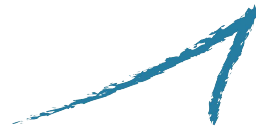


**DEPOSIT
CENTRAL SCHOOL DISTRICT**

Deposit, New York

EXECUTIVE SUMMARY

**For the Year Ended
June 30, 2022**



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Certified Public Accountants | Business Advisors

DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2022 AUDIT

Basic Financial Statements

Independent Auditors' Report on Basic Financial Statements

Description of Report and Findings

Unmodified opinion on Deposit Central School District's (the School District) basic financial statements for the year ended June 30, 2022.

Independent Auditors' Report on Supplementary Financial Information

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

Independent Auditors' 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*

Report on the School District's compliance with laws and regulations that may have a direct and material effect on the basic financial statements and on the School 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 instances of noncompliance and no material internal control weaknesses** at the financial statement level. In addition, a separate letter dated October 13, 2022 discusses no issues.

Single Audit (Uniform Guidance) Report

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

Report on 1) the School District's internal control structure policies and procedures used in administering federal award programs; 2) compliance with general requirements of the School District's federal awards; and 3) compliance with specific requirements applicable to each major program. This report identified **one instance of noncompliance and no material internal control weaknesses** regarding compliance in accordance with Uniform Guidance.

There are several federal award program expenditures that amounted to a total of \$1,769,250.

Communication With Those Charged With Governance at the Conclusion of the Audit

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 and Uncorrected Misstatements
- Disagreements With Management
- Management Representations
- Management Consultations With Other Independent Accountants
- Other Audit Findings or Issues
- Other Matters

Independent Auditors' Report on Extraclassroom Activity Funds

Unmodified opinion on the School District's Extraclassroom Activity Fund financial statements for the year ended June 30, 2022.

Management Comment Letter

Letter of comments dated October 13, 2022 discusses no current concerns.

DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2022 DISCUSSION ITEMS

Impact of Future Standards of the Governmental Accounting Standards Board (GASB)

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending June 30, 2023.
- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending June 30, 2025.

School District management will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

DEPOSIT CENTRAL SCHOOL DISTRICT

FIVE YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

GENERAL FUND	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
ASSETS					
Cash and Investments	\$ 5,063,841	\$ 3,786,431	\$ 6,530,398	\$ 5,765,157	\$ 5,476,958
Receivables	975,022	788,300	734,842	603,354	741,115
	<u>1,229</u>				
Total Assets	<u>\$ 6,040,092</u>	<u>\$ 4,574,731</u>	<u>\$ 7,265,240</u>	<u>\$ 6,368,511</u>	<u>\$ 6,218,073</u>
LIABILITIES					
Accounts Payable, Accruals, and Unearned Revenue	\$ 306,762	\$ 326,243	\$ 168,230	\$ 317,119	\$ 406,507
Due to Retirement Systems	548,467	517,248	479,215	545,123	524,637
Total Liabilities	<u>855,229</u>	<u>843,491</u>	<u>647,445</u>	<u>862,242</u>	<u>931,144</u>
FUND BALANCE					
Nonspendable	1,229	-	-	-	-
Restricted (Reserved)	3,885,436	2,459,692	5,073,371	4,267,901	4,129,732
Assigned (Appropriated Plus Encumbrances)	594,882	568,371	655,719	579,624	543,936
Unassigned (Unappropriated)	703,316	703,177	888,705	658,744	613,261
Total Fund Balances	<u>5,184,863</u>	<u>3,731,240</u>	<u>6,617,795</u>	<u>5,506,269</u>	<u>5,286,929</u>
Total Liabilities and Fund Balances	<u>\$ 6,040,092</u>	<u>\$ 4,574,731</u>	<u>\$ 7,265,240</u>	<u>\$ 6,368,511</u>	<u>\$ 6,218,073</u>
REVENUES					
Real Property Taxes (Including STAR)	\$ 8,524,612	\$ 8,404,199	\$ 8,201,336	\$ 8,045,983	\$ 7,924,921
State Aid	7,587,350	7,204,626	7,512,351	7,131,369	6,911,419
Medicaid Reimbursements	47,491	51,197	75,914	77,422	51,776
Federal Aid	317,244	654	-	-	-
Other	734,145	692,050	535,292	643,334	651,777
Total Revenues	<u>17,210,842</u>	<u>16,352,726</u>	<u>16,324,893</u>	<u>15,898,108</u>	<u>15,539,893</u>
EXPENDITURES					
General Support	1,465,035	1,859,479	1,564,969	1,467,750	1,440,416
Instruction	7,305,780	7,243,490	7,110,574	7,238,110	7,413,383
Transportation	676,587	583,018	587,942	671,540	607,130
Community Services	-	-	-	1,000	-
Employee Benefits	5,036,306	4,884,143	4,626,520	4,651,812	4,473,130
Debt Service	1,253,278	1,257,761	1,279,021	1,140,777	1,113,731
Interfund Transfers and Other	20,233	3,411,390	44,341	507,779	151,370
Total Expenditures	<u>15,757,219</u>	<u>19,239,281</u>	<u>15,213,367</u>	<u>15,678,768</u>	<u>15,199,160</u>
Excess of Revenues (Expenditures)	<u>\$ 1,453,623</u>	<u>\$ (2,886,555)</u>	<u>\$ 1,111,526</u>	<u>\$ 219,340</u>	<u>\$ 340,733</u>
Capital Outlay	<u>\$ 855,298</u>	<u>\$ 528,407</u>	<u>\$ 580,260</u>	<u>\$ 2,496,751</u>	<u>\$ 719,577</u>
Special Aid Revenues/Expenditures and Transfers	<u>\$ 1,186,320</u>	<u>\$ 601,770</u>	<u>\$ 726,225</u>	<u>\$ 554,758</u>	<u>\$ 483,674</u>
School Lunch Revenues	<u>\$ 558,764</u>	<u>\$ 854,704</u>	<u>\$ 478,392</u>	<u>\$ 485,635</u>	<u>\$ 453,325</u>
School Lunch Expenditures	<u>\$ 612,121</u>	<u>\$ 514,329</u>	<u>\$ 463,818</u>	<u>\$ 481,981</u>	<u>\$ 489,869</u>

Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.

DEPOSIT CENTRAL SCHOOL DISTRICT

FIVE YEAR GENERAL FUND BALANCE ANALYSIS

Fund Balance	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
Nonspendable					
Prepaid Items	\$ 1,229	\$ -	\$ -	\$ -	\$ -
Total Nonspendable	<u>1,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted					
Workers Compensation Reserve	\$ 153,302	\$ 153,256	\$ 153,240	\$ 102,223	\$ 100,788
Reserve for Employees' Retirement Contributions	1,106,209	1,105,874	1,105,757	1,094,862	1,163,306
Reserve for Teachers' Retirement Contributions	350,943	261,864	173,846	85,000	-
Tax Certiorari Reserve	26,000	-	-	-	-
Unemployment Insurance Reserve	46,449	46,435	63,507	62,881	61,999
Employee Benefit Accrued Liability Reserve	65,382	65,362	65,355	64,711	63,803
Capital Reserve	2,137,151	826,901	3,511,666	2,858,224	2,739,836
Total Restricted	<u>3,885,436</u>	<u>2,459,692</u>	<u>5,073,371</u>	<u>4,267,901</u>	<u>4,129,732</u>
Assigned					
Appropriated for Next Year's Budget	500,000	500,000	500,000	500,000	500,000
Encumbrances	94,882	68,371	155,719	79,624	43,936
Total Assigned	<u>594,882</u>	<u>568,371</u>	<u>655,719</u>	<u>579,624</u>	<u>543,936</u>
Unassigned	<u>703,316</u>	<u>703,177</u>	<u>888,705</u>	<u>658,744</u>	<u>613,261</u>
Total Fund Balance	<u>\$ 5,184,863</u>	<u>\$ 3,731,240</u>	<u>\$ 6,617,795</u>	<u>\$ 5,506,269</u>	<u>\$ 5,286,929</u>
Compliance With §1318 of Real Property Tax Law					
Next Year's Budget is a Voter Approved Budget	\$ 17,788,865	\$ 17,764,432	\$ 17,197,590	\$ 16,871,848	\$ 16,325,912
Maximum Allowed (4% of Budget)	711,555	710,577	687,904	674,874	653,036
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	703,316	703,177	888,705	658,744	613,261
Actual Percentage	3.95%	3.96%	5.17%	3.90%	3.76%
Current Year Reserve Activity	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Workers Compensation Reserve	\$ 153,256	\$ -	\$ 46	\$ -	\$ 153,302
Reserve for Employees' Retirement Contributions	1,105,874	-	335	-	1,106,209
Reserve for Teachers' Retirement Contributions	261,864	89,000	79	-	350,943
Tax Certiorari Reserve	-	26,000	-	-	26,000
Unemployment Insurance Reserve	46,435	-	14	-	46,449
Employee Benefit Accrued Liability Reserve	65,362	-	20	-	65,382
Capital Reserve	826,901	1,310,000	250	-	2,137,151
Total	<u>\$ 2,459,692</u>	<u>\$ 1,425,000</u>	<u>\$ 744</u>	<u>\$ -</u>	<u>\$ 3,885,436</u>

Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.

DEPOSIT CENTRAL SCHOOL DISTRICT

FIVE YEAR NET POSITION ANALYSIS

	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018
NET POSITION					
Net Investment in Capital Assets	\$ 13,846,661	\$ 13,244,009	\$ 13,027,352	\$ 12,357,161	\$ 12,374,643
Restricted	7,893,541	5,687,856	5,329,159	4,510,950	5,891,693
Unrestricted	<u>(48,841,961)</u>	<u>(47,595,822)</u>	<u>(45,817,914)</u>	<u>(43,046,654)</u>	<u>(45,294,519)</u>
Total Net Position (Deficit)	<u>\$ (27,101,759)</u>	<u>\$ (28,663,957)</u>	<u>\$ (27,461,403)</u>	<u>\$ (26,178,543)</u>	<u>\$ (27,028,183)</u>
Unrestricted Net Position (Deficit)	\$ (48,841,961)	\$ (47,595,822)	\$ (45,817,914)	\$ (43,046,654)	\$ (45,294,519)
Less:					
GASB 68 - Net Pension (Asset)/Liability and Deferred Inflows and Outflows	(1,967,460)	(1,133,609)	(1,648,248)	(2,336,275)	(2,319,925)
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	<u>51,031,349</u>	<u>50,521,229</u>	<u>48,577,836</u>	<u>46,987,175</u>	<u>47,333,272</u>
Unrestricted Net Position (Deficit)	<u>\$ 221,928</u>	<u>\$ 1,791,798</u>	<u>\$ 1,111,674</u>	<u>\$ 1,604,246</u>	<u>\$ (281,172)</u>

Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.

DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2022 AUDIT

AUDIT FOCUS - REPORTING OBJECTIVES

1) Basic Financial Statements

- *Management's Discussion and Analysis

- *District-Wide Financial Statements

 - *Statement of Net Position

 - *Statement of Activities

- *Governmental Fund Financial Statements

- *Notes to Financial Statements

- *Supplementary Financial Information

Report on Compliance and on Internal Control Over Financial Reporting

2) Single Audit (Uniform Guidance) Requirements for Federal Awards

- *Schedule of Federal Award Expenditures

- *Compliance With Applicable Requirements

- *Internal Control Over Compliance

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 SCHOOL DISTRICT'S 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