

**TUPPER LAKE CENTRAL
SCHOOL DISTRICT**

Independent Auditor's Report Pursuant
to Governmental Auditing Standards
and the Requirements of the Uniform Guidance

Year Ended June 30, 2023

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**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***

Independent Auditor's Report

To the Board of Education
Tupper Lake Central School District
Tupper Lake, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tupper Lake Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Tupper Lake Central School District's basic financial statements, and have issued our report thereon dated November 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tupper Lake Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tupper Lake Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tupper Lake Central School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tupper Lake Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-001.

Tupper Lake Central School District’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Tupper Lake Central School District’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Tupper Lake Central School District’s response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
November 1, 2023

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Tupper Lake Central School District
Tupper Lake, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tupper Lake Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tupper Lake Central School District's major federal programs for the year ended June 30, 2023. Tupper Lake Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tupper Lake Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Tupper Lake Central School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Tupper Lake Central School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Tupper Lake Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tupper Lake Central School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tupper Lake Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tupper Lake Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Tupper Lake Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Tupper Lake Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Tupper Lake Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Tupper Lake Central School District's basic financial statements. We issued our report thereon dated November 1, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The *schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *schedule of expenditures of federal awards* is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Telling & Hillman, P.C.

Telling & Hillman, P.C.
License # 092.0131564
Middlebury, Vermont
November 1, 2023

TUPPER LAKE CENTRAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing/CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Pass-through programs from:			
New York State Department of Education:			
Child Nutrition Cluster:			
School Lunch	10.555		\$ 197,357
School Breakfast	10.553		64,379
National School Lunch Program - Commodities	10.555		24,044
Supply Chain Assistance	10.555		<u>31,439</u>
Total U.S. Department of Agriculture			<u>317,219</u>
U.S. Department of Education			
Pass-through programs from:			
New York State Education Department			
Special Education Cluster:			
Special Education - Grants to States	84.027A	0032-23-0258	215,304
Special Education - Preschool Grants 619	84.173A	0033-23-0258	<u>8,237</u>
Total Special Education Cluster			<u>223,541</u>
Education Stabilization Fund:			
ARP ESSER III	84.425U	5880-21-0915	384,750
ARP SLR Summer Enrichment	84.425U	5882-21-0915	10,548
ARP SLR Comprehensive After School	84.425U	5883-21-0915	<u>55,548</u>
Total Education Stabilization Fund			<u>450,846</u>
Title I - A&D Improvements	84.010A	0021-23-0915	188,210
Title I IA- Teacher/Prin Training/Recruiting	84.367A	0147-23-0915	27,456
Title IV - SSAE Allocation	84.424A	0204-23-0915	<u>10,934</u>
			<u>226,600</u>
Total U.S. Department of Education			<u>900,987</u>
Total Federal Expenditures			<u>\$ 1,218,206</u>

See Notes to Schedule of Expenditures of Federal Awards.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tupper Lake Central School District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Tupper Lake Central School District, it is not intended to and does not present the statement of revenues, expenditures, and changes in fund balance of the Tupper Lake Central School District.

Note 2 - Summary of Certain Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Subrecipients

Of the federal expenditures presented in the Schedule, the District did not provide federal awards to subrecipients.

Note 4 – Scope of Audit

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

Note 5 – Non-monetary assistance

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2023, the District received food commodities totaling \$24,044.

Note 6 – Indirect Cost Rate

The District has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of Tupper Lake Central School District were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No significant deficiencies relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Tupper Lake Central School District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported.
5. The auditor’s report on compliance for the major federal awards programs for Tupper Lake Central School District expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as a major program were:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
84.027A	Special Education – Grants to State
84.173A	Special Education – Preschool Grants 619
84.425U	ARP ESSER III

8. The threshold used to distinguish between type A and B programs was \$750,000.
9. Tupper Lake Central School District was determined to be a high-risk auditee.

SECTION II – FINANCIAL STATEMENT FINDINGS

Type of Finding - Compliance and Other Matters

2023-001 Excess Unassigned Fund Balance

Condition and criteria: The District’s unassigned fund balance was 4.8% of next year’s general fund budget.

Context: According to New York State Real Property Tax Law Section 1318, a district’s unassigned fund balance may not exceed an amount equal to 4.0% of next year’s budget.

Cause: Unknown.

Potential effect: There is the potential that the State of New York could withhold state aid until the unassigned fund balance is at 4.0% of next year’s budget.

TUPPER LAKE CENTRAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Recommendation: We recommend the District keep in mind this property tax law when preparing next year's budget.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

SECTION IV – PRIOR YEAR FINDINGS

<u>Finding Number</u>	<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Current Year Status</u>
2022-003	None	Excess Unassigned Fund Balance	Repeated in 2023-001

TUPPER LAKE CENTRAL SCHOOL DISTRICT

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...Where excellence is no accident



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518-359-9636 (fax)

LP Quinn Elementary School
294 Hosley Avenue
518-359-2981 ext. 1004
518-359-3415 (fax)

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The District has an unassigned fund balance in excess of the state cap of 4%. Although the District has been at fault for this in year's past, the District along with the Board of Education will continue to look at possibilities to address lowering the fund balance. The District has received various state and federal funds to assist with offsetting general fund expenditures created by the global pandemic. The continued challenge will be to keep all programs in the future operable. The District will explore all options pertaining to the fund balance including tax cap scenario's, increasing reserves, and focusing on student needs. The District Superintendent, Russell Bartlett along with the FEH BOCES Shared Business Manager, Jessica Rivers will continue to work with the Board of Education to create a reserve plan for the district. Through this work, the district intends to outline and execute the use of funds in excess of the 4% so that it impacts the students, staff, and taxpayers in a positive and meaningful way. The planning for the use of these funds has already begun and will continue through the 2023-24 and 2024-25 schools years. By the end of school year 2024-25 (06/30/2025) the district intends on having a formal and designed plan.

Thank You,

A handwritten signature in black ink that reads "Jessica M. Rivers". The signature is written in a cursive, flowing style.

Jessica M Rivers
Business Manager

Russell S. Bartlett
Superintendent
District Office

Elizabeth Littlefield
Principal
LP Quinn Elementary School

Amanda Zullo
Principal
Middle/High School

Trish Wickwire
Dir. of Student Support Services
District-Wide

Jessica Rivers
Business Manager
District Office

