

**DEPOSIT
CENTRAL SCHOOL DISTRICT**

Deposit, New York

EXECUTIVE SUMMARY

**For the Year Ended
June 30, 2021**



DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2021 AUDIT

Basic Financial Statements

Independent Auditors' Report on Basic Financial Statements.

Independent Auditors' Report on Supplementary Financial Information.

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*.

Single Audit (Uniform Guidance) Report

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

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

Independent Auditors' Report on Extraclassroom Activity Funds.

Management Comment Letter

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, 2021.

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

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, 2021, which has been issued, contains no issues.

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 \$1,237,595.

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 and Issues
- Other Matters

Unmodified opinion on the School District's Extraclassroom Activity Funds financial statements for the year ended June 30, 2021.

Letter dated October 13, 2021.

DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2021 AUDIT DISCUSSION ITEMS

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

GASB has issued Statement No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance,” which delays the implementation dates for several GASB statements as follows:

- GASB has issued Statement No. 87, “Leases,” delayed by GASB Statement No. 95, to the year ending June 30, 2022.
- GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period,” delayed by GASB Statement No. 95 to the year ending June 30, 2022.
- GASB has issued Statement No. 92, “Omnibus 2020,” effective for the year ending June 30, 2022.

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

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>
GENERAL FUND					
ASSETS					
Cash and Investments	\$ 3,786,431	\$ 6,530,398	\$ 5,765,157	\$ 5,476,958	\$ 5,115,676
Receivables	788,300	734,842	603,354	741,115	612,530
Total Assets	<u>\$ 4,574,731</u>	<u>\$ 7,265,240</u>	<u>\$ 6,368,511</u>	<u>\$ 6,218,073</u>	<u>\$ 5,728,206</u>
LIABILITIES					
Accounts Payable, Accruals, and Unearned Revenue	\$ 326,243	\$ 168,230	\$ 317,119	\$ 406,507	\$ 167,451
Due to Retirement Systems	517,248	479,215	545,123	524,637	614,559
Total Liabilities	<u>843,491</u>	<u>647,445</u>	<u>862,242</u>	<u>931,144</u>	<u>782,010</u>
FUND BALANCE					
Restricted (Reserved)	2,459,692	5,073,371	4,267,901	4,129,732	3,757,333
Assigned (Appropriated Plus Encumbrances)	568,371	655,719	579,624	543,936	605,858
Unassigned (Unappropriated)	703,177	888,705	658,744	613,261	583,005
Total Fund Balances	<u>3,731,240</u>	<u>6,617,795</u>	<u>5,506,269</u>	<u>5,286,929</u>	<u>4,946,196</u>
Total Liabilities and Fund Balances	<u>\$ 4,574,731</u>	<u>\$ 7,265,240</u>	<u>\$ 6,368,511</u>	<u>\$ 6,218,073</u>	<u>\$ 5,728,206</u>
REVENUES					
Real Property Taxes (Including STAR)	\$ 8,404,199	\$ 8,201,336	\$ 8,045,983	\$ 7,924,921	\$ 7,720,026
State Aid	7,204,626	7,512,351	7,131,369	6,911,419	6,713,673
Federal Aid	654	-	-	-	-
Medicaid Reimbursements	51,197	75,914	77,422	51,776	36,216
Other	692,050	535,292	643,334	651,777	575,145
Total Revenues	<u>16,352,726</u>	<u>16,324,893</u>	<u>15,898,108</u>	<u>15,539,893</u>	<u>15,045,060</u>
EXPENDITURES					
General Support	1,859,479	1,564,969	1,467,750	1,440,416	1,400,660
Instruction	7,243,490	7,110,574	7,238,110	7,413,383	7,181,449
Transportation	583,018	587,942	671,540	607,130	579,527
Community Services	-	-	1,000	-	912
Employee Benefits	4,884,143	4,626,520	4,651,812	4,473,130	4,363,190
Debt Service	1,257,761	1,279,021	1,140,777	1,113,731	1,075,615
Interfund Transfers and Other	3,411,390	44,341	507,779	151,370	491,458
Total Expenditures	<u>19,239,281</u>	<u>15,213,367</u>	<u>15,678,768</u>	<u>15,199,160</u>	<u>15,092,811</u>
Excess of Revenues (Expenditures)	<u>\$ (2,886,555)</u>	<u>\$ 1,111,526</u>	<u>\$ 219,340</u>	<u>\$ 340,733</u>	<u>\$ (47,751)</u>
Capital Outlay	<u>\$ 528,407</u>	<u>\$ 580,260</u>	<u>\$ 2,496,751</u>	<u>\$ 719,577</u>	<u>\$ 787,548</u>
Special Aid Revenues/Expenditures	<u>\$ 601,770</u>	<u>\$ 726,225</u>	<u>\$ 554,758</u>	<u>\$ 483,674</u>	<u>\$ 595,430</u>
School Lunch Revenues	<u>\$ 854,704</u>	<u>\$ 478,392</u>	<u>\$ 485,635</u>	<u>\$ 453,325</u>	<u>\$ 438,946</u>
School Lunch Expenditures	<u>\$ 514,329</u>	<u>\$ 463,818</u>	<u>\$ 481,981</u>	<u>\$ 489,869</u>	<u>\$ 441,370</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, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
Restricted					
Reserve for Employees' Retirement Contributions	\$ 1,105,874	\$ 1,105,757	\$ 1,094,862	\$ 1,163,306	\$ 1,330,341
Reserve for Teachers' Retirement Contributions	261,864	173,846	85,000	-	-
Tax Certiorari Reserve	-	-	-	-	288,372
Unemployment Insurance Reserve	46,435	63,507	62,881	61,999	61,630
Employee Benefit Accrued Liability Reserve	65,362	65,355	64,711	63,803	63,423
Capital Reserve	826,901	3,511,666	2,858,224	2,739,836	1,913,379
Workers Compensation Reserve	153,256	153,240	102,223	100,788	100,188
Total Restricted	2,459,692	5,073,371	4,267,901	4,129,732	3,757,333
Assigned					
Appropriated for Next Year's Budget	500,000	500,000	500,000	500,000	500,000
Encumbrances	68,371	155,719	79,624	43,936	105,858
Total Assigned	568,371	655,719	579,624	543,936	605,858
Unassigned	703,177	888,705	658,744	613,261	583,005
Total Fund Balance	\$ 3,731,240	\$ 6,617,795	\$ 5,506,269	\$ 5,286,929	\$ 4,946,196
Compliance With §1318 of Real Property Law					
Next Year's Budget is a Voter Approved Budget	\$ 17,764,432	\$ 17,197,590	\$ 16,871,848	\$ 16,325,912	\$ 15,899,689
Maximum Allowed (4% of Budget)	710,577	687,904	674,874	653,036	635,988
General Fund Fund Balance Subject to §1318 of Real Property Law	703,177	888,705	658,744	613,261	583,005
Actual Percentage	3.96%	5.17%	3.90%	3.76%	3.67%
Current Year Reserve Activity	Beginning Balance	Additions	Interest Earned	Appropriated	Ending Balance
Reserve for Employees' Retirement Contributions	\$ 1,105,757	\$ -	\$ 117	\$ -	\$ 1,105,874
Reserve for Teachers' Retirement Contributions	173,846	88,000	18	-	261,864
Unemployment Insurance Reserve	63,507	-	6	(17,078)	46,435
Employee Benefit Accrued Liability Reserve	65,355	-	7	-	65,362
Capital Reserve	3,511,666	615,000	235	(3,300,000)	826,901
Workers Compensation Reserve	153,240	-	16	-	153,256
Total	\$ 5,073,371	\$ 703,000	\$ 399	\$ (3,317,078)	\$ 2,459,692

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

DEPOSIT CENTRAL SCHOOL DISTRICT

TWO YEAR GENERAL FUND BUDGET ANALYSIS

	2021			
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)
REVENUES				
Real Property Taxes	\$ 8,257,912	\$ 7,836,426	\$ 7,824,217	\$ (12,209)
Other Tax Items	158,885	580,371	579,982	(389)
State Sources	7,499,093	7,301,121	7,204,626	(96,495)
Federal Sources	-	197,972	654	(197,318)
Other, Including Financing Other Sources	485,256	495,570	743,247	247,677
Total Revenues and Other Financing Sources	16,401,146	16,411,460	\$ 16,352,726	\$ (58,734)
Appropriated Fund Balances	952,163	4,269,241		
Total Revenues	\$ 17,353,309	\$ 20,680,701		
EXPENDITURES				
General Support	\$ 1,713,806	\$ 1,984,047	\$ 1,895,509	\$ 88,538
Instruction	8,022,689	7,849,303	7,265,806	583,497
Pupil Transportation	832,849	841,832	593,043	248,789
Community Services	1,000	1,000	-	1,000
Employee Benefits	5,375,379	5,296,933	4,884,143	412,790
Debt Service	1,258,586	1,258,586	1,257,761	825
Other Financing Uses	149,000	3,449,000	3,411,390	37,610
Total Expenditures	\$ 17,353,309	\$ 20,680,701	\$ 19,307,652	\$ 1,373,049
2020				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)
REVENUES				
Real Property Taxes	\$ 8,076,826	\$ 7,642,244	\$ 7,605,721	\$ (36,523)
Other Tax Items	156,632	591,214	595,615	4,401
State Sources	7,594,401	7,594,401	7,512,351	(82,050)
Other, Including Financing Other Sources	516,256	516,256	611,206	94,950
Total Revenues and Other Financing Sources	16,344,115	16,344,115	\$ 16,324,893	\$ (19,222)
Appropriated Fund Balances	607,357	607,357		
Total Revenues	\$ 16,951,472	\$ 16,951,472		
EXPENDITURES				
General Support	\$ 1,632,496	\$ 1,796,331	\$ 1,703,009	\$ 93,322
Instruction	8,078,060	7,932,813	7,127,869	804,944
Pupil Transportation	734,681	889,681	588,326	301,355
Community Services	1,000	1,000	-	1,000
Employee Benefits	5,032,768	4,859,180	4,626,520	232,660
Debt Service	1,323,467	1,323,467	1,279,021	44,446
Other Financing Uses	149,000	149,000	44,341	104,659
Total Expenditures	\$ 16,951,472	\$ 16,951,472	\$ 15,369,086	\$ 1,582,386

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

DEPOSIT CENTRAL SCHOOL DISTRICT

FIVE YEAR NET POSITION ANALYSIS

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>
NET POSITION					
Net Investment in Capital Assets	\$ 13,015,108	\$ 13,027,352	\$ 12,357,161	\$ 12,374,643	\$ 10,956,054
Restricted	5,687,856	5,329,159	4,510,950	5,891,693	5,895,493
Unrestricted	<u>(47,595,822)</u>	<u>(45,817,914)</u>	<u>(43,046,654)</u>	<u>(45,294,519)</u>	<u>(43,381,148)</u>
Total Net Position (Deficit)	<u>\$ (28,892,858)</u>	<u>\$ (27,461,403)</u>	<u>\$ (26,178,543)</u>	<u>\$ (27,028,183)</u>	<u>\$ (26,529,601)</u>
Unrestricted Net Position (Deficit)	\$ (47,595,822)	\$ (45,817,914)	\$ (43,046,654)	\$ (45,294,519)	\$ (43,381,148)
Less:					
GASB 68 - Net Pension Asset/Liability and Deferred Inflows and Outflows	(1,133,609)	(1,648,248)	(2,336,275)	(2,319,925)	(2,417,781)
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	<u>50,521,229</u>	<u>48,577,836</u>	<u>46,987,175</u>	<u>47,333,272</u>	<u>46,652,759</u>
Unrestricted Net Position (Deficit)	<u>\$ 1,791,798</u>	<u>\$ 1,111,674</u>	<u>\$ 1,604,246</u>	<u>\$ (281,172)</u>	<u>\$ 853,830</u>

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

DEPOSIT CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2021 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

Independent Auditors' Report

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

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

- *Schedule of Federal Award Expenditures
- *Compliance With Applicable Requirements
- *Internal Control Over Compliance

3) Extraclassroom Activity Funds of the School District

- * Independent Auditors' Report

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