

## 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, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *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 17, 2021. 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. As described in Note 1 to the financial statements, the District changed accounting policies related to Fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB) No. 84, Fiduciary Activities, in 2021. 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 11, 2021.

*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 11, 2021

Utica, New York

Client: **77830 - Sidney Central School District**  
 Engagement: **20210630 - Sidney CSD**  
 Period Ending: **6/30/2021**  
 Trial Balance: **3600.00 - TB**  
 Workpaper: **3400.00 - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 100</b>		<b>3400.09</b>		
CLIENT ENTRY to recognize Cares Act Revenue in 2021-2022 - per Mike's e-mail on 8/23				
A 4286	CARES ACT-ESSER		75,549.00	
A 4286.1	CARES ACT-GEER		1,474.00	
A691	DEFERRED REVENUES			1,474.00
A691	DEFERRED REVENUES			75,549.00
<b>Total</b>			<b>77,023.00</b>	<b>77,023.00</b>
<b>Adjusting Journal Entries JE # 101</b>		<b>4200.16</b>		
To record additional Excess Cost Aid receivable based on output report				
A410	DUE FROM STATE AND FEDERAL GOV.		38,642.00	
A 3101.2	EXCESS COST AID			38,642.00
<b>Total</b>			<b>38,642.00</b>	<b>38,642.00</b>
<b>Adjusting Journal Entries JE # 102</b>		<b>5300.15</b>		
To adjust BAN interest accrual at 6/30/21				
A629	BONDS & BOND INT PAYABLE		19,396.00	
A 9731.701	B.A.N. INTEREST -CAPITAL PROJECT 2019			14,500.00
A 9732.701	B.A.N. INTEREST BUS			4,896.00
<b>Total</b>			<b>19,396.00</b>	<b>19,396.00</b>
<b>Adjusting Journal Entries JE # 104</b>		<b>5100.60</b>		
To adjust capital fund accounts payable				
H 1020.201-01	C&S CONSTRUCTION MANAGER FEES-HS		12,960.00	
H 1020.240-02	FISCAL ADVISORS-FINANCIAL-HS		1,169.00	
H 1020.240-09	PARADIGM ENVIRONMENTAL, LLC-HS		36,625.00	
H 1020.240-13	SJB SERVICES, INC.-HS		4,790.00	
H 1020.244-01	FFIORENZA, FERRARA-ATTORNEY FEES-HS		138.00	
H 1020.293-01	DANIEL J. LYNCH-GENERAL CONSTRUCTION-HS		32,500.00	
H 1020.294-01	H.J. BRANDELES-MECHANICAL-HS		550.00	
H 1020.296-01	JOHN MILLS ELECTRIC-ELECTRICAL-HS		6,930.00	
H 1020.297-01	FAHS CONSTRUCTION-SITE WORK CONTRACT-HS		27,817.00	
H 1621.40-0.-C	NON PROJECT CAPITAL ITEMS		10,701.00	
H 3018.201-01	C&S CONSTRUCTION MANAGER FEES-ES		12,636.00	
H 3018.240-02	FISCAL ADVISORS-FINANCIAL-ES		1,139.00	
H 3018.240-07	HIGHLAND ASSOCIATES-ES		2,820.00	
H 3018.240-13	SJB SERVICES, INC.-ES		3,593.00	
H 3018.244-01	FIORENZA, FERRARA-ATTORNEY FEES-ES		134.00	
H 3018.293-01	DANIEL J. LYNCH-GENERAL CONSTRUCTION-ES		97,242.00	
H 3018.293-02	11400 FOOD SERVICE EQUIPMENT-ES		48,200.00	
H 3018.294-01	H.J. BRANDELES-MECHANICAL-ES		12,716.00	
H 3018.296-01	JOHN MILLS ELECTRIC-ELECTRICAL-ES		7,215.00	
H 6002.201-01	C&S CONSTRUCTION MANAGER FEES-TRANS		972.00	

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Account	Description	W/P Ref	Debit	Credit
H 6002.240-02	FISCAL ADVISORS-FINANCIAL-TRANS		87.00	
H 6002.240-13	SJB SERVICES, INC.-TRANS		598.00	
H 6002.244-01	FIORENZA, FERRARA-ATTORNEY FEES-TRANS		10.00	
H 6002.293-01	DANIEL J. LYNCH-GENERAL CONSTRUCTION-TRANS		54,235.00	
H 6002.296-01	JOHN MILLS ELECTRIC-ELECTRICAL-TRANS		4,355.00	
H 7017.201-01	C&S CONSTRUCTION MANAGER FEES-MS		5,832.00	
H 7017.240-02	FISCAL ADVISORS-FINANCIAL-MS		526.00	
H 7017.240-13	SJB SERVICES, INC.-MS		2,993.00	
H 7017.244-01	FIORENZA, FERRARA-ATTORNEY FEES-MS		62.00	
H 7017.293-01	DANIEL J. LYNCH-GENERAL CONSTRUCTION-MS		4,800.00	
H 7017.297-01	FAHS CONSTRUCTION-SITE WORK CONTRACT-MS		270,407.00	
H 3018.297-01	FAHS CONSTRUCTION-SITE WORK CONTRACT-ES			3,644.00
H600	ACCOUNTS PAYABLE			632,943.00
H605.11400	11400 RETAINAGE			2,410.00
H605.BRANDM	BRANDELES MECHANICAL RETAINAGE			663.00
H605.FAHS	FAHS CONSTRUCTION/ RETAINAGE			14,729.00
H605.LYNCH	LYNCH RETAINAGE			9,440.00
H605.MILLS	MILLS RETAINAGE			923.00
<b>Total</b>			<b>664,752.00</b>	<b>664,752.00</b>
<b>Adjusting Journal Entries JE # 106</b>				
To zero out account that includes prior year encumbrance #				
A915	ASSIGNED UNAPPROPRIATED FUND BAL		20,588.00	
A917	UNASSIGNED FUND BALANCE			20,588.00
<b>Total</b>			<b>20,588.00</b>	<b>20,588.00</b>
<b>Adjusting Journal Entries JE # 108</b>				
To record premium in debt service				
V9991.4	Cost of Issuance		79,096.00	
V9991.4	Cost of Issuance		995,914.00	
V2710	PREMIUMONOBIGATION			125,010.00
V5791	Proceeds of refunding bonds			950,000.00
<b>Total</b>			<b>1,075,010.00</b>	<b>1,075,010.00</b>
<b>Adjusting Journal Entries JE # 110</b>				
CLIENT ENTRY for reserve adjustments and Capital Fund Expenses				
A917	UNASSIGNED FUND BALANCE		75,410.00	
A917	UNASSIGNED FUND BALANCE		874,046.00	
A9950.900	TRANSFER TO CAPITAL FUND		53,246.00	
H391GEN	DUE FROM GENERAL FUND		53,246.00	
A630CAP	DUE TO CAPITAL FUND			53,246.00
A828	TRS RESERVE FOR RETIREMENT CONTRIBUTION			146,586.00
A867	RESERVE FOR EMPLOYEE ACCRUED BENEFI			227,460.00
a878	CAPITAL RESERVE			500,000.00
A914	ASSIGNED APPROPRIATED FUND BAL			75,410.00
H 5031	INTERFUND TRANSFER FROM GENERAL			53,246.00
<b>Total</b>			<b>1,055,948.00</b>	<b>1,055,948.00</b>
<b>Adjusting Journal Entries JE # 111</b>				
CLIENT ENTRY to reduce Tax Reduction Reserve to \$0				
A891	RESERVE FOR TAX REDUCTION		57,072.00	
A917	UNASSIGNED FUND BALANCE			57,072.00
<b>Total</b>			<b>57,072.00</b>	<b>57,072.00</b>
<b>Adjusting Journal Entries JE # 112</b>				
CLIENT ENTRY - to adjust for 20-21 non-project expenses				
A 1620.200-30	OPERATION EQUIPMENT		18,444.00	
H 5031	INTERFUND TRANSFER FROM GENERAL		18,444.00	

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 Workpaper: **3400.00 - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
A9950.900	TRANSFER TO CAPITAL FUND			18,444.00
H 1621...40-0.-C	NON PROJECT CAPITAL ITEMS			18,444.00
<b>Total</b>			<b><u>36,888.00</u></b>	<b><u>36,888.00</u></b>

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 Period Ending: **6/30/2021**  
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 Workpaper: **3400.01 - Reclassifying Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 1</b>		<b>4600.10</b>		
GW Entry - Fixed Asset Additions and Deletions				
GW 0104	Equipment		166,555.00	
GW 0105	Construction Work in Prog		1,840,502.00	
GW 0114	Equipment - Acc Depr		24,068.00	
GW 2660	Sale of Equipment		15,873.00	
GW 0104	Equipment			39,941.00
GW 0105	Construction Work in Prog			129,749.00
GW 1999-200	General Support - Capital Outlay			1,840,502.00
GW 1999-200	General Support - Capital Outlay			7,936.00
GW 2999-200	Instruction - Capital Outlay			28,870.00
GW 5599-200	Transportation - Capital Outlay			
GW 6999-200	School Lunch - Capital Outlay			
<b>Total</b>			<b>2,046,998.00</b>	<b>2,046,998.00</b>
<b>Reclassifying Journal Entries JE # 2</b>		<b>4600.10</b>		
GW Entry - Fixed Asset Depreciation and Allocation - Per Client				
GW 1999-700	General Support - Depreciation		484,049.00	
GW 2999-700	Instruction - Depreciation		1,128,408.00	
GW 5599-700	Transportation - Depreciation		82,189.00	
GW 6999-700	School Lunch - Depreciation		54,807.00	
GW 0112	Buildings - Acc Depr			1,401,210.00
GW 0114	Equipment - Acc Depr			348,243.00
<b>Total</b>			<b>1,749,453.00</b>	<b>1,749,453.00</b>
<b>Reclassifying Journal Entries JE # 3</b>		<b>5300.05</b>		
GW Entry - Serial Bonds Payment				
GW 0628	Bonds Payable		2,365,261.00	
GW 0628	Bonds Payable			
GW 5710.000	Proceeds of LTD			2,365,261.00
GW 9711-900	Serial Bond Principal - School Construction			
GW 9711-900	Serial Bond Principal - School Construction			
GW 9711-900	Serial Bond Principal - School Construction			
<b>Total</b>			<b>2,365,261.00</b>	<b>2,365,261.00</b>
<b>Reclassifying Journal Entries JE # 4</b>		<b>5300.05</b>		
GW Entry - To adjust Interest Accrual on Serial Bonds				
GW 0651	Accrued Interest Payable		5,126.00	
GW 9719-700	Serial Bonds Interest-Oth			5,126.00
<b>Total</b>			<b>5,126.00</b>	<b>5,126.00</b>
<b>Reclassifying Journal Entries JE # 5</b>		<b>5400.00</b>		
GW Entry - To adjust OPEB Liability				
GW 0498	Deferred Outflows -OPEB		1,683,725.00	
GW 0698	Deferred Inflows-OPEB		241,543.00	
GW 9089-900	Other OPEB Expense		6,881.00	
GW 0689	Other Long Term Debt (OPEB)			1,932,149.00
<b>Total</b>			<b>1,932,149.00</b>	<b>1,932,149.00</b>
<b>Reclassifying Journal Entries JE # 6</b>		<b>5400.85</b>		
GASB 68- To adjust TRS and ERS per GASB 68 letter				
GW 0496	Deferred Outflows - Pensions		275,496.00	
GW 0496	Deferred Outflows - Pensions		369,841.00	
GW 0497	Deferred Outflows - Contributions to Subsequent to Measurement Date		24,903.00	
GW 0497	Deferred Outflows - Contributions to Subsequent to Measurement Date		46,308.00	
GW 0638	Net Pension Liability - Proportionate Share		2,380,598.00	
GW 0697	Deferred Inflows - Pensions		1,028,637.00	
GW 9010-800	Pension Expense - ERS		2,512,228.00	
GW 9020-800	Pension Expense - TRS		2,395,179.00	
GW 0108	Net Pension Asset - Proportionate Share			2,395,179.00
GW 0697	Deferred Inflows - Pensions			2,512,228.00
GW 9010-800	Pension Expense - ERS			24,903.00
GW 9010-800	Pension Expense - ERS			275,496.00

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Account	Description	W/P Ref	Debit	Credit
GW 9010-800	Pension Expense - ERS			2,380,598.00
GW 9020-800	Pension Expense - TRS			46,308.00
GW 9020-800	Pension Expense - TRS			369,841.00
GW 9020-800	Pension Expense - TRS			1,028,637.00
<b>Total</b>			<b>9,033,190.00</b>	<b>9,033,190.00</b>
<b>Reclassifying Journal Entries JE # 7</b>		<b>5300</b>		
to amortize premium on bond				
GW 0629	Premium on Bonds		104,027.00	
GW 9719-700	Serial Bonds Interest-Oth			104,027.00
<b>Total</b>			<b>104,027.00</b>	<b>104,027.00</b>
<b>Reclassifying Journal Entries JE # 8</b>		<b>7500.50</b>		
To record employee benefits allocation				
GW 1999-800	General Support - Employee Benefit Allocation		492,150.00	
GW 2999-800	Instruction - Employee Benefit Allocation		4,766,367.00	
GW 5599-800	Transportation - Employee Benefit Allocation		367,969.00	
GW 6999-800	School Lunch - Employee Benefit Allocation		195,835.00	
GW 9089-900	Other OPEB Expense		76,156.00	
GW 0687	Compensated Absences			76,156.00
GW 8999-800	Community Service - Employee Benefit Allocation			
GW 9010-800	Pension Expense - ERS			
GW 9020-800	Pension Expense - TRS			
GW 9098-900	Employee Benefits Allocation			5,822,321.00
<b>Total</b>			<b>5,898,477.00</b>	<b>5,898,477.00</b>
<b>Reclassifying Journal Entries JE # 103</b>		<b>5300.14a</b>		
To record bond refunding in Government Wide Financials				
GW 0628	Bonds Payable		35,000.00	
GW-C00-10-0480-00	Deferred Cost on Premium		10,914.00	
GW-C00-60-1999-20	Fiscal Agent Cost		79,096.00	
GW-C00-20-0691-00	Bond Premium			125,010.00
<b>Total</b>			<b>125,010.00</b>	<b>125,010.00</b>
<b>Reclassifying Journal Entries JE # 105</b>				
To reverse GW entry for deferred State Aid in prior year.				
GW 3101	State Aid		303,575.00	
GW 0691	Deferred Revenue			303,575.00
<b>Total</b>			<b>303,575.00</b>	<b>303,575.00</b>
<b>Reclassifying Journal Entries JE # 107</b>		<b>5300.40</b>		
To record amortization of deferred cost and premium				
GW-C00-20-0691-00	Bond Premium		5,209.00	
GW 9719-700	Serial Bonds Interest-Oth			1,458.00
GW-C00-10-0480-00	Deferred Cost on Premium			3,751.00
<b>Total</b>			<b>5,209.00</b>	<b>5,209.00</b>
<b>Reclassifying Journal Entries JE # 109</b>				
Prior Period Adjustment for Fixed Assets				
GW 0104	Equipment		478,463.00	
GW 0114	Equipment - Acc Depr		308,342.00	
GW 8012	Fund Balance Prior Period Adjustments		512,805.00	
GW 0102	Buildings			248,703.00
GW 0112	Buildings - Acc Depr			1,050,907.00
<b>Total</b>			<b>1,299,610.00</b>	<b>1,299,610.00</b>