

Roslyn Union Free School District Audit Presentation to the Board

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October 12, 2023

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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

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.

2023 Revenues & Expenditures Compared to Budget

2023 Revenues & Expenditures Compared to Budget
Pages 63-69 in Basic financial statements

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance With Final Budget</u>	
Revenues	\$ 118,717,444	\$ 118,717,455	\$ 119,518,515	\$ -	\$ 801,060	0.67%
Expenditures	<u>120,753,800</u>	<u>120,661,154</u>	<u>112,166,154</u>	<u>907,257</u>	<u>7,587,743</u>	6.29%
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,036,356)</u>	<u>(1,943,699)</u>	<u>7,352,361</u>	<u>(907,257)</u>	<u>8,388,803</u>	
Other Financing Sources (Uses)						
Transfers In	461,196	461,196	172,809	-	(288,387)	
Transfers Out	<u>(2,650,000)</u>	<u>(7,196,347)</u>	<u>(6,479,570)</u>	<u>-</u>	<u>716,777</u>	
Total Other Financing Sources (Uses)	<u>(2,188,804)</u>	<u>(6,735,151)</u>	<u>(6,306,761)</u>	<u>-</u>	<u>428,390</u>	
Net Change in Fund Balance	(4,225,160)	(8,678,850)	1,045,600	<u>\$ (907,257)</u>	<u>\$ 8,817,193</u>	
Fund Balance - Beginning	<u>4,225,160</u>	<u>8,678,850</u>	<u>38,544,789</u>			
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,590,389</u>			

See Slide 10 for Details

2023 Major Revenues – General Fund

Major Revenues

Page 64-65 in Basic financial statements

	Original Budget	Final Budget	2023 Actual	Variance With Final Budget	2022 Actual
Property Tax	\$ 96,648,675	\$ 98,648,675	\$ 98,823,533	\$ 174,858	\$ 96,176,244
School tax relief reimbursement	2,500,000	2,500,000	2,325,142	(174,858)	2,537,528
PILOTS	5,659,149	5,659,149	5,687,834	28,685	5,241,221
Day school tuition and other	2,680,000	2,680,000	2,574,279	(105,721)	2,834,508
Earnings on investments	45,000	45,011	936,376	891,365	59,741
State Aid	8,928,009	8,928,009	8,093,578	(834,431)	7,000,677
Federal aid	-	-	569,202	569,202	144,221
	<u>\$ 116,460,833</u>	<u>\$ 118,460,844</u>	<u>\$ 119,009,944</u>	<u>\$ 549,100</u>	<u>\$ 113,994,140</u>
% of Total Revenues and Other Financing Sources	<u>98.10%</u>	<u>99.78%</u>	<u>99.57%</u>		

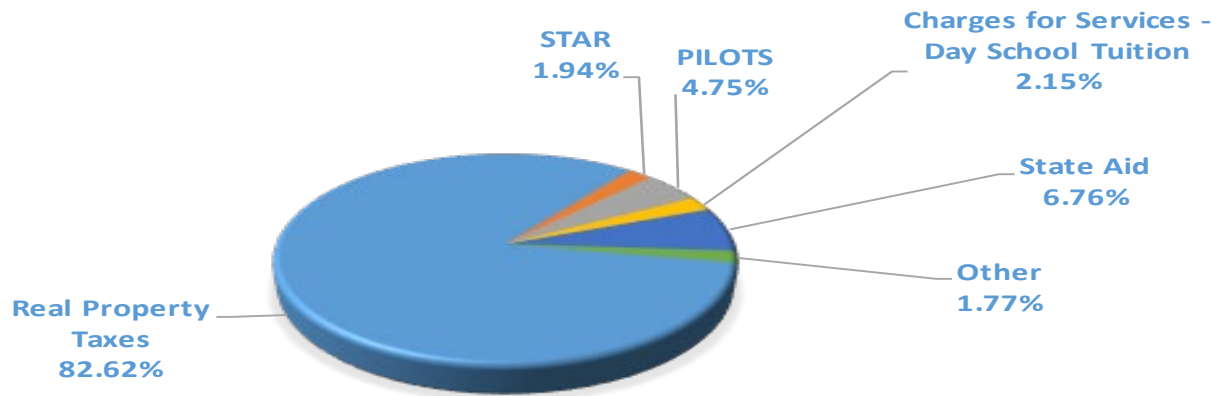
2023 Major Expenditures – General Fund

Major Expenditures
Page 66-69 in Basic financial statements

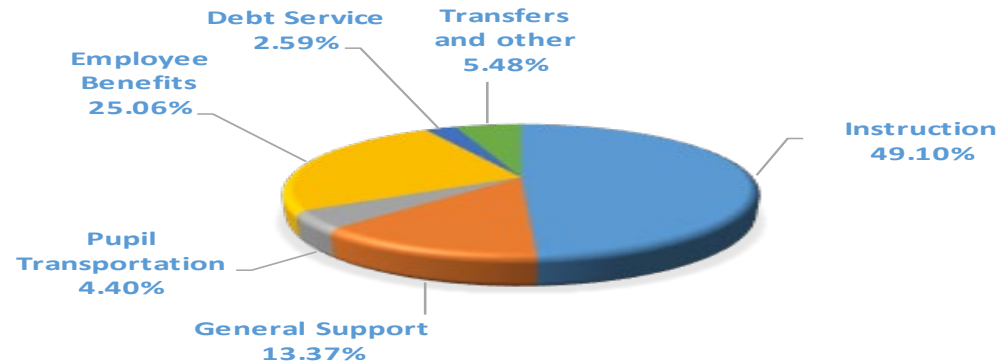
	Original Budget	Final Budget	2023 Actual	Encumbrances	Variance With Final Budget	2022 Actual
Operation & maintenance of plant	\$ 10,292,892	\$ 10,597,880	\$ 9,607,032	\$ 540,947	\$ 449,901	\$ 9,493,087
Teaching - regular school	32,439,111	32,499,480	31,523,619	103,058	872,803	30,605,419
Programs for students with disabilities	13,074,809	12,894,299	11,918,328	42,087	933,884	11,821,344
Pupil transportation	5,490,579	5,959,775	5,220,337	39,098	700,340	4,640,491
Teachers' retirement	4,937,001	4,940,570	4,940,545	-	25	4,589,393
Health insurance	19,476,135	18,849,033	16,961,432	-	1,887,601	15,289,114
Debt service	3,063,326	3,133,438	3,074,074	-	59,364	4,796,592
Transfer out - Capital Projects Fund	1,550,000	6,096,347	6,096,347	-	-	2,446,740
	<u>\$ 90,323,853</u>	<u>\$ 94,970,822</u>	<u>\$ 89,341,714</u>	<u>\$ 725,190</u>	<u>\$ 4,903,918</u>	<u>\$ 83,682,180</u>
% of Total Expenditures and Other Financing uses	<u>74.80%</u>	<u>78.71%</u>	<u>79.65%</u>			

Sources of Revenues and Expenditures – General Fund

SOURCES OF REVENUES FOR FISCAL YEAR 2023



EXPENDITURES FOR FISCAL YEAR 2023



3 Year Fund Balance Analysis – General Fund

Page 56 Basic financial statements

	2023	2022	2021
Nonspendable-			
Advances	\$ -	\$ 175,118	\$ 568,862
	-	175,118	568,862
Restricted:			
Repairs	1,022,280	804,250	1,015,705
Workers Compensation Benefits	58,714	58,703	58,644
ERS retirement contributions	6,150,547	6,016,231	6,625,308
ERS retirement contributions - for subsequent year's	1,650,000	1,466,553	850,000
TRS retirement contributions	962,962	931,875	930,145
TRS retirement contributions - for subsequent year's	1,050,000	800,000	800,000
Employee benefit accrued liability	83,689	82,213	82,131
Capital improvements	21,355,230	20,885,497	17,085,845
Unemployment insurance	550,718	541,007	460,547
	32,884,140	31,586,329	27,908,325
Assigned:			
Purchases on Order	907,257	1,258,607	448,380
Subsequent year's expenditures	700,000	700,000	700,000
	1,607,257	1,958,607	1,148,380
Unassigned	5,098,992	4,824,735	4,723,771
Total Fund Balance	\$ 39,590,389	\$ 38,544,789	\$ 34,349,338
Unassigned	5,098,992	=	4.00 %
2023-24 Adopted Budget	127,474,805		
Applied Reserves	2,700,000		

Other Considerations – Other Funds

- Capital Projects Fund – Pages 70-71 in Basic financial statements
 - District expended ~ \$5.7 million in 2023 on District-wide improvements
 - 19 active projects with total fund balance of \$8,598,382, however funded with \$1.47 million in short-term and long-term BANS. School District did not issue any General Obligation Bonds in 2023.
- Special Aid Fund – District expended in excess of \$2.1 million of Federal funds , thus a single audit (compliance audit) in accordance with Uniform Guidance was required.

Page 23-24 Basic financial statements

Other Funds Results and Fund Balance Analysis

	<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 (Deficit) - 6/30/2022	\$ 7,524,000	\$ -	\$ 698,194	\$ (160,263)	\$ 379,360
Revenues & Other Financing Sources	6,864,085	2,103,123	512,622	1,568,318	262,897
Expenditures & Other Financing Uses	<u>(5,789,703)</u>	<u>(2,103,123)</u>	<u>(172,809)</u>	<u>(1,389,872)</u>	<u>(235,454)</u>
Fund balance - 6/30/2023	<u>\$ 8,598,382</u>	<u>\$ -</u>	<u>\$ 1,038,007</u>	<u>\$ 18,183</u>	<u>\$ 406,803</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>
Nonspendable					
Inventories	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,036</u>	<u>\$ -</u>
Restricted					
Debt Service	-	-	1,038,007	-	-
Capital Projects	8,598,382	-	-	-	-
Special Purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,803</u>
	<u>8,598,382</u>	<u>-</u>	<u>1,038,007</u>	<u>-</u>	<u>406,803</u>
Assigned Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,147</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>\$ 8,598,382</u>	<u>\$ -</u>	<u>\$ 1,038,007</u>	<u>\$ 18,183</u>	<u>\$ 406,803</u>

Other Considerations – Debt Service Requirements (Cont'd)

Debt Service Requirements - Page 43-45 of Basic financial statements

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2023
Construction Bonds	2016	\$ 24,505,000	June, 2031	2.00-2.375%	\$ 13,735,000
Construction Bonds	2017	3,945,000	April, 2031	3.000%	2,420,000
					<u>\$ 16,155,000</u>

Year Ending June 30,	Bonds		Bond anticipation notes		Energy Performance Contract Debt		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,880,000	\$ 363,144	\$ 1,281,128	\$ 38,434	\$ 310,421	\$ 5,739	162,651	2,697	\$ 3,634,200	\$ 410,014
2025	1,915,000	322,794	-	-	-	-	139,213	1,316	2,054,213	324,110
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
2029-2032	6,380,000	310,743	-	-	-	-	-	-	6,380,000	310,743
	<u>\$ 16,155,000</u>	<u>\$ 1,714,913</u>	<u>\$ 1,281,128</u>	<u>\$ 38,434</u>	<u>\$ 310,421</u>	<u>\$ 5,739</u>	<u>\$ 370,277</u>	<u>\$ 4,194</u>	<u>\$ 18,116,826</u>	<u>\$ 1,763,280</u>

Other Considerations – Debt Service Requirements (Cont'd)

Long-Term Bond Anticipation Notes

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance July 1, 2022</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance June 30, 2023</u>
Bus Purchases	2019	8/31/22	3.00 %	\$ 185,953	\$ -	\$ 92,977	\$ 92,976
Bus Purchases	2020	8/31/22	3.00	274,209	-	91,402	182,807
Bus Purchases	2021	8/31/22	3.00	423,893	-	105,973	317,920
Bus Purchases	2022	8/31/22	3.00	370,625	-	-	370,625
Bus Purchases	2023	8/30/23	3.00	-	316,800	-	316,800
				<u>\$ 1,254,680</u>	<u>\$ 316,800</u>	<u>\$ 290,352</u>	<u>\$ 1,281,128</u>

Short-Term Bond Anticipation Notes

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance July 1, 2022</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance June 30, 2023</u>
Bus Purchases	2022	8/31/22	- %	\$ 92,657	\$ -	\$ 92,657	\$ -
Bus Purchases	2022	8/31/23	3.00	-	79,200	-	79,200
				<u>\$ 92,657</u>	<u>\$ 79,200</u>	<u>\$ 92,657</u>	<u>\$ 79,200</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

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