



MORRISVILLE-EATON CENTRAL SCHOOL DISTRICT

Morrisville, New York

EXECUTIVE SUMMARY OF AUDIT

June 30, 2018

MORRISVILLE-EATON CENTRAL SCHOOL DISTRICT
EXECUTIVE SUMMARY OF AUDIT FOR THE YEAR ENDED JUNE 30, 2018

Report Title	Description of Report and Findings
Required Communications	
Required Communication with Those Charged with Governance (Separate Letter)	<p>A letter that specifically addresses certain required communication to the Board of Education in accordance with professional standards – there were no comments of concern to be reported regarding the following:</p> <ul style="list-style-type: none"> • Significant Accounting Policies - GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension • Significant Accounting Estimates • Financial Statement Disclosure • Difficulties Encountered in Performing the Audit • Corrected and Uncorrected Misstatements (Attached) • Disagreements with Management • Management Representations • Management Consultations with Other Independent Accountants • Other Audit Findings or Issues – Uniform Guidance
Basic Financial Statements	
Independent Auditor’s Report (Pages 1-2)	<p>Unmodified Opinion on the District’s basic financial statements for the year ended June 30, 2018.</p> <p>No matters noted with regard to Managements Discussion and Analysis budget comparison, and other reports required by NYSSSED.</p>
Independent Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards (Page 3)	<p>Report on the District’s compliance with laws and regulations that may have a direct and material effect on the basic financial statements, and on the 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 material instances of noncompliance.</p>
Extraclassroom Activity Fund	
Report of Independent Auditors on Extraclassroom Activity Funds (Separate Report)	<p>Qualified opinion on the School Districts Extraclassroom Activity Fund financial statements for the year ended June 30, 2018.</p>

MORRISVILLE-EATON CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2018

Assets	
Cash and Cash Equivalents	\$ 110,953
Restricted Cash and Cash Equivalents	7,915,088
Investments	
Receivables	
Due from Other Governments	830,111
Other Receivables	35,200
Inventory	15,647
Net Pension Asset - Proportionate Share	204,695
Capital Assets (Net of Accumulated Depreciation)	<u>24,854,398</u>
Total Assets	<u>33,966,092</u>
Deferred Outflows of Resources	
Deferred Charge from Refunding of Debt	107,089
Deferred Outflow - Other Postemployment Benefits	388,704
Deferred Outflow - Pensions	<u>3,403,917</u>
Total Deferred Outflows of Resources	<u>3,899,710</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 37,865,802</u>
Liabilities	
Accounts Payable	\$ 505,421
Accrued Liabilities	45,710
Due To	
Other Governments	4,683
Teachers' Retirement System	444,703
Employees' Retirement System	69,536
Fiduciary Fund	21,722
Short-Term Note Payable	
Bond Anticipation Note	7,704,026
Net Pension Liability - Proportionate Share	223,234
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	1,455,000
Premium on Bonds	27,188
Due in More Than One Year	
Compensated Absences	277,482
Bonds Payable	3,505,000
Premium on Bonds	135,943
Other Postemployment Benefits	<u>36,176,093</u>
Total Liabilities	<u>50,595,741</u>
Deferred Inflows of Resources	
Deferred Inflows - Pensions	<u>1,301,840</u>
Net Position	
Net Investment in Capital Assets	17,373,335
Restricted	1,750,612
Unrestricted (Deficit)	<u>(33,155,726)</u>
Total Net Position (Deficit)	<u>(14,031,779)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 37,865,802</u>

MORRISVILLE-EATON CENTRAL SCHOOL DISTRICT
FUND BALANCE - All FUNDS
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
General Fund			
Restricted			
Workers' Compensation			
Unemployment Insurance	\$ 127,654	\$ 126,820	\$ 834
Employee Benefit Accrued Liability	230,044	282,939	(52,895)
Retirement Contribution	210,233	299,470	(89,237)
Tax Certiorari	70,000	70,000	
Liability	206,052	343,730	(137,678)
Capital	<u>150,662</u>	<u>149,638</u>	<u>1,024</u>
Total Restricted	<u>994,645</u>	<u>1,272,597</u>	<u>(277,952)</u>
Assigned			
Appropriated for Subsequent Year's Budget	150,000	150,000	
General Support	9,553	56,693	(47,140)
Instruction	1,062	12,819	(11,757)
Pupil Transportation		<u>135</u>	<u>(135)</u>
Total Assigned	<u>160,615</u>	<u>219,647</u>	<u>(59,032)</u>
Unassigned	<u>733,764</u>	<u>711,879</u>	<u>21,885</u>
Total General Fund	<u>1,889,024</u>	<u>2,204,123</u>	<u>(315,099)</u>
 School Lunch Fund			
Nonspendable	15,647	19,727	(4,080)
Unassigned (Deficit)	<u>(73,463)</u>	<u>(73,463)</u>	<u>(73,463)</u>
Total School Lunch Fund (Deficit)	<u>(57,816)</u>	<u>19,727</u>	<u>(77,543)</u>
 Debt Service Fund			
Restricted	<u>755,967</u>	<u>873,616</u>	<u>(117,649)</u>
 Capital Projects Fund			
Unassigned (Deficit)	<u>(2,465,021)</u>	<u>(974,213)</u>	<u>(1,490,808)</u>
 Total Fund Balance	<u>\$ 122,154</u>	<u>\$ 2,123,253</u>	<u>\$ (2,001,099)</u>

MORRISVILLE-EATON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GENERAL FUND
For the Five Years Ended June 30, 2017
In Thousands

	2018	2017	2016	2015	2014
Assets					
Cash - Unrestricted	\$ 78	\$ 698	\$ 652	\$ 695	\$ 547
Cash - Restricted	995	1,273	1,155	934	1,010
Other Receivables	30	142	69	1	3
Due From Other Funds	790	751	255	312	488
Due From Other Governments	660	542	626	532	583
Total Assets	<u>\$ 2,553</u>	<u>\$ 3,406</u>	<u>\$ 2,757</u>	<u>\$ 2,474</u>	<u>\$ 2,631</u>
Liabilities					
Accounts Payable	\$ 84	\$ 3	\$ 25	\$ 14	\$ 9
Accrued Liabilities	35	61	38	26	14
Deferred Tax Revenue		43			
Due To Other Funds	31	511	61		56
Due To Teachers' Retirement System	445	518	582	774	719
Due To Employees' Retirement System	69	66	71	78	88
Total Liabilities	<u>664</u>	<u>1,202</u>	<u>777</u>	<u>892</u>	<u>886</u>
Fund Balances					
Restricted For					
Reserve for Retirement System Credits	210	299	237	236	265
Reserve for Employee Benefit Accrued Liability	230	283	274	284	310
Reserve for Unemployment Insurance	128	127	134	128	149
Reserve for Liability	206	344	360	260	260
Reserve for Tax Certiorari	70	70			
Reserve for Capital	151	150	150	27	
Reserve for Repairs					27
Reserve for Encumbrances	10	70	76	5	22
Designated for Subsequent Year's Expenditures	150	150	150	150	250
Undesignated	734	711	599	492	462
Total Fund Balances	<u>1,889</u>	<u>2,204</u>	<u>1,980</u>	<u>1,582</u>	<u>1,745</u>
Total Liabilities and Fund Balances	<u>\$ 2,553</u>	<u>\$ 3,406</u>	<u>\$ 2,757</u>	<u>\$ 2,474</u>	<u>\$ 2,631</u>
Current Ratio (Assets:Liabilities)	3.84	2.83	3.55	2.77	2.97
Pct of Total Fund Equity to Expenditures	11.9%	14.6%	13.5%	10.6%	11.7%
Pct of Undesignated Fund Balance to Expenditures	4.6%	4.7%	4.1%	3.3%	3.1%

MORRISVILLE-EATON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND
For the Five Years Ended June 30, 2017
In Thousands

	2018	Pct of Rev	2017	Pct of Rev	2016	Pct of Rev	2015	Pct of Rev	2014	Pct of Rev
Revenues										
Real Property Taxes	\$ 3,875	24.8%	\$ 3,729	23.9%	\$ 3,739	24.5%	\$ 3,587	23.6%	\$ 3,480	23.5%
Other Real Property Tax Items	736	4.7%	755	4.8%	774	5.1%	779	5.1%	795	5.4%
Charges for Services	12	0.1%	179	1.1%	87	0.6%	30	0.2%	34	0.2%
Use of Money and Property	21	0.1%	10	0.1%	6	0.0%	5	0.0%	6	0.0%
Sale of Property and Compensation for Loss	40	0.3%	16	0.1%	2	0.0%	62	0.4%	45	0.3%
Miscellaneous	241	1.5%	170	1.1%	192	1.3%	126	0.8%	165	1.1%
State Sources	10,673	68.3%	10,423	66.7%	10,400	68.0%	10,219	67.2%	10,348	69.8%
Federal Sources	18	0.1%	8	0.1%	15	0.1%	19	0.1%	50	0.3%
Total Revenues	15,616	100%	15,290	98%	15,215	100%	14,827	97%	14,923	101%
Expenditures										
General Support	1,969	12.4%	1,828	11.5%	1,827	12.1%	1,781	12.2%	1,898	12.8%
Instruction	6,806	41.9%	6,638	39.5%	6,254	41.4%	6,415	43.8%	6,167	41.5%
Pupil Transportation	950	4.6%	733	4.2%	664	4.4%	777	5.3%	808	5.4%
Employee Benefits	4,370	26.5%	4,194	26.1%	4,136	27.4%	4,142	28.3%	3,940	26.5%
Debt Service - Principal	1,565	9.5%	1,513	9.3%	1,477	9.8%	1,447	9.9%	1,831	12.3%
Debt Service - Interest	185	1.3%	206	1.7%	277	1.8%	298	2.0%	333	2.2%
Total Expenditures	15,845	100%	15,112	95%	14,635	#####	14,860	102%	14,977	101%
Excess (Deficit) Revenues Over Expenditures	(229)		178		580		(33)		(54)	
Other Financing Sources (Uses)										
Transfers from Other Funds	151		150						140	
Transfers to Other Funds	(237)		(104)		(182)		(130)		(130)	
Total Other Financing Sources (Uses)	(86)		46		(182)		(130)		10	
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	(315)		224		398		(163)		(44)	
Fund Balance, Beginning of Year	2,204		1,980		1,582		1,745		1,789	
Prior Period Adjustment										
Fund Balance, End of Year	\$ 1,889		\$ 2,204		\$ 1,980		\$ 1,582		\$ 1,745	