



# Hermon-Dekalb Central School

June 30, 2020

Audit Closing Meeting





November 2, 2020



**BOWERS & COMPANY**  
**CPAs PLLC**

CERTIFIED PUBLIC ACCOUNTANTS · BUSINESS CONSULTANTS

# Outline

-  Required Communications
-  Highlights of the Financial Statements
-  Graphs
-  Management Recommendations

# Auditor Communication

# Communication with Those Charged with Governance

## Accounting Policies – Note 1

- No unusual policies
- Adopted all new applicable GASB Standards

## GASB Standards CY

- GASB 95 Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 84 Fiduciary Activities now June 2021, GASB 87 Leases June 2022)

## Future GASB Standards

- GASB 84 Fiduciary Activities – Effective 2021
- GASB 87 Leases – Effective 2022
- Various Others – GASB 89 – GASB 97 (Described in Note 1)

# Communication with Those Charged with Governance - Continued

## Significant Accounting Estimates

- Depreciation Expense – based on useful lives of capital asset classes (described in Note 1)
- Actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68
- Actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75

## Audit Adjustments

- All misstatements were corrected by Management
- See material misstatements attached to the Communication with Those Charged with Governance
- CY misstatements included adjustments to OPEB, ERS, and TRS. Also includes deferred state aid (20% withholding and GASB 34 entries for the Government-Wide Financial Statements

## There Were No

- Difficulties Encountered in Performing the Audit
- Transactions that lacked authoritative guidance or consensus
- Disagreements with Management
- Known Communications with Other Accountants

## Communication with Those Charged with Governance - Continued

### Other Matters

- Limited procedures on the MD&A and Required Supplementary Information (not audited)
- Engaged to report on Supplementary Information which are not RSI (inquiries, comparison to PY, reconciled to the financial statements)

# Independent Auditor's Report

## The Audit Report

- The financial statements are the responsibility of Management
- Our responsibility is to express an opinion on the financial statements based on our audit for 2020

## Unmodified Opinion for 2020 (Clean Opinion)

## Other Matters

- MD&A and RSI (Required and not audited)
- Other Supplementary Information (not required)
- Other Supplementary Information is fairly stated, in all material respects in relation to the basic financial statements as a whole
- Independent Auditor's 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

# Financial Statements



# 2019-2020 Overview



\$395K Increase in Net Position  
(Government Wide) and \$968K  
Decrease in Fund Balance  
(Governmental Funds)



\$15M Capital Project (\$850k  
Funded by Capital Reserve)



2019-20 Enrollment 441  
students vs 433 for 2018-19

## Condensed Statement of Net Position – Governmental Activities

### Condensed Statement of Net Position Comparison 2018-2019 and 2019-2020

	2018-2019	2019-2020	Change
<b>Assets</b>			
Current and Other Assets	\$ 3,845,163	\$ 3,797,140	\$ (48,023)
Capital Assets, Net	6,859,212	7,914,007	1,054,795
Net Pension Asset - Proportionate Share	320,383	454,561	134,178
<b>Total Assets</b>	<u>\$ 11,024,758</u>	<u>\$ 12,165,708</u>	<u>\$ 1,140,950</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Bond Refunding	\$ 135,233	\$ 108,529	\$ (26,704)
Other Postemployment Benefits	571,841	3,135,260	2,563,419
Pensions	1,838,426	1,942,350	103,924
<b>Total Deferred Outflows of Resources</b>	<u>\$ 2,545,500</u>	<u>\$ 5,186,139</u>	<u>\$ 2,640,639</u>
<b>Liabilities</b>			
Current Liabilities	\$ 1,250,687	\$ 2,051,378	\$ 800,691
Long-Term Liabilities	22,717,118	26,101,327	3,384,209
Net Pension Liability - Proportionate Share	187,564	692,975	505,411
<b>Total Liabilities</b>	<u>\$ 24,155,369</u>	<u>\$ 28,845,680</u>	<u>\$ 4,690,311</u>
<b>Deferred Inflows of Resources</b>			
Pensions	\$ 557,724	\$ 699,194	\$ 141,470
Other Postemployment Benefits	5,187,792	3,742,602	(1,445,190)
<b>Total Deferred Inflows of Resources</b>	<u>\$ 5,745,516</u>	<u>\$ 4,441,796</u>	<u>\$ (1,303,720)</u>
<b>Net Position</b>			
Net Investment in Capital Assets, Net of Related Debt	\$ 3,931,412	\$ 5,399,110	\$ 1,467,698
Restricted	1,301,334	1,045,590	(255,744)
Unrestricted	(21,563,373)	(22,380,329)	(816,956)
<b>Total Net Position</b>	<u>\$ (16,330,627)</u>	<u>\$ (15,935,629)</u>	<u>\$ 394,998</u>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Condensed Statement of Activities and Changes in Net Position – Governmental Activities

### Condensed Statement of Activities Comparison 2018-2019 and 2019-2020

	2018-2019	2019-2020	% Change
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 92,759	\$ 137,667	48.4%
Operating Grants	1,139,274	1,155,334	1.4%
Capital Grants	11,600	134,106	1056.1%
<b>General Revenues</b>			
Property and Other Tax Items	2,548,415	2,598,982	2.0%
Use of Money and Property	71,943	45,482	-36.8%
Sale of Property and Compensation for Loss	-	1,396	-
Loss on Disposition of Fixed Assets	(6,443)	(4,799)	-25.5%
Miscellaneous	176,912	204,686	15.7%
State Sources	7,250,728	7,188,932	-0.9%
Federal Sources	14,263	9,792	-31.3%
<b>Total Revenues</b>	<u>\$ 11,299,451</u>	<u>\$ 11,471,578</u>	<u>1.5%</u>
<b>Expenses</b>			
General Support	\$ 1,555,999	\$ 1,720,341	10.6%
Instruction	7,528,557	8,345,435	10.9%
Pupil Transportation	586,875	648,862	10.6%
Community Service	2,297	-	-100.0%
Debt Service - Interest	90,409	79,454	-12.1%
School Food Service Program	249,287	282,488	13.3%
<b>Total Expenses</b>	<u>10,013,424</u>	<u>11,076,580</u>	<u>10.6%</u>
<b>Change in Net Position</b>	<u>\$ 1,286,027</u>	<u>\$ 394,998</u>	<u>69.3%</u>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Balance Sheet – Governmental Funds

	General	Special Aid	Capital Projects - Campus-Wide	Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents					
Unrestricted	\$ 1,571,417	\$ 18,520	\$ -	\$ 36,934	\$ 1,626,871
Restricted	994,708	-	29,139	41,387	1,065,234
Receivables					
Due From Other Funds	398,910	2,159	-	9,495	410,564
Due From Fiduciary Funds	3,778	-	-	-	3,778
State and Federal Aid	207,766	442,888	-	25,390	676,044
Due From Other Governments	362,864	-	-	-	362,864
Other	44,925	-	-	-	44,925
Inventories	-	-	-	12,521	12,521
Prepaid Expenditures	4,903	-	-	-	4,903
<b>TOTAL ASSETS</b>	<b>\$ 3,589,271</b>	<b>\$ 463,567</b>	<b>\$ 29,139</b>	<b>\$ 125,727</b>	<b>\$ 4,207,704</b>
<b>LIABILITIES</b>					
Payables					
Accounts Payable	\$ 118,887	\$ 103,863	\$ 730,646	\$ 72	\$ 953,468
Accrued Liabilities	18,260	42	-	-	18,302
Due to Other Funds	-	352,096	9,495	48,973	410,564
Due to Other Governments	9,792	4,923	-	49	14,764
Due to Teachers' Retirement System	287,915	-	-	-	287,915
Due to Employees' Retirement System	37,514	-	-	-	37,514
Unearned Credits					
Unearned Revenues – Other	-	2,643	-	1,967	4,610
Total Liabilities	472,368	463,567	740,141	51,061	986,996
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred State Aid	110,468	55,466	-	-	165,934
Total Deferred Inflows of Resources	110,468	55,466	-	-	165,934
<b>FUND BALANCES</b>					
Nonspendable	4,903	-	-	12,521	17,424
Restricted	994,708	-	-	50,882	1,045,590
Assigned	1,443,375	-	-	11,263	1,454,638
Unassigned (Deficit)	563,449	(55,466)	(711,002)	-	(203,019)
Total Fund Balances (Deficit)	3,006,435	(55,466)	(711,002)	74,666	2,314,633
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,589,271</b>	<b>\$ 463,567</b>	<b>\$ 29,139</b>	<b>\$ 125,727</b>	<b>\$ 4,207,704</b>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

	General	Special Aid	Capital Projects- Campus-Wide	Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>					
Real Property Taxes	\$ 2,173,880	\$ -	\$ -	\$ -	\$ 2,173,880
Other Tax Items	425,102	-	-	-	425,102
Charges for Services	105,454	-	-	-	105,454
Use of Money and Property	41,240	-	-	4,242	45,482
Sale of Property and Compensation for Loss	15,396	-	-	-	15,396
State Sources	7,078,464	429,191	-	153,680	7,661,335
Medicaid Reimbursement	9,792	-	-	-	9,792
Federal Sources	-	431,595	-	231,108	662,703
Sales – School Food Service	-	-	-	32,213	32,213
Miscellaneous	199,483	-	500	4,703	204,686
<b>Total Revenues</b>	<b>10,048,811</b>	<b>860,786</b>	<b>500</b>	<b>425,946</b>	<b>11,336,043</b>
<b>EXPENDITURES</b>					
General Support	1,327,146	-	-	90,057	1,417,203
Instruction	4,846,978	803,955	-	-	5,650,933
Pupil Transportation	406,196	15,684	-	-	421,880
Employee Benefits	2,330,983	104,569	-	55,457	2,491,009
Debt Service					
Principal	628,767	-	-	16,233	645,000
Interest	97,341	-	-	-	97,341
Cost of Sales	-	-	-	131,386	131,386
Capital Outlay	-	-	1,319,691	379,632	1,699,323
<b>Total Expenditures</b>	<b>9,637,411</b>	<b>924,208</b>	<b>1,319,691</b>	<b>672,765</b>	<b>12,554,075</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>411,400</b>	<b>(63,422)</b>	<b>(1,319,191)</b>	<b>(246,819)</b>	<b>(1,218,032)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Proceeds from Debt	-	-	-	250,000	250,000
Operating Transfers In	-	7,956	300,000	4,474	312,430
Operating Transfers (Out)	(307,956)	-	-	(4,474)	(312,430)
<b>Total Other Financing Sources (Uses)</b>	<b>(307,956)</b>	<b>7,956</b>	<b>300,000</b>	<b>250,000</b>	<b>250,000</b>
<b>Net Change in Fund Balance</b>	<b>103,444</b>	<b>(55,466)</b>	<b>(1,019,191)</b>	<b>3,181</b>	<b>(968,032)</b>
<b>Fund Balances – Beginning of Year</b>	<b>2,902,691</b>	<b>-</b>	<b>308,189</b>	<b>71,485</b>	<b>3,282,665</b>
<b>Fund Balances (Deficit) – End of Year</b>	<b>\$ 3,006,435</b>	<b>\$ (55,466)</b>	<b>\$ (711,002)</b>	<b>\$ 74,666</b>	<b>\$ 2,314,633</b>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Financial Statement Disclosures - Capital Assets

Capital asset balances and activity were as follows:

Governmental Activities	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
<b>Capital Assets That Are Not Depreciated:</b>				
Land	\$ 110,143	\$ -	\$ -	\$ 110,143
Construction in Progress	241,811	1,636,877	(317,187)	1,561,501
<b>Total Nondepreciable Assets</b>	<b>351,954</b>	<b>1,636,877</b>	<b>(317,187)</b>	<b>1,671,644</b>
<b>Capital Assets That Are Depreciated:</b>				
Buildings and Improvements	12,964,495	75,622	-	13,040,117
Furniture and Equipment	4,103,054	280,211	(187,986)	4,195,279
<b>Total Depreciable Assets</b>	<b>17,067,549</b>	<b>355,833</b>	<b>(187,986)</b>	<b>17,235,396</b>
<b>Less Accumulated Depreciation:</b>				
Buildings and Improvements	7,564,606	428,605	-	7,993,211
Furniture and Equipment	2,995,685	173,324	(169,187)	2,999,822
<b>Total Accumulated Depreciation</b>	<b>10,560,291</b>	<b>601,929</b>	<b>(169,187)</b>	<b>10,993,033</b>
<b>Total Depreciated Assets, Net</b>	<b>6,507,258</b>	<b>(246,096)</b>	<b>(18,799)</b>	<b>6,242,363</b>
<b>Capital Assets, Net</b>	<b>\$ 6,859,212</b>	<b>\$ 1,390,781</b>	<b>\$ (335,986)</b>	<b>\$ 7,914,007</b>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Financial Statement Disclosures - Long-Term Debt Obligations

Long-term liability balances and activity for the year are summarized below:

<b>Government Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Bonds and Notes Payable:</b>					
<b>General Obligation Debt:</b>					
Serial Bonds	\$ 2,840,000	\$ 250,000	\$ 645,000	\$ 2,445,000	\$ 680,000
Premium on Bonds	223,033	-	44,607	178,426	44,607
<b>Total Bonds and Notes Payable</b>	<b>3,063,033</b>	<b>250,000</b>	<b>689,607</b>	<b>2,623,426</b>	<b>724,607</b>
<b>Other Liabilities:</b>					
<b>Compensated Absences</b>					
Payable	290,236	38,099	-	328,335	-
<b>Other Postemployment</b>					
Benefits Liability	20,053,456	3,820,717	-	23,874,173	-
<b>Net Pension Liability -</b>					
Proportionate Share	187,564	505,411	-	692,975	-
<b>Total Other Liabilities</b>	<b>20,531,256</b>	<b>4,364,227</b>	<b>-</b>	<b>24,895,483</b>	<b>-</b>
<b>Total Governmental Activities</b>	<b>\$ 23,594,289</b>	<b>\$ 4,614,227</b>	<b>\$ 689,607</b>	<b>\$ 27,518,909</b>	<b>\$ 724,607</b>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## General Fund Budget vs Actual

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Real Property Taxes	\$ 2,588,460	\$ 2,173,950	\$ 2,173,880		\$ (70)
Other Tax Items	-	414,510	425,102		10,592
Charges for Services	-	-	103,454		103,454
Use of Money and Property	45,000	45,000	41,240		(3,760)
Sale of Property and Compensation for Loss	-	-	15,396		15,396
Miscellaneous	14,800	14,800	199,483		184,683
<b>Total Local Sources</b>	<u>2,648,260</u>	<u>2,648,260</u>	<u>2,960,555</u>		<u>312,295</u>
State Sources	7,225,225	7,225,225	7,078,464		(146,761)
Medicaid Reimbursement	10,000	10,000	9,792		(208)
<b>Total Revenues</b>	<u>9,883,485</u>	<u>9,883,485</u>	<u>10,048,811</u>		<u>\$ 165,326</u>
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	10,296	10,551	5,700	\$ -	\$ 4,851
Central Administration	148,609	148,197	143,199	-	4,998
Finance	273,734	277,858	275,812	-	2,006
Staff	55,337	57,802	43,064	-	14,798
Central Services	668,270	659,911	572,112	-	87,799
Special Items	289,332	289,332	287,281	-	2,051
<b>Total General Support</b>	<u>1,445,578</u>	<u>1,443,651</u>	<u>1,327,146</u>	-	<u>118,503</u>
<b>Instruction</b>					
Instruction, Administration and Improvement	265,898	275,941	275,397	-	544
Teaching - Regular School	2,406,721	2,423,008	2,179,317	-	243,681
Programs for Children with Handicapping Conditions	1,935,745	1,883,407	1,323,748	-	559,659
Occupational Education	275,220	275,220	275,220	-	-
Teaching - Special School	48,374	52,274	45,366	-	6,908
Instructional Media	431,409	436,148	398,186	-	37,962
Pupil Services	398,328	398,328	349,734	-	48,594
<b>Total Instruction</b>	<u>5,761,695</u>	<u>5,744,326</u>	<u>4,846,978</u>	-	<u>897,348</u>
Pupil Transportation	482,953	502,249	406,196	-	96,053
Community Service	-	-	-	-	-
Employee Benefits	2,568,313	2,568,313	2,330,983	-	237,330
Debt Service	733,341	733,341	726,168	-	7,233
<b>Total Expenditures</b>	<u>10,991,880</u>	<u>10,991,880</u>	<u>9,637,411</u>	-	<u>1,354,467</u>
<b>OTHER FINANCING USES</b>					
Operating Transfers to Other Funds	345,000	345,000	307,906	-	37,044
<b>Total Expenditures and Other Financing Uses</b>	<u>11,336,880</u>	<u>11,336,880</u>	<u>9,945,367</u>	\$ -	<u>\$ 1,391,511</u>
<b>Net Change in Fund Balance</b>	<u>(1,453,395)</u>	<u>(1,453,395)</u>	<u>103,444</u>		
Fund Balances - Beginning of Year	2,902,991	2,902,991	2,902,991		
<b>Fund Balances - End of Year</b>	<u>\$ 1,449,596</u>	<u>\$ 1,449,596</u>	<u>\$ 3,006,435</u>		

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.



## Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund

### CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 11,336,755
Add: Prior Year's Encumbrances	<u>125</u>
Original Budget	11,336,880
Budget Revisions	-
Final Budget	<u>\$ 11,336,880</u>

### SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2020-2021 Voter Approved Expenditure Budget	<u>\$ 11,269,040</u>
Maximum Allowed 4% of 2020-2021 Budget	<u>\$ 450,762</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,443,375
Unassigned Fund Balance	<u>563,449</u>
Total Unrestricted Fund Balance	<u>2,006,824</u>
Less:	
Appropriated Fund Balance	1,443,375
Encumbrances Included in Assigned Fund Balance	-
Total Adjustments	<u>1,443,375</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 563,449</u>
Actual Percentage	<u>5.00%</u>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Schedule of Capital Projects Fund – Project Expenditures and Financing Resources

PROJECT	Expenditures						Methods of Financing				Transfer to Debt Service Fund	Fund Balance (Deficit) 6/30/2020
	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	Proceeds Of Obligations	State Aid	Local Sources	Total		
Buses 6/30/20	\$ 250,000	\$ 250,000	\$ -	\$ 245,526	\$ 245,526	\$ 4,474	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 4,474	\$ -
Smart Schools	220,137	220,137	11,600	134,106	145,706	74,431	-	145,706	-	145,706	-	-
Capital Project - Campus-Wide	15,000,000	15,000,000	241,811	1,319,691	1,561,502	13,438,498	-	-	850,500	850,500	-	(711,002)
<b>Totals</b>	<b>\$ 15,470,137</b>	<b>\$ 15,470,137</b>	<b>\$ 253,411</b>	<b>\$ 1,699,323</b>	<b>\$ 1,952,734</b>	<b>\$ 13,517,403</b>	<b>\$ 250,000</b>	<b>\$ 145,706</b>	<b>\$ 850,500</b>	<b>\$ 1,246,206</b>	<b>\$ 4,474</b>	<b>\$ (711,002)</b>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

## Extra Classroom Activity Funds

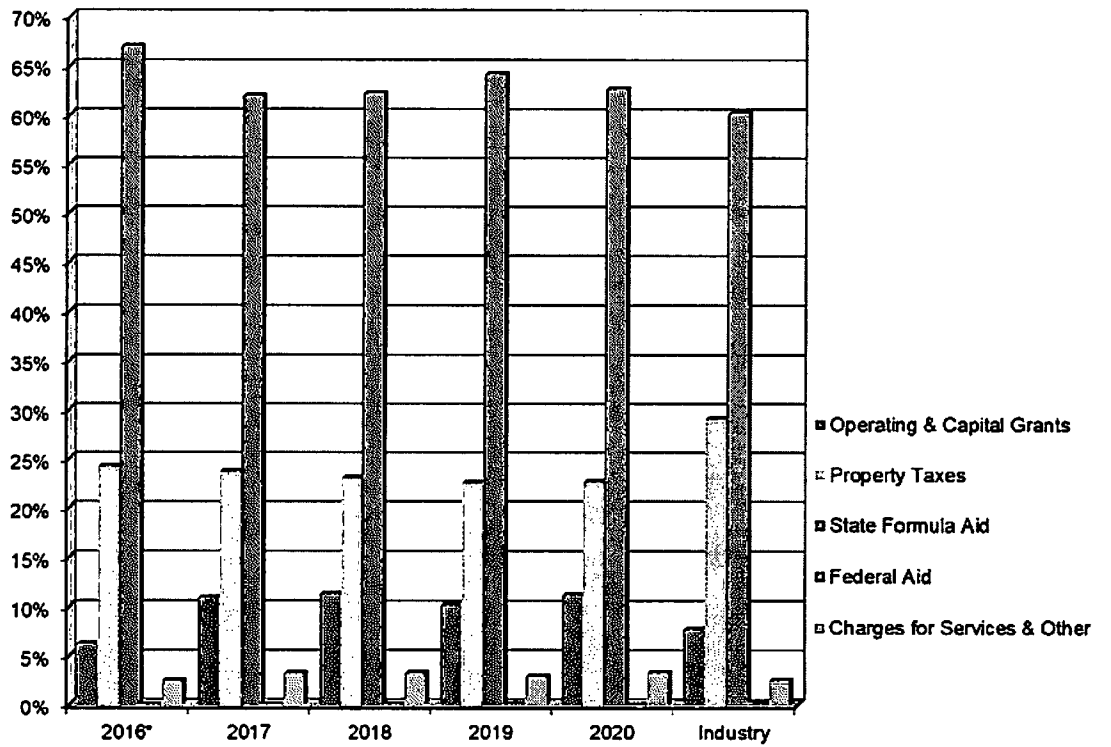
- Audited statement of cash receipts and disbursements and related note (cash basis)
- Unmodified Opinion

Class of:	Cash Balance 7/1/2019	Cash Receipts	Cash Disbursements	Cash Balance 6/30/2020
2019	\$ 213	\$ -	\$ 213	\$ -
2020	14,265	39,062	49,588	3,739
2021	9,029	7,522	5,937	10,614
2022	4,125	5,912	2,511	7,526
2023	-	8,067	5,390	2,677
Art Club	287	-	287	-
Athletic Account	794	263	307	750
Cheerleading	40	-	40	-
Drama Club	2,919	2,279	2,458	2,740
Fine Arts Club	1,724	-	91	1,633
Interest Account	75	7	-	82
National Honor Society	786	1,480	344	1,922
Newspaper	216	-	216	-
NYS Sales Tax	292	1,557	1,421	428
Outing Club	4,904	4,622	4,620	4,906
Student Council	4,833	2,843	1,878	5,798
Yearbook	5,518	3,498	2,423	6,593
<b>Total</b>	<b>\$ 50,020</b>	<b>\$ 77,112</b>	<b>\$ 77,724</b>	<b>\$ 49,408</b>

Note: Information extracted from the audited financial statements. Please refer to the independent auditor's report.

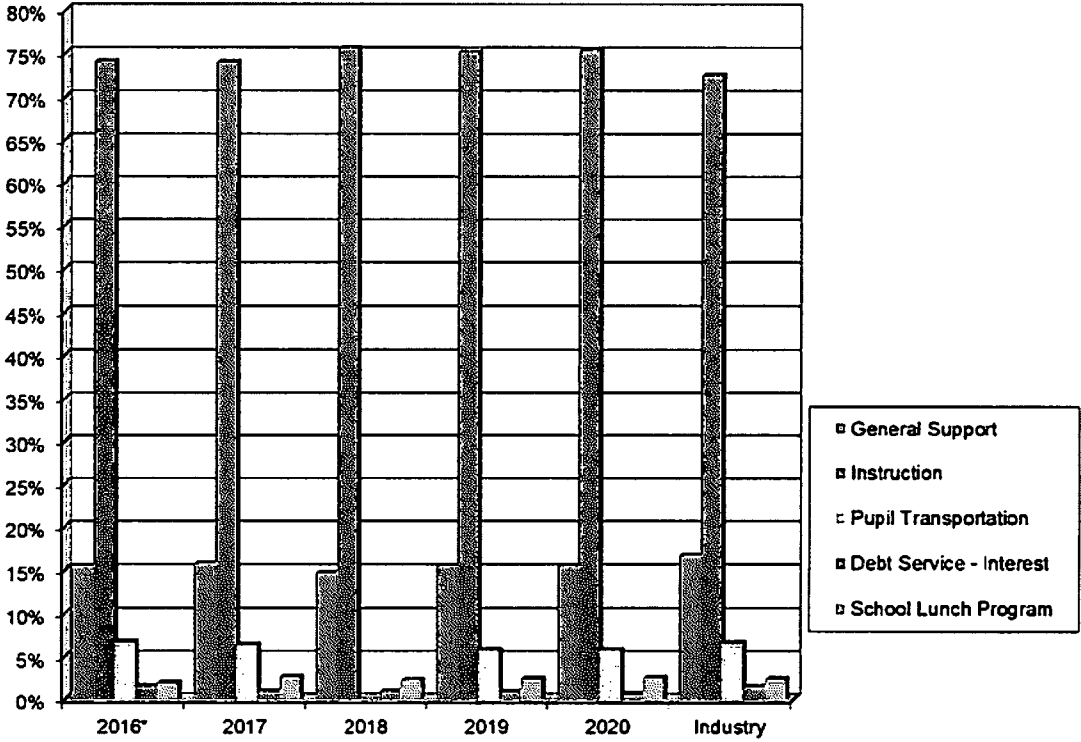
# Graphs

### Hermon-DeKalb CSD General and Program Revenues



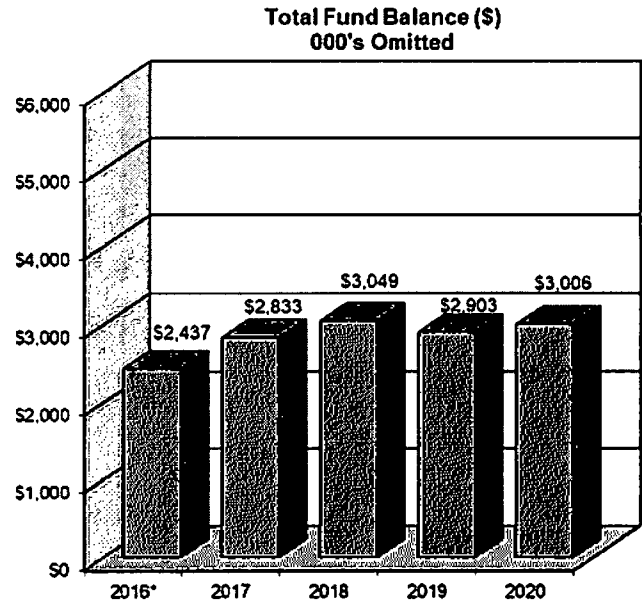
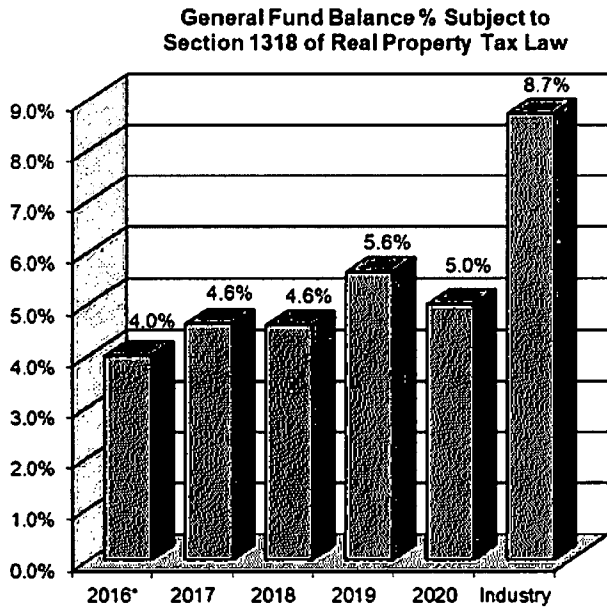
\*2016 was not audited by Bowers and Company, CPA's

### Hermon-DeKalb CSD Program Expenses



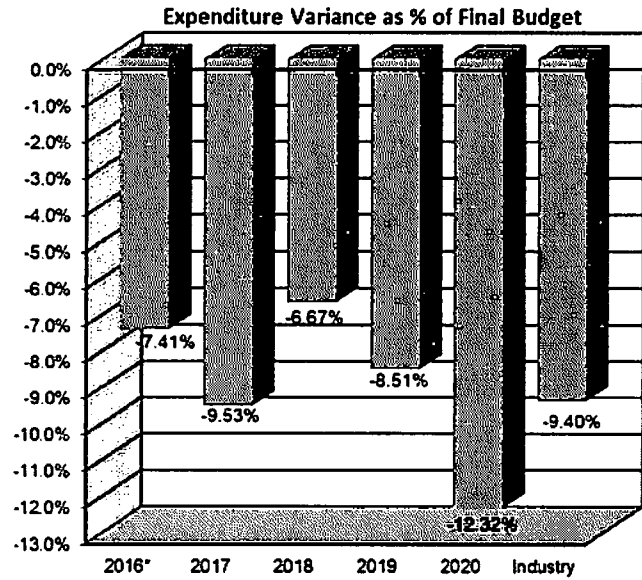
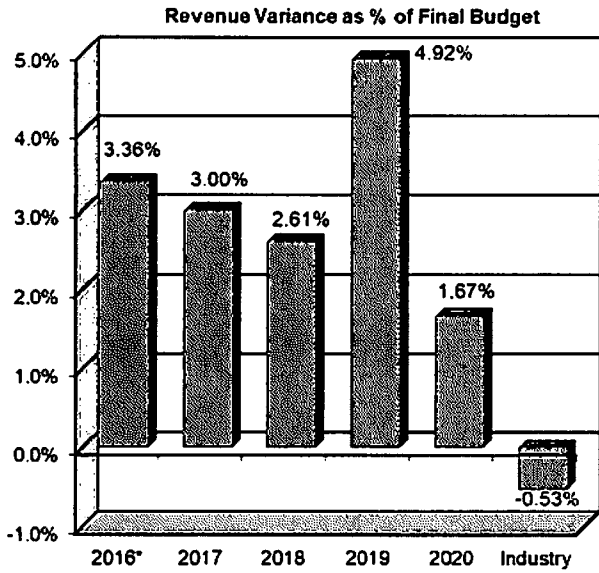
\*2016 was not audited by Bowers and Company, CPA's

**Hermon-DeKalb CSD  
General Fund - Fund Balance**



\*2016 was not audited by Bowers and Company, CPA's

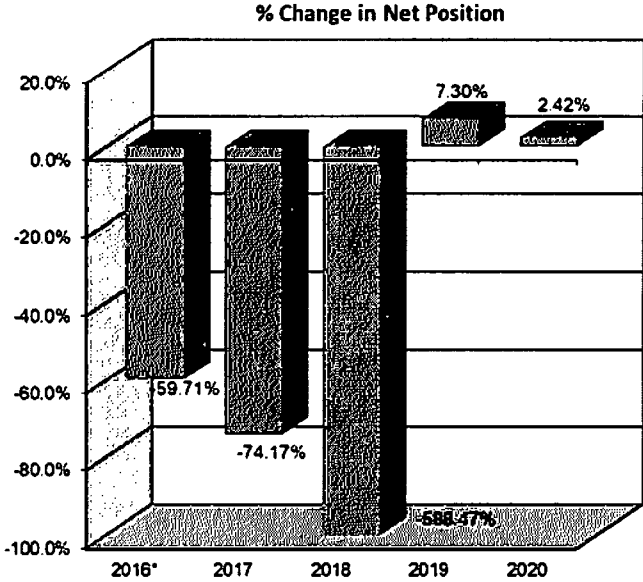
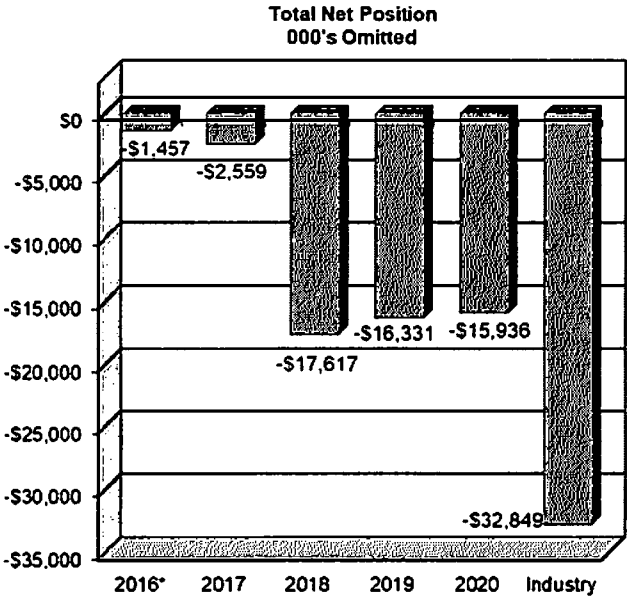
**Hermon-DeKalb CSD  
General Fund - Final Budget Variance with Actual and Encumbrances**



\*2016 was not audited by Bowers and Company, CPA's



**Hermon-DeKalb CSD  
Total Net Position**



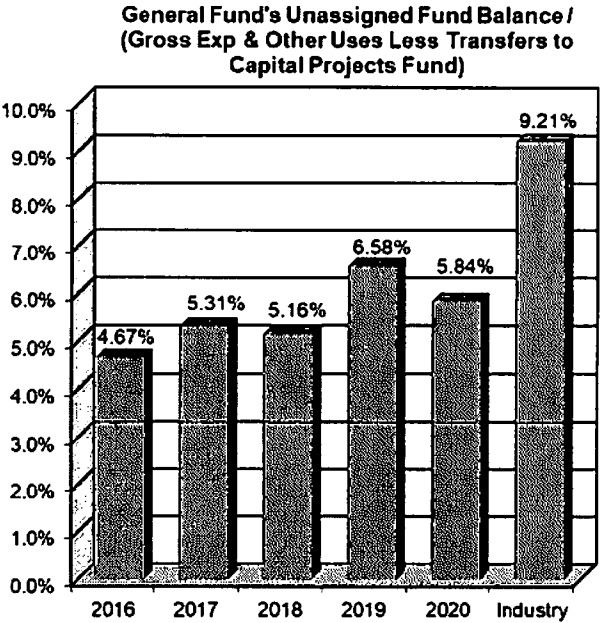
\*2016 was not audited by Bowers and Company, CPA's



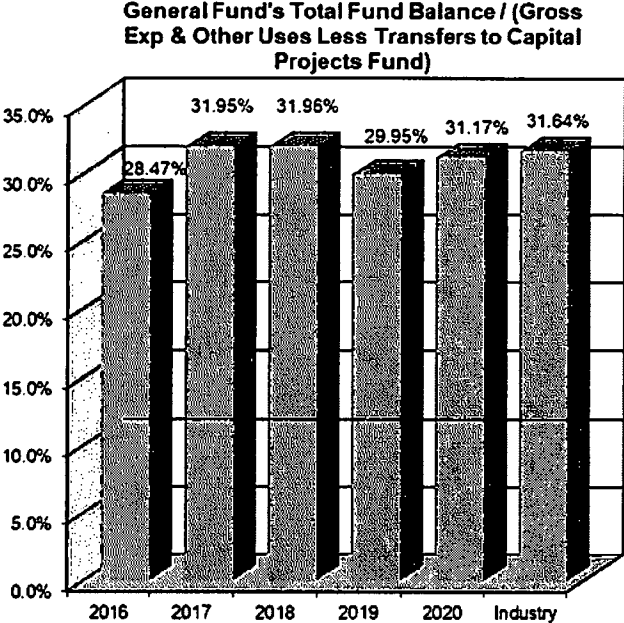
Office of  
the NYS  
Comptroller

- **Fiscal Monitoring System**
  - Created as an early warning system for communities and school districts with fiscal problems, giving local officials and taxpayers the opportunity to be more proactive in decision making.
  - 2019 Data – 674 schools, 4 Moderate, 4 Significant, and 24 Susceptible to Fiscal Stress.
- **Indicators (6)**
  - Unassigned Fund Balance
  - Total Fund Balance
  - Operating Surplus / Deficit
  - Cash Ratio
  - Cash as a Percent of Monthly Expenditures
  - Reliance on Short-Term Cash-Flow Debt

**Hermon-DeKalb CSD  
Fund Balance Financial Indicators**



Amounts less than 3% receive a designation as having stress and less than 1% receives the maximum designation (2017 Fiscal Stress Monitoring System Manual)



Amounts less than 10% receive a designation as having stress and less than 0% receives the maximum designation (2017 Fiscal Stress Monitoring System Manual)

The above information was not audited by Bowers & Company. 2020 is an estimate based on our audited balances. Ratio's 2016-2019 were obtained from NYS Office of State Comptroller's website. Industry data is based off Bower's & Company School District client base for 2020. 27

# Management Letter

# PY Management Letter Comments



## **Non-Compliance with the Real Property Tax Law**



## **Extra Classroom Activity Funds**

No P&L statements,  
insufficient supporting  
documentation for receipts,  
insufficient supporting  
evidence of receiving goods.

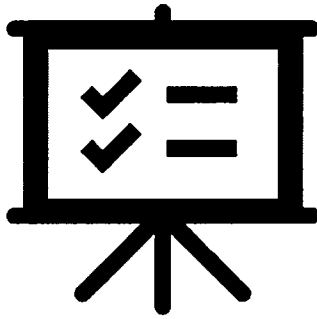
## **Capital Asset Tracking**



## **Documentation Procedures Related to Time Certification of Federal Programs**

# Fund Balance

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## Condition

- Real Property Tax Law 1318 states that the tax rate must reflect the return of all unexpended funds to the taxpayer except for an amount equal to 4% of the current budget, which may be retained as surplus. The District's unreserved, undesignated fund balance was in excess of the 4% limit for the year ended June 30, 2020.

## Recommendation

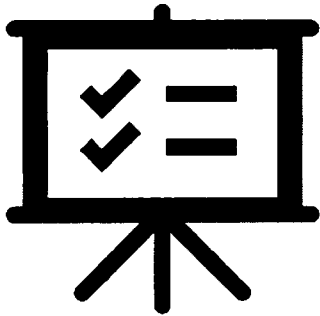
- We recommend District officials review fund balance during the budget process to ensure compliance with Real Property Tax Law.

## Management's Response

- District officials, including the Superintendent and Board of Education, review the fund balance frequently during the budget process. The application of fund balance towards the next year's tax levy is determined by the Board of Education. With the COVID-19 pandemic, the increased expenses that were anticipated for 2020-2021 for PPE and other expenses to counter the pandemic, as well as the uncertainty of State Aid; it was decided that an increased unreserved Fund Balance was justified.

# Capital Asset Tracking

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## **Condition**

- It is the responsibility of management to prepare and maintain capital asset schedules and to ensure that appropriate capital asset accounting and financial reporting policies are in place that conform to Generally Accepted Accounting Policies (GAAP).

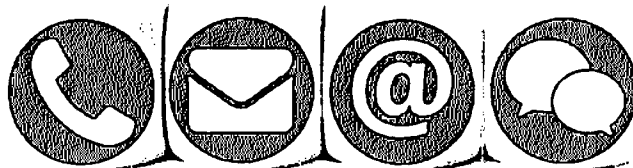
## **Recommendation**

- We recommend that the District considers reviewing the need for appraisals and consider using an external party (Bowers) to maintain the capital asset schedules.

## **Management's Response**

- The District is considering using an external party (Bowers) to maintain the capital asset schedules.

## Contact Information



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BOWERS & COMPANY  
CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS BUSINESS CONSULTANTS

Thank you for your business!