

# Roslyn Union Free School District Audit Presentation to the Audit Board

**Robert A. Daniele, Partner**

October 10, 2024

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# Agenda/Table of Contents

- Summary Overview and Required Communications

## General Fund

- 2024 Revenues and Expenditures Compared to Budget
- 2024 Major Revenues
- 2024 Major Expenditures
- Sources of Revenues and Expenditures
- 4 Year Fund Balance Analysis

## Other Considerations

- Other Funds – Results and Fund Balance Analysis
- Debt Service Requirements

## Overall Financial Health/Summary Closing Points

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# Summary Overview and Required Communications (Cont'd)

## ■ Managements Responsibility

- Selecting and implementing appropriate accounting policies
- Fairly presenting the financial statements in accordance with U.S. GAAP
- Establishing and maintaining effective internal control over financial reporting
- Compliance with laws, regulations and provisions of contracts and agreements
- Providing all financial records and related information to the auditors`
- Setting proper tone at the top

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# Summary Overview and Required Communications

## Our Responsibility

- Fieldwork completed in August, follow-up and completion in September
- Deliverables
  - Independent Auditors' Report on the basic financial statements
    - Issuance of an Unmodified Opinion
  - Yellow Book Report (Report on controls and compliance)
  - Report on Compliance for Each Major Federal Program – Single Audit
  - Required communications
  - Management letter
  - Extra-classroom Activity Funds report
- Communicate any fraud or illegal acts that are noted during the audit
- We encountered no difficulties in the conduct of our audit
- Internal controls appear to be in place and operating as designed
- Uncorrected and corrected misstatements – there were no uncorrected differences
- The business office was very cooperative and responsive to our inquiries. There were no disagreements with management.

# 2024 Revenues & Expenditures Compared to Budget

2024 Revenues & Expenditures Compared to Budget

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance With Final Budget</u>	
<b>Revenues</b>	\$ 123,750,908	\$ 123,750,908	\$ 125,780,186	\$ -	\$ 2,029,278	1.64%
<b>Expenditures</b>	<u>125,688,574</u>	<u>125,714,374</u>	<u>115,699,859</u>	<u>572,190</u>	<u>9,442,325</u>	7.51%
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,937,666)</u>	<u>(1,963,466)</u>	<u>10,080,327</u>	<u>(572,190)</u>	<u>11,471,603</u>	
<b>Other Financing Sources (Uses)</b>						
<b>Transfers In</b>	323,897	323,897	323,897	-	-	
<b>Transfers Out</b>	<u>(2,693,488)</u>	<u>(10,774,789)</u>	<u>(10,206,240)</u>	<u>-</u>	<u>568,549</u>	
<b>Total Other Financing Sources (Uses)</b>	<u>(2,369,591)</u>	<u>(10,450,892)</u>	<u>(9,882,343)</u>	<u>-</u>	<u>568,549</u>	
<b>Net Change in Fund Balance</b>	(4,307,257)	(12,414,358)	197,984	<u>\$ (572,190)</u>	<u>\$ 12,040,152</u>	
<b>Fund Balance - Beginning</b>	<u>4,307,257</u>	<u>12,414,358</u>	<u>39,590,389</u>			
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,788,373</u>			

See Slide 10 for Details

# 2024 Major Revenues – General Fund

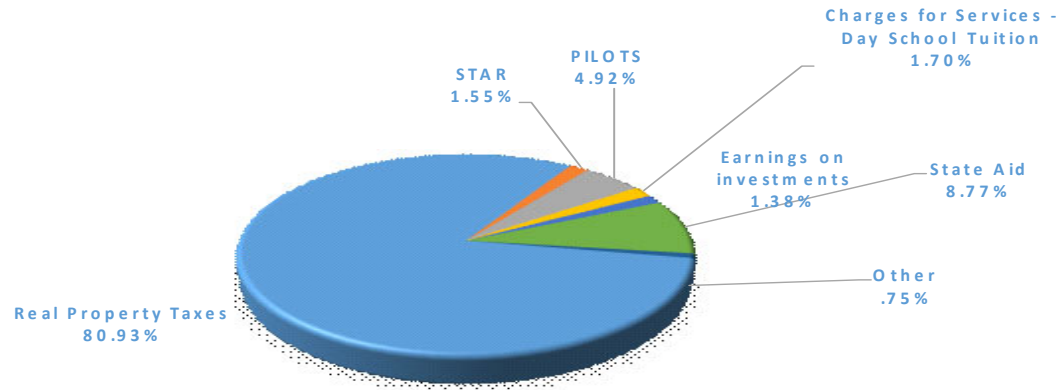
	<u>Original Budget</u>	<u>Final Budget</u>	<u>2024 Actual</u>	<u>Variance With Final Budget</u>	<u>2023 Actual</u>
Property Tax	\$ 101,244,831	\$ 101,794,009	\$ 101,794,009	\$ -	\$ 98,823,533
School tax relief reimbursement	2,500,000	1,950,822	1,950,822	-	2,325,142
PILOTS	5,750,000	5,750,000	6,184,474	434,474	5,687,834
Day school tuition and other	2,667,316	2,667,316	2,137,358	(529,958)	2,574,279
Earnings on investments	435,000	435,000	1,734,235	1,299,235	936,376
State Aid	11,078,761	11,078,761	11,034,450	(44,311)	8,093,578
Federal aid	-	-	241,216	241,216	569,202
	<u>\$ 123,675,908</u>	<u>\$ 123,675,908</u>	<u>\$ 125,076,564</u>	<u>\$ 1,400,656</u>	<u>\$ 119,009,944</u>
<b>% of Total Revenues and Other Financing Sources</b>	<u>99.94%</u>	<u>99.94%</u>	<u>99.44%</u>		

# 2024 Major Expenditures – General Fund

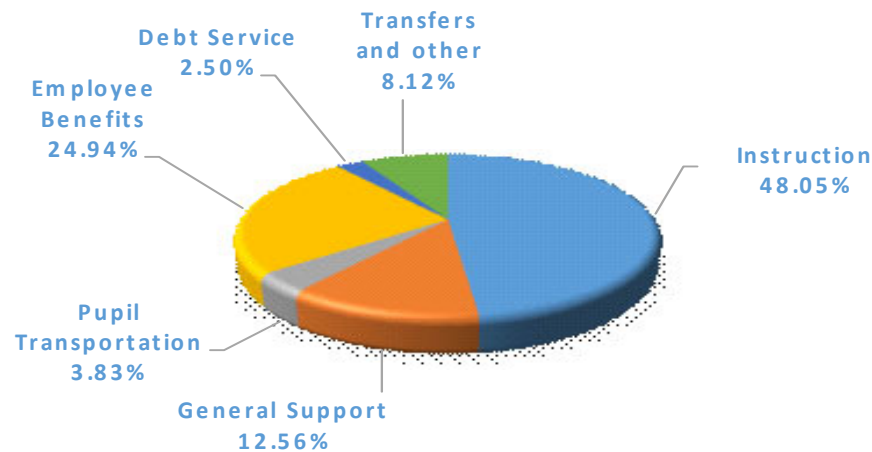
	<u>Original Budget</u>	<u>Final Budget</u>	<u>2024 Actual</u>	<u>Encumbrances</u>	<u>Variance With Final Budget</u>	<u>2023 Actual</u>
Operation & maintenance of plant	\$ 10,525,996	\$ 10,507,354	9,400,330	400,347	\$ 706,677	\$ 9,607,032
Teaching - regular school	32,552,921	32,674,759	32,057,683	30,818	586,258	31,523,619
Programs for students with disabilities	13,705,817	13,687,962	12,847,354	6,624	833,984	11,918,328
Pupil transportation	6,183,945	6,231,529	4,820,944	3,210	1,407,375	5,220,337
Teachers' retirement	4,966,430	4,966,430	4,760,549	-	205,881	4,940,545
Health insurance	22,050,273	22,008,176	18,459,160	-	3,549,016	16,961,432
Debt service	3,230,305	3,316,453	3,148,470	-	167,983	3,074,074
Transfer out - Capital Projects Fund	1,750,000	9,831,301	9,831,301	-	-	6,096,347
	<u>\$ 94,965,687</u>	<u>\$ 103,223,964</u>	<u>\$ 95,325,791</u>	<u>\$ 440,999</u>	<u>\$ 7,457,174</u>	<u>\$ 89,341,714</u>
<b>% of Total Expenditures and Other Financing uses</b>	<u>75.56%</u>	<u>82.11%</u>	<u>82.39%</u>			

# Sources of Revenues and Expenditures – General Fund

**SOURCES OF REVENUES FOR FISCAL YEAR 2024**



**EXPENDITURES FOR FISCAL YEAR 2024**





# 4 Year Fund Balance Analysis – General Fund

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Nonspendable-</b>				
Advances	\$ -	\$ -	\$ 175,118	\$ 568,862
	<u>-</u>	<u>-</u>	<u>175,118</u>	<u>568,862</u>
<b>Restricted:</b>				
Repairs	957,548	1,022,280	804,250	1,015,705
Workers Compensation Benefits	61,291	58,714	58,703	58,644
ERS retirement contributions	8,342,991	6,150,547	6,016,231	6,625,308
ERS retirement contributions - for subsequent year's	1,800,000	1,650,000	1,466,553	850,000
TRS retirement contributions	1,615,339	962,962	931,875	930,145
TRS retirement contributions - for subsequent year's	1,482,000	1,050,000	800,000	800,000
Employee benefit accrued liability	87,363	83,689	82,213	82,131
Capital improvements	18,312,486	21,355,230	20,885,497	17,085,845
Unemployment insurance	574,895	550,718	541,007	460,547
	<u>33,233,913</u>	<u>32,884,140</u>	<u>31,586,329</u>	<u>27,908,325</u>
<b>Assigned:</b>				
Purchases on Order	572,190	907,257	1,258,607	448,380
Subsequent year's expenditures	700,000	700,000	700,000	700,000
	<u>1,272,190</u>	<u>1,607,257</u>	<u>1,958,607</u>	<u>1,148,380</u>
<b>Unassigned</b>	<u>5,282,270</u>	<u>5,098,992</u>	<u>4,824,735</u>	<u>4,723,771</u>
<b>Total Fund Balance</b>	<u>\$ 39,788,373</u>	<u>\$ 39,590,389</u>	<u>\$ 38,544,789</u>	<u>\$ 34,349,338</u>
	Unassigned	<u>5,282,270</u>	=	4%
	2024-25 Adopted Budget	132,567,170		

# Other Considerations – Other Funds

- Capital Projects Fund – Pages 71-72 in Basic financial statements
  - o District expended ~ \$6.6 million in 2024 on District-wide improvements
  - o 20 active projects with total fund balance of \$12,240,156 however funded with \$112,000 in short-term and long-term BANS. School District did not issue any General Obligation Bonds in 2024.
- Special Aid Fund – District expended in excess of \$2.4 million of Federal funds , thus a single audit (compliance audit) in accordance with Uniform Guidance was required.

	<u>Capital Projects Fund</u>	<u>Special Aid Fund</u>	<u>Debt Service Fund</u>	<u>School Lunch Fund</u>	<u>Special Purpose Fund</u>
Fund balance - 6/30/2023	\$ 8,598,382	\$ -	\$ 1,038,007	\$ 18,183	\$ 406,803
Revenues & Other Financing Sources	10,279,301	2,427,644	250,286	1,436,931	280,249
Expenditures & Other Financing Uses	<u>(6,637,527)</u>	<u>(2,427,644)</u>	<u>(323,897)</u>	<u>(1,397,281)</u>	<u>(270,960)</u>
Fund balance - 6/30/2024	<u>\$ 12,240,156</u>	<u>\$ -</u>	<u>\$ 964,396</u>	<u>\$ 57,833</u>	<u>\$ 416,092</u>
	<u>Capital Projects Fund</u>	<u>Special Aid Fund</u>	<u>Debt Service Fund</u>	<u>School Lunch Fund</u>	<u>Special Purpose Fund</u>
<b>Nonspendable</b>					
Inventories	\$ -	\$ -	\$ -	\$ 13,429	\$ -
<b>Restricted</b>					
Debt Service	-	-	964,396	-	-
Capital Projects	12,240,156	-	-	-	-
Special Purposes	-	-	-	-	416,092
	<u>12,240,156</u>	<u>-</u>	<u>964,396</u>	<u>-</u>	<u>416,092</u>
<b>Assigned Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,404</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>\$ 12,240,156</u>	<u>\$ -</u>	<u>\$ 964,396</u>	<u>\$ 57,833</u>	<u>\$ 416,092</u>

# Other Considerations – Debt Service Requirements (Cont'd)

Purpose	Year of Issue	Bonds Payable			Amount Outstanding at June 30, 2024
		Original Issue Amount	Final Maturity	Interest Rates	
Construction Bonds	2016	\$ 24,505,000	June, 2031	2.00-2.375%	\$ 12,130,000
Construction Bonds	2017	3,945,000	April, 2031	3.000%	2,145,000
					<u>\$ 14,275,000</u>

Year Ending June 30,	Bonds		Bond anticipation notes		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,915,000	\$ 322,794	\$ 1,346,120	\$ 57,210	139,213	1,316	\$ 3,400,333	\$ 381,320
2026	1,950,000	281,644	-	-	68,413	181	2,018,413	281,825
2027	1,995,000	239,744	-	-	-	-	1,995,000	239,744
2028	2,035,000	196,844	-	-	-	-	2,035,000	196,844
2029	2,080,000	153,094	-	-	-	-	2,080,000	153,094
2030-2032	4,300,000	157,650	-	-	-	-	4,300,000	157,650
	<u>\$ 14,275,000</u>	<u>\$ 1,351,770</u>	<u>\$ 1,346,120</u>	<u>\$ 57,210</u>	<u>\$ 207,626</u>	<u>\$ 1,497</u>	<u>\$ 15,828,746</u>	<u>\$ 1,410,477</u>

# Overall Financial Health/Closing Points

## The Continuation of the School District's overall good financial health can be credited to:

- Continued leadership of the District's Board and Administration
  - Having remained within the 2% tax cap "Tax Levy Limitation Law" since it was enacted in June 2011
  - Continued commitment to funding reserves

## Financial Health is important because:

- Assists in the computation of the School District's Tax levy
- Improves cash flow and will eventually impact credit rating
  - Moody's assigned Aa1 bond credit rating
- Funds unexpected and unbudgeted contingent expenditures potential state aid shortfalls while preserving existing student programs
- Enables the District to meet future challenges while continuing program objectives.

## Issued Our Communication to Those Charged With Governance

- *"Management letter", No material weaknesses or significant deficiencies noted.*
- *Internal controls over major classes of transactions appear to be operating as designed.*

## On the Horizon - Government Accounting Standards Board (GASB)

### Statement No. 101 "*Compensated Absences*".

- The Objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
  - Effective for June 30, 2025

### Statement No. 102 "*Certain Risk Disclosures*".

- The Objective of this Statement is to disclose within governmental financial statement risks related to a government's vulnerabilities due to certain concentrations or constraints.
  - Effective for June 30, 2025

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