CENTRAL SCHOOL DISTRICT

FIVE 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	\$ 20,144,521	\$ 19,364,104	\$ 19,568,971	\$ 20,120,353	\$ 19,519,918
Receivables	2,606,704	2,185,019	2,408,945	2,186,847	2,106,498
Due from Other Funds	575,864	392,478	379,902	320,514	547,669
Total Assets	\$ 23,327,089	\$ 21,941,601	\$ 22,357,818	\$ 22,627,714	\$ 22,174,085
LIABILITIES					
Accounts Payable and Accruals	\$ 290,722	\$ 437,316	\$ 368,651	\$ 529,252	\$ 370,033
RAN Payable	6,000,000	4,000,000	4,000,000	5,000,000	5,000,000
Due to Retirement Systems	4,013,154	4,563,130	4,312,295	4,765,018	4,970,313
Due to Other Funds	43,561				6,039
Total Liabilities	10,347,437	9,000,446	8,680,946	10,294,270	10,346,385
FUND BALANCE					
Restricted	6,432,386	6,243,842	6,648,652	6,897,781	5,642,620
Assigned	2,859,505	3,122,087	3,509,169	2,034,381	2,900,993
Unassigned	3,687,761	3,575,226	3,519,051	3,401,282	3,284,087
Total Fund Balances	12,979,652	12,941,155	13,676,872	12,333,444	11,827,700
Total Liabilities and Fund Balances	\$ 23,327,089	\$ 21,941,601	\$ 22,357,818	\$ 22,627,714	\$ 22,174,085
REVENUES					
Real Property Taxes (Including STAR)	\$ 50,724,938	\$ 49,360,401	\$ 48,223,462	\$ 47,168,757	\$ 46,182,311
State Sources	37,045,497	34,550,600	35,528,107	32,614,928	30,303,244
Medicaid Reimbursements	375,124	476,664	302,809	305,967	238,701
Other	2,205,796	2,385,340	2,274,629	1,993,708	1,925,207
Interfund Transfers	31,178	30,868		4,336	27,841
Total Revenues	90,382,533	86,803,873	86,329,007	82,087,696	78,677,304
EXPENDITURES					
General Support	6,620,928	6,757,038	6,616,875	7,004,721	6,211,479
Instruction	51,575,173	49,052,899	48,713,475	46,322,235	43,090,622
Transportation	5,317,049	5,776,235	5,382,920	5,038,102	4,769,305
Employee Benefits	19,387,260	18,645,828	17,251,123	17,434,409	17,812,395
Debt Service	7,274,848	7,088,266	6,956,576	5,725,164	4,901,143
Interfund Transfers	168,778	219,324	64,610	57,321	52,862
Total Expenditures	90,344,036	87,539,590	84,985,579	81,581,952	76,837,806
Excess of Revenues (Expenditures)	\$ 38,497	\$ (735,717)	\$ 1,343,428	\$ 505,744	\$ 1,839,498
Capital Outlay	\$ 2,494,057	\$ 2,234,008	\$ 1,466,662	\$ 10,492,968	\$ 12,331,289
Special Aid Revenue/Expenditures	\$ 2,036,916	\$ 2,016,687	\$ 1,983,375	\$ 2,009,029	\$ 1,855,661
School Lunch - Revenues	\$ 1,801,412	\$ 2,000,446	\$ 1,997,024	\$ 1,974,531	\$ 1,658,712
School Lunch - Expenditures	\$ 1,895,246	\$ 1,937,131	\$ 1,952,554	\$ 1,864,615	\$ 1,621,798

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

WEST GENESEE CENTRAL SCHOOL DISTRICT

FIVE YEAR GENERAL FUND BALANCE ANALYSIS

Fund Balance	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016
Restricted					
Reserve for Employees' Retirement Contributions	1,599,893	1,588,070	1,798,125	1,816,629	1,815,539
Reserve for Teachers' Retirement Contributions	260,530				
Tax Certiorari Reserve	763,016	757,429	751,149	750,118	756,616
Unemployment Insurance Reserve	226,279	238,291	246,883	258,995	280,071
Employee Benefit Accrued					
Liability Reserve	2,758,289	2,842,612	2,819,043	2,815,271	1,534,357
Capital Reserve	712,717	707,498	701,632	700,669	700,262
Workers Compensation Reserve	111,662	109,942	331,820	556,099	555,775
Total Restricted	6,432,386	6,243,842	6,648,652	6,897,781	5,642,620
Assigned					
Appropriated for Next Year's Budget	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Encumbrances	1,459,505	1,722,087	2,109,169	634,381	1,500,993
Total Assigned	2,859,505	3,122,087	3,509,169	2,034,381	2,900,993
Unassigned	3,687,761	3,575,226	3,519,051	3,401,282	3,284,087
Total Fund Balance	\$ 12,979,652	\$ 12,941,155	\$ 13,676,872	\$ 12,333,444	\$ 11,827,700
Compliance with §1318 of Real Property Law					
Next Year's Budget is a Voter Approved Budget	\$ 92,199,225	\$ 90,486,935	\$ 88,000,070	\$ 85,216,870	\$82,227,170
Maximum Allowed (4% of Budget)	3,687,969	3,619,477	3,520,003	3,408,675	3,289,087
General Fund Fund Balance Subject to §1318 of Real Property Law	3,687,761	3,575,226	3,519,051	3,401,282	3,284,087
Actual Percentage	4.00%	3.95%	4.00%	3.99%	3.99%
Current Year Reserve Activity	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Reserve for Employees' Retirement Contributions	\$ 1,588,070	\$	\$ 11,823	\$	\$ 1,599,893
Reserve for Teachers' Retirement Contributions	-	260,530			260,530
Tax Certiorari Reserve	757,429		5,587		763,016
Unemployment Insurance Reserve	238,291		926	(12,938)	226,279
Employee Benefit Accrued					
Liability Reserve	2,842,612		20,528	(104,851)	2,758,289
Capital Reserve	707,498		5,219		712,717
Workers Compensation Reserve	109,942		1,720		111,662
Total Reserve Activity	\$ 6,243,842	\$ 260,530	\$ 45,803	\$ (117,789)	\$ 6,432,386

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

WEST GENESEE CENTRAL SCHOOL DISTRICT

TWO YEAR GENERAL FUND BUDGET ANALYSIS

	2020				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
REVENUES					
Real Property Taxes	\$ 41,943,425	\$ 41,943,425	\$ 42,561,131	\$ 617,706	1.45%
Other Tax Items	8,756,295	8,756,296	8,163,807	(592,489)	-7.26%
State Sources	36,456,065	36,606,065	37,045,497	439,432	1.19%
Medicaid Reimbursements	325,000	325,000	375,124	50,124	13.36%
Other, Including Financing Sources	1,606,150	1,637,249	2,236,974	599,725	26.81%
Total Revenues and Other Financing Sources	89,086,935	89,268,035	\$ 90,382,533	\$ 1,114,498	1.23%
Appropriated Fund Balances	3,122,087	3,239,875			
Total Revenues	\$ 92,209,022	\$ 92,507,910			
EXPENDITURES					
General Support	\$ 7,308,073	\$ 7,826,655	\$ 7,690,211	\$ 136,444	1.77%
Instruction	52,449,261	52,481,526	51,956,480	525,046	1.01%
Pupil Transportation	5,878,775	5,357,912	5,325,716	32,196	0.60%
Employee Benefits	19,153,763	19,398,181	19,387,508	10,673	0.06%
Debt Service	7,344,150	7,274,854	7,274,848	6	0.00%
Other Financing Uses	75,000	168,782	168,778	4	0.00%
Total Expenditures	\$ 92,209,022	\$ 92,507,910	\$ 91,803,541	\$ 704,369	0.77%
2019					
REVENUES					
Real Property Taxes	\$ 40,620,520	\$ 40,466,410	\$ 40,764,308	\$ 297,898	0.73%
Other Tax Items	8,807,370	8,807,370	8,596,093	(211,277)	-2.46%
State Sources	35,506,380	35,660,490	34,550,600	(1,109,890)	-3.21%
Medicaid Reimbursements	220,000	220,000	476,664	256,664	53.85%
Other, Including Financing Sources	1,445,800	1,521,027	2,416,208	895,181	37.05%
Total Revenues and Other Financing Sources	\$ 86,600,070	\$ 86,675,297	\$ 86,803,873	\$ 128,576	0.15%
Appropriated Fund Balances	3,509,169	3,519,449			
Total Revenues	\$ 90,109,239	\$ 90,194,746			
EXPENDITURES					
General Support	\$ 7,708,097	\$ 7,165,555	\$ 6,789,481	\$ 376,074	5.54%
Instruction	51,026,482	51,216,835	50,723,585	493,250	0.97%
Pupil Transportation	5,607,025	5,808,401	5,792,580	15,821	0.27%
Employee Benefits	18,532,085	18,672,010	18,648,431	23,579	0.13%
Debt Service	7,160,550	7,097,621	7,088,266	9,355	0.13%
Other Financing Uses	75,000	234,324	219,324	15,000	6.84%
Total Expenditures	\$ 90,109,239	\$ 90,194,746	\$ 89,261,667	\$ 933,079	1.05%

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

WEST GENESEE CENTRAL SCHOOL DISTRICT

FIVE YEAR NET POSITION 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>
NET POSITION					
Net Investment in Capital Assets	\$ 32,748,380	\$ 30,030,926	\$ 27,621,857	\$ 23,971,930	\$ 21,470,731
Restricted	6,557,898	6,473,093	6,894,445	7,199,833	5,642,620
Unrestricted	<u>(21,866,008)</u>	<u>(13,446,767)</u>	<u>(9,019,349)</u>	<u>(9,962,663)</u>	<u>3,194,006</u>
Total Net Position (Deficit)	<u>\$ 17,440,270</u>	<u>\$ 23,057,252</u>	<u>\$ 25,496,953</u>	<u>\$ 21,209,100</u>	<u>\$ 30,307,357</u>
Unrestricted Net Position (Deficit)	\$(21,866,008)	\$(13,446,767)	\$ (9,019,349)	\$ (9,962,663)	\$ 3,194,006
Less:					
GASB 68 - Net Pension Asset/Liability and Deferred Inflows and Outflows	(13,123,873)	(18,175,534)	(17,470,075)	(20,293,472)	(18,053,736)
GASB 45 - OPEB Liability				24,541,579	12,361,646
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	<u>30,088,895</u>	<u>28,370,210</u>	<u>25,118,634</u>	<u> </u>	<u> </u>
Unrestricted Net Position (Deficit)	<u>\$ (4,900,986)</u>	<u>\$ (3,252,091)</u>	<u>\$ (1,370,790)</u>	<u>\$ (5,714,556)</u>	<u>\$ (2,498,084)</u>

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

WEST GENESEE 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 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