

Communication with Those Charged With Governance

To the Board of Education
Sidney Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sidney Central School District for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards*, and Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sidney Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by Sidney Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were:

1. The District, in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires significant actuarial estimates to calculate the District's postemployment benefits liability.
2. The District's estimate of its compensated absences liability.
3. Estimates involving depreciable lives of the District's capital assets and the related depreciation.
4. Estimated amount of collection in advance.
5. The District, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pension assets and liabilities, deferred inflows and outflows of resources – pensions, and pension expense.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreement arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 13, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Sidney Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Sidney Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule of revenues, expenditures, and changes in the fund balance budget and actual for the general fund, and the schedules of funding progress of the other postemployment benefits, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedules of change from the original budget to the revised budget, section 1318 of real property tax law limit calculation, the schedule of project expenditures for the capital projects fund, and the net investment in capital assets, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education, Administration of Sidney Central School District, and the New York State Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

October 13, 2020

Utica, New York

Client: **77830 - Sidney Central School District**
 Engagement: **20200630 - Sidney CSD**
 Period Ending: **6/30/2020**
 Trial Balance: **3600.00 - TB**
 Workpaper: **3400.00 - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 10				
Audit Entry - to reverse PY BAN interest accrual and record CY accrual				
		5300.15		
A629	BONDS & BOND INT PAYABLE		228,636.00	
A 9731.701	B.A.N. INTEREST - 14,186.00			228,636.00
Total			<u><u>228,636.00</u></u>	<u><u>228,636.00</u></u>
Adjusting Journal Entries JE # 12				
Client Entry 1: To correct NYS DOH Medicaid payment to Excess Cost				
A 4601	MEDICAID REIMBURSEMENT/FED		771.00	
A 3101.2	EXCESS COST AID			771.00
Total			<u><u>771.00</u></u>	<u><u>771.00</u></u>
Adjusting Journal Entries JE # 13				
Client Entry: To adjust Excess Cost and BOCES Receivable for 20% withheld				
A 3101.2	EXCESS COST AID		771.00	
A 3101.2	EXCESS COST AID		74,416.00	
A 3103	BOCES AID		228,388.00	
A691	DEFERRED REVENUES			771.00
A691	DEFERRED REVENUES			74,416.00
A691	DEFERRED REVENUES			228,388.00
Total			<u><u>303,575.00</u></u>	<u><u>303,575.00</u></u>
Adjusting Journal Entries JE # 14				
Client Entry: To accrue additional AP for Capital fund at year end				
A 1620.500-30	GENERAL OPERATION SUPPLIES		938.00	
H 1621..40-0.-C	NON PROJECT CAPITAL ITEMS		1,446.00	
H 1621..40-0.-C	NON PROJECT CAPITAL ITEMS		1,504.00	
H 1621..40-0.-C	NON PROJECT CAPITAL ITEMS		1,504.00	
H 1621..40-0.-C	NON PROJECT CAPITAL ITEMS		5,784.00	
A600	ACCOUNTS PAYABLE			938.00
H600	ACCOUNTS PAYABLE			10,238.00
Total			<u><u>11,176.00</u></u>	<u><u>11,176.00</u></u>
Adjusting Journal Entries JE # 15				
Client Entry: To book Non-Resident Tuition revenue				
A 2230	DAY SCHOOL TUITION OTHER DISTRICTS		10,983.00	
A440	DUE FROM OTHER GOVERNMENTS			10,983.00
Total			<u><u>10,983.00</u></u>	<u><u>10,983.00</u></u>

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Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 16				
Client Entry- To adjust 611 receivable and payable (Delaware Co)				
F 4257.19-.20	IDEA-SECTION 611 19-20 SCHOOL YEAR		21,000.00	
F600	ACCOUNTS PAYABLE		21,000.00	
F 2250.400-20-0032	IDEA 611 - Purchased Services 19-20			21,000.00
F410	DUE FROM FEDERAL GOVERNMENT			21,000.00
Total			42,000.00	42,000.00
Adjusting Journal Entries JE # 18				
Client Entry-To book additional AP at year end				
A 9050.800-99	UNEMPLOYMENT INSURANCE		22,606.00	
A600	ACCOUNTS PAYABLE			22,606.00
Total			22,606.00	22,606.00
Adjusting Journal Entries JE # 19				
To get General Fund Balance to roll - client opening is \$447 different from audited ending				
A9060.800	HOSPITAL AND MEDICAL INSURANCE	TB	447.00	
A917	UNASSIGNED FUND BALANCE			447.00
Total			447.00	447.00
Adjusting Journal Entries JE # 20				
Audit Entry - to adjust appropriated fund balance based on 20-21 approved budget				
A914	ASSIGNED APPROPRIATED FUND BAL	20-21 Budget	204,842.00	
A917	UNASSIGNED FUND BALANCE			204,842.00
Total			204,842.00	204,842.00
Adjusting Journal Entries JE # 22				
To book the 20% deferral due to State Aid constraints in Federal Fund				
F 3289.440.8	SUMMER 4408 19-20		4,737.00	
F 3289-.49.20	UNIVERSAL PRE-K 19-20		8,398.00	
F691	DEFERRED REVENUES			13,135.00
Total			13,135.00	13,135.00
Adjusting Journal Entries JE # 23				
To adjust sstudent activity cash on TA				
T38	STUDENT DEPOSITS		2,913.00	
T200.4	STUDENT FUND MMA			2,913.00
Total			2,913.00	2,913.00
Adjusting Journal Entries JE # 24				
To adjust TA deferrals and receivables				
T691A/R	DEFERRED REVENUE FOR A/R		15,077.00	
T380	ACCOUNTS RECEIVABLE			15,077.00
Total			15,077.00	15,077.00
Adjusting Journal Entries JE # 25				
To record June Cafeteria Receivable				
C410	STATE AND FEDERAL AID RECEIVABLE		1,718.00	
C410	STATE AND FEDERAL AID RECEIVABLE		2,068.00	
C410	STATE AND FEDERAL AID RECEIVABLE		83,011.00	
C 3190.4	STATE- COVID19			1,718.00
C 3190.4	STATE- COVID19			2,068.00

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Account	Description	W/P Ref	Debit	Credit
C 4190.4	FEDERAL - COVID19			83,011.00
Total			86,797.00	86,797.00
Adjusting Journal Entries JE # 26				
To book interfund transfer from Federal to General				
A391FED	DUE FROM FEDERAL FUND		50,000.00	
F 9901.900	TRANSFER TO OTHER FUNDS		50,000.00	
A 5031	INTERFUND TRANSFER FROM FEDERAL			50,000.00
F630GEN	DUE TO GENERAL FUND			50,000.00
Total			100,000.00	100,000.00
Adjusting Journal Entries JE # 27				
To book reserve funding-Board Approved				
A867	RESERVE FOR EMPLOYEE ACCRUED BENEFI		84,352.00	
A917	UNASSIGNED FUND BALANCE		146,604.00	
A917	UNASSIGNED FUND BALANCE		150,000.00	
A917	UNASSIGNED FUND BALANCE		200,000.00	
A917	UNASSIGNED FUND BALANCE		300,000.00	
A827	RESERVE FOR RETIREMENT CONTRIBUTION			150,000.00
A828	TRS RESERVE FOR RETIREMENT CONTRIBUTION			146,604.00
a878	CAPITAL RESERVE			200,000.00
a878	CAPITAL RESERVE			300,000.00
A917	UNASSIGNED FUND BALANCE			84,352.00
Total			880,956.00	880,956.00
Adjusting Journal Entries JE # 28				
To book transfer to School Lunch fund to cover deficit for the year				
A 9901.930	Interfund Transfer		9,048.00	
C391	DUE FROM GENERAL FUND		9,048.00	
A630SL	DUE TO SCHOOL LUNCH FUND			9,048.00
C 5031	TRANSFER FROM GEN.FUND			9,048.00
Total			18,096.00	18,096.00
Adjusting Journal Entries JE # 29				
To make C806 Non Spendable agree to Inventory Balance				
C915	ASSIGNED UNAPPROPRIATED FUND BAL		45,250.00	
C806	NOT IN SPENDABLE FORM			45,250.00
Total			45,250.00	45,250.00
Adjusting Journal Entries JE # 31				
To clear off PY encumbrances				
A915	ASSIGNED UNAPPROPRIATED FUND BAL		52,420.00	
A917	UNASSIGNED FUND BALANCE			52,420.00
Total			52,420.00	52,420.00

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 Period Ending: **6/30/2020**
 Trial Balance: **3600.00 - TB**
 Workpaper: **3400.01 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 1		4600.10		
GW Entry - Fixed Asset Additions and Deletions				
GW 0104	Equipment		336,453.00	
GW 0105	Construction Work in Prog		593,913.00	
GW 0114	Equipment - Acc Depr		160,360.00	
GW 2660	Sale of Equipment		24,131.00	
GW 0104	Equipment			184,491.00
GW 1999-200	General Support - Capital Outlay			3,492.00
GW 1999-200	General Support - Capital Outlay			593,913.00
GW 2999-200	Instruction - Capital Outlay			44,415.00
GW 5599-200	Transportation - Capital Outlay			288,546.00
GW 6999-200	School Lunch - Capital Outlay			
Total			1,114,857.00	1,114,857.00
Reclassifying Journal Entries JE # 2		4600.10		
GW Entry - Fixed Asset Depreciation and Allocation - Per Client				
GW 1999-700	General Support - Depreciation		313,524.00	
GW 2999-700	Instruction - Depreciation		660,071.00	
GW 5599-700	Transportation - Depreciation		57,772.00	
GW 6999-700	School Lunch - Depreciation		242.00	
GW 0112	Buildings - Acc Depr			794,327.00
GW 0114	Equipment - Acc Depr			237,282.00
Total			1,031,609.00	1,031,609.00
Reclassifying Journal Entries JE # 4		5300.05		
GW Entry - Serial Bonds Payment				
GW 0628	Bonds Payable		1,730,000.00	
GW 9711-900	Serial Bond Principal - School Construction			1,730,000.00
Total			1,730,000.00	1,730,000.00
Reclassifying Journal Entries JE # 5		5300.05		
GW Entry - To adjust Interest Accrual on Serial Bonds				
GW 0651	Accrued Interest Payable		9,438.00	
GW 9719-700	Serial Bonds Interest-Oth			9,438.00
Total			9,438.00	9,438.00
Reclassifying Journal Entries JE # 6		5400.00		
GW Entry - To adjust OPEB Liability				
GW 0498	Deferred Outflows - OPEB		310,451.00	
GW 0698	Deferred Inflows - OPEB		241,543.00	
GW 0689	Other Long Term Debt (OPEB)			383,694.00
GW 9089-900	Other OPEB Expense			168,300.00
Total			551,994.00	551,994.00
Reclassifying Journal Entries JE # 7		5400.85		
GASB 68- To adjust TRS and ERS per GASB 68 letter				
GW 0108	Net Pension Asset - Proportionate Share		364,904.00	
GW 0496	Deferred Outflows - Pensions		592,924.00	
GW 9010-800	Pension Expense - ERS		452,805.00	
GW 9020-800	Pension Expense - TRS		846,022.00	
GW 0497	Deferred Outflows - Contributions to Subsequent to Measurement Date			165,859.00
GW 0638	Net Pension Liability - Proportionate Share			1,717,971.00
GW 0697	Deferred Inflows - Pensions			372,825.00
Total			2,256,655.00	2,256,655.00
Reclassifying Journal Entries JE # 8		5300		
to amortize premium on bond				
GW 0629	Premium on Bonds		104,027.00	
GW 9719-700	Serial Bonds Interest-Oth			104,027.00
Total			104,027.00	104,027.00
Reclassifying Journal Entries JE # 9		7500.50		

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 Workpaper: **3400.01 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
To record employee benefits allocation				
GW 1999-800	General Support - Employee Benefit Allocation		663,258.00	
GW 2999-800	Instruction - Employee Benefit Allocation		5,208,334.00	
GW 5599-800	Transportation - Employee Benefit Allocation		361,669.00	
GW 6999-800	School Lunch - Employee Benefit Allocation		214,042.00	
GW 8999-800	Community Service - Employee Benefit Allocation		3,764.00	
GW 9089-900	Other OPEB Expense		168,300.00	
GW 0687	Compensated Absences			125,999.00
GW 9010-800	Pension Expense - ERS			452,805.00
GW 9020-800	Pension Expense - TRS			846,022.00
GW 9098-900	Employee Benefits Allocation			5,194,541.00
Total			6,619,367.00	6,619,367.00
Reclassifying Journal Entries JE # 21				
		4300.11		
To reclass government commodities from purchased inventory code				
C446	FOOD INVENTORY (SURPLUS)		23,535.00	
C446.1	PURCHASE FOOD INVENTORY			23,535.00
Total			23,535.00	23,535.00
Reclassifying Journal Entries JE # 32				
		A Fund TB		
To recognize General Fund Deferred Revenue due to 20% withholding as revenue on the GW financials				
GW 0691	Deferred Revenue		303,575.00	
GW 3101	State Aid			303,575.00
Total			303,575.00	303,575.00