

# CAYUGA-ONONDAGA BOCES

Auburn, New York

## EXECUTIVE SUMMARY

June 30, 2018



# ***CAYUGA-ONONDAGA BOCES***

## **EXECUTIVE SUMMARY OF 2018 AUDIT REPORT AND FINDINGS**

### **Basic Financial Statements**

Independent Auditor's Report on Basic Financial Statements.

Independent Auditor's Report on Supplementary Financial Information.

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*.

Communication with Those Charged with Governance at the Conclusion of the Audit.

Independent Auditor's Report on Extraclassroom Activity Funds.

### **Description of Report and Findings**

**Unmodified opinion** on BOCES' basic financial statements for the year ended June 30, 2018.

**Unmodified opinion** on supplementary financial information in relation to primary audit report.

Report on the BOCES' compliance with laws and regulations that may have a direct and material effect on the basic financial statements, and on the BOCES' internal control structure, policies and procedures based on the auditor's 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 and no material internal control weaknesses** at the financial statement level. A separate letter dated September 25, 2018, which has been issued, discusses certain accounting issues and enhancements regarding financial reporting.

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 BOCES' Extraclassroom Activity Fund financial statements for the year ended June 30, 2018.

Letter of comments dated September 25, 2018 discusses several issues.

# CAYUGA-ONONDAGA BOCES

## 4 YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016	JUNE 30, 2015
<b>ASSETS</b>				
Cash and investments	\$ 5,876,603	\$ 7,037,400	\$ 8,924,969	\$ 11,021,014
Due from other funds	16,709	9,073	7,914	8,720
Due from state, federal, and other governments			27,907	26,601
Other	14,053	11,981	4,355	104,047
<b>Total Assets</b>	<u>\$ 5,907,365</u>	<u>\$ 7,058,454</u>	<u>\$ 8,965,145</u>	<u>\$ 11,160,382</u>
<b>LIABILITIES</b>				
Accounts payable and accruals	\$ 151,644	\$ 198,437	\$ 202,665	\$ 223,739
Due to school districts, net	2,893,002	4,124,208	5,872,378	7,573,166
Due to retirement systems	1,203,073	1,335,254	1,467,670	1,974,246
Due to other governments	169	79	217	159
Due to other funds		6,469	63,589	19,279
Overpayments	38,996	116,356	46,518	45,568
<b>Total Liabilities</b>	<u>4,286,884</u>	<u>5,780,803</u>	<u>7,653,037</u>	<u>9,836,157</u>
<b>RESTRICTED FUND BALANCES</b>				
Unemployment insurance reserve	1,620,481	1,277,651	1,312,108	1,324,225
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,907,365</u>	<u>\$ 7,058,454</u>	<u>\$ 8,965,145</u>	<u>\$ 11,160,382</u>
<b>REVENUES</b>				
Charges to components/BOCES	\$ 39,646,080	\$ 38,541,585	\$ 37,726,386	\$ 34,755,269
State and federal sources			90,284	90,973
Other	915,503	965,608	1,032,770	1,337,796
<b>Total Revenues</b>	<u>40,561,583</u>	<u>39,507,193</u>	<u>38,849,440</u>	<u>36,184,038</u>
<b>EXPENDITURES</b>				
Administration	1,935,286	1,897,995	1,718,481	1,672,125
Instruction	20,355,831	20,011,756	19,119,344	17,636,710
Instructional support	7,799,055	7,840,635	6,720,031	5,986,037
Other services	6,502,950	6,991,145	6,811,976	6,113,461
<b>Total Expenditures</b>	<u>36,593,122</u>	<u>36,741,531</u>	<u>34,369,832</u>	<u>31,408,333</u>
Excess of revenues	3,968,461	2,765,662	4,479,608	4,775,705
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	9,617	50,315	44,472	28,525
Operating transfers (out)	(20,000)	(20,000)	(20,000)	(20,000)
Net change in reserves	342,830	(34,457)	(12,117)	(31,213)
Refund of surplus to school districts	(3,958,078)	(2,795,977)	(4,504,080)	(4,784,230)
<b>Total Other Financing (Uses)</b>	<u>(3,625,631)</u>	<u>(2,800,119)</u>	<u>(4,491,725)</u>	<u>(4,806,918)</u>
Net Change in Fund Balance	<u>\$ 342,830</u>	<u>\$ (34,457)</u>	<u>\$ (12,117)</u>	<u>\$ (31,213)</u>
<b>Capital Projects Fund Outlay</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Special Aid: Revenues/Expenditures</b>	<u>\$ 2,887,817</u>	<u>\$ 2,473,268</u>	<u>\$ 2,314,318</u>	<u>\$ 2,360,627</u>

*Note: Abstracted from audited financials - See audit reports for complete information*

# CAYUGA-ONONDAGA BOCES

## 3 YEAR GENERAL FUND BUDGET ANALYSIS

	2018			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual w/ Encumbrances</u>	<u>Variance Fav. (Unfav.)</u>
<b>REVENUES</b>				
Charges to components - Administrative, capital, and facility rental	\$ 2,082,545	\$ 2,069,083	\$ 2,069,083	\$ -
Charges to components - Services	32,655,160	34,667,203	35,638,922	971,719
Charges to other BOCES	1,585,427	1,938,075	1,938,075	-
Interest and earnings	6,000	6,000	4,868	(1,132)
Miscellaneous	210,433	210,433	98,245	(112,188)
Refund of prior years expenses			803,369	803,369
Sales			9,021	9,021
Federal sources	85,000	85,000		(85,000)
<b>Total Revenues</b>	<u>\$ 36,624,565</u>	<u>\$ 38,975,794</u>	<u>\$ 40,561,583</u>	<u>\$ 1,585,789</u>
<b>EXPENDITURES</b>				
Administration and facility rental	\$ 2,121,795	\$ 2,110,074	\$ 1,935,286	\$ 174,788
Occupational instruction	6,377,416	6,052,493	5,593,137	459,356
Instruction for special education	10,558,341	10,421,739	10,412,452	9,287
Itinerant services	1,323,767	1,306,269	873,156	433,113
General instruction	3,493,197	3,826,535	3,477,086	349,449
Instructional support	6,168,854	8,461,534	7,799,055	662,479
Other services	6,707,487	6,923,442	6,502,950	420,492
<b>Total Expenditures</b>	<u>\$ 36,750,857</u>	<u>\$ 39,102,086</u>	<u>\$ 36,593,122</u>	<u>\$ 2,508,964</u>
Excess of (Expenditures) over Revenues	\$ (126,292)	\$ (126,292)	\$ 3,968,461	\$ 4,094,753
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 126,292	\$ 126,292	\$ 9,617	\$ (116,675)
Operating transfers out			(20,000)	(20,000)
Refunds of surplus to districts			(3,958,078)	(3,958,078)
Net change in reserves			342,830	342,830
<b>Total Other Financing Sources (Uses)</b>	<u>126,292</u>	<u>126,292</u>	<u>(3,625,631)</u>	<u>(3,751,923)</u>
<b>Excess of Expenditures and Other Financing (Uses) over Revenues and Other Financing Sources</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,830</u>	<u>\$ 342,830</u>
Refunds of surplus compared to budget	<u>10.77%</u>	<u>10.12%</u>		

*Note: Abstracted from audited financials - See audit reports for complete information*

# CAYUGA-ONONDAGA BOCES

## 3 YEAR GENERAL FUND BUDGET ANALYSIS

	2017			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual w/ Encumbrances</u>	<u>Variance Fav. (Unfav.)</u>
<b>REVENUES</b>				
Charges to components - Administrative, capital, and facility rental	\$ 2,034,252	\$ 2,006,034	\$ 2,005,290	\$ (744)
Charges to components - Services	31,102,343	34,895,010	34,503,846	(391,164)
Charges to other BOCES	1,394,997	2,026,499	2,032,449	5,950
Interest and earnings	6,000	6,000	2,201	(3,799)
Miscellaneous	280,228	280,228	87,777	(192,451)
Refund of prior years expenses			874,958	874,958
Sales			672	672
Federal sources	66,500	66,500		(66,500)
<b>Total Revenues</b>	<b>\$ 34,884,320</b>	<b>\$ 39,280,271</b>	<b>\$ 39,507,193</b>	<b>\$ 226,922</b>
<b>EXPENDITURES</b>				
Administration and facility rental	\$ 2,057,752	\$ 2,129,035	\$ 1,897,995	\$ 231,040
Occupational instruction	5,906,212	5,740,720	5,355,255	385,465
Instruction for special education	10,249,896	11,323,313	10,404,482	918,831
Itinerant services	1,088,414	1,170,825	1,011,286	159,539
General instruction	3,267,383	3,516,614	3,240,733	275,881
Instructional support	5,521,870	8,168,109	7,840,635	327,474
Other services	6,892,294	7,331,156	6,991,145	340,011
<b>Total Expenditures</b>	<b>\$ 34,983,821</b>	<b>\$ 39,379,772</b>	<b>\$ 36,741,531</b>	<b>\$ 2,638,241</b>
Excess of (Expenditures) over Revenues	\$ (99,501)	\$ (99,501)	\$ 2,765,662	\$ 2,865,163
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 99,501	\$ 99,501	\$ 50,315	\$ (49,186)
Operating transfers out			(20,000)	(20,000)
Refunds of surplus to districts			(2,795,977)	(2,795,977)
Net change in reserves			(34,457)	(34,457)
<b>Total Other Financing Sources (Uses)</b>	<b>99,501</b>	<b>99,501</b>	<b>(2,800,119)</b>	<b>(2,899,620)</b>
<b>Excess of Expenditures and Other Financing (Uses) over Revenues and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (34,457)</b>	<b>\$ (34,457)</b>
Refunds of surplus compared to budget	7.99%	7.10%		

*Note: Abstracted from audited financials - See audit reports for complete information*

# CAYUGA-ONONDAGA BOCES

## 3 YEAR GENERAL FUND BUDGET ANALYSIS

	2016			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual w/ Encumbrances</u>	<u>Variance Fav. (Unfav.)</u>
<b>REVENUES</b>				
Charges to components - Administrative, capital, and facility rental	\$ 1,903,915	\$ 1,895,862	\$ 1,934,815	\$ 38,953
Charges to components - Services	31,011,779	33,142,123	33,776,231	634,108
Charges to other BOCES	1,279,523	1,787,097	2,015,340	228,243
Interest and earnings	4,000	4,000	2,598	(1,402)
Miscellaneous	159,231	152,577	63,848	(88,729)
Refund of prior years expenses			943,676	943,676
Sales			22,648	22,648
Federal sources	66,500	94,340	90,284	(4,056)
<b>Total Revenues</b>	<b>\$ 34,424,948</b>	<b>\$ 37,075,999</b>	<b>\$ 38,849,440</b>	<b>\$ 1,773,441</b>
<b>EXPENDITURES</b>				
Administration and facility rental	\$ 2,001,977	\$ 1,993,924	\$ 1,718,481	\$ 275,443
Occupational instruction	5,896,452	5,703,239	5,420,636	282,603
Instruction for special education	10,284,563	10,482,479	9,406,330	1,076,149
Itinerant services	1,366,519	1,289,589	1,104,667	184,922
General instruction	3,007,891	3,430,483	3,187,711	242,772
Instructional support	5,156,524	7,010,444	6,720,031	290,413
Other services	6,744,747	7,162,753	6,811,976	350,777
<b>Total Expenditures</b>	<b>\$ 34,458,673</b>	<b>\$ 37,072,911</b>	<b>\$ 34,369,832</b>	<b>\$ 2,703,079</b>
Excess of (Expenditures) over Revenues	\$ (33,725)	\$ 3,088	\$ 4,479,608	\$ 4,476,520
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 33,725	\$ 16,912	\$ 44,472	\$ 27,560
Operating transfers out		(20,000)	(20,000)	-
Refunds of surplus to districts			(4,504,080)	(4,504,080)
Net change in reserves			(12,117)	(12,117)
<b>Total Other Financing Sources (Uses)</b>	<b>33,725</b>	<b>(3,088)</b>	<b>(4,491,725)</b>	<b>(4,488,637)</b>
<b>Excess of Expenditures and Other Financing (Uses) over Revenues and Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,117)</b>	<b>\$ (12,117)</b>
Refunds of surplus compared to budget	13.07%	12.15%		

Note: Abstracted from audited financials - See audit reports for complete information

# **CAYUGA-ONONDAGA BOCES**

## **SCHEDULE OF GENERAL FUND REVENUES AND EXPENDITURES COMPARED TO BUDGET FOR THE YEAR ENDED JUNE 30, 2018**

	<b>REVENUES</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Current Year's Revenues</b>	<b>Over (Under) Final Budget</b>
Administration 001	\$ 1,897,993	\$ 1,897,993	\$ 1,883,528	\$ (14,465)
Capital 002	223,802	210,340	210,340	-
Career and Technical Education 100-199	6,377,416	6,262,395	6,345,404	83,009
Instruction for Special Education 200-299	10,558,341	10,945,058	11,224,622	279,564
Itinerant Services 300-399	1,323,767	1,034,171	1,021,903	(12,268)
General Instruction 400-499	3,493,197	3,694,525	3,750,576	56,051
Instructional Support 500-599	6,168,854	8,217,500	8,594,144	376,644
Other Services 600-699	6,707,487	6,840,104	7,540,683	700,579
<b>Totals</b>	<b>\$ 36,750,857</b>	<b>\$ 39,102,086</b>	<b>\$ 40,571,200</b>	<b>\$ 1,469,114</b>

### **Revenues in Excess of Expenditures**

*Note: Abstracted from audited financials - See audit reports for complete information*

**6a**



# ***CAYUGA-ONONDAGA BOCES***

## **EXECUTIVE SUMMARY OF 2018 AUDIT**

### **AUDIT FOCUS - REPORTING OBJECTIVES**

#### **1) Basic Financial Statements**

- \*Management's Discussion and Analysis
- \*Government-wide Financial Statements
  - \*Statement of Net Position
  - \*Statement of Activities
- \*Governmental Fund Financial Statements
- \*Notes to Financial Statements
- \*Supplemental Financial Information

Independent Auditor's Report

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

### **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 BOCES' 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