

Rockville Centre Union Free School District

Audit Report to the Board of Education



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VALUE**

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Agenda\Table of Contents

- Overview & Required Communications
- 2016 Revenues & Expenditures Compared to Budget – General Fund
- Major Revenues
- Major Expenditures
- Sources of Revenues and Expenditures – General Fund
- Comparative Fund Balance Analysis - General Fund
- Current Year Fund Balance – Other Funds
- Other Considerations

■ 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, as well as compliance with Uniform Guidance
- Providing all financial records and related information to the auditors

Overview & Required Communications (Cont'd)

■ Our Responsibility

- Form and express an opinion
 - Unmodified Opinion
- Perform tests of Districts compliance with provisions of laws, contracts and grants as well as compliance with the Uniform Guidance
- Communicate in writing deficiencies in internal controls
- Advise management of appropriateness of accounting policies
- Communicate any fraud or illegal acts that are noted during the audit
- We encountered no significant difficulties in the conduct of our audit
- Uncorrected and corrected misstatements – no uncorrected differences
- No disagreements with management
- Auditor independence

2016 Revenues & Expenditures Compared to Budget

Details on page 62 of the Basic Financial Statements

	Original Budget	Final Budget	Actual	Encumbrances	Variance With Final Budget
Revenues	\$ 104,278,660	\$ 104,278,660	\$ 105,698,300	\$ -	\$ 1,419,640
Expenditures	103,332,110	103,815,955	102,210,959	95,206	1,509,790
Excess (Deficiency) of Revenues Over Expenditures	946,550	462,705	3,487,341	(95,206)	2,929,430
Other Financing Uses	(3,848,212)	(3,848,212)	(3,848,211)	-	1
Net Change in Fund Balance	(2,901,662)	(3,385,507)	(360,870)	\$ (95,206)	\$ 2,929,431
Fund Balance - Beginning	2,901,662	3,385,507	11,007,169		
Fund Balance - Ending	\$ -	\$ -	\$ 10,646,299		



Major Revenues

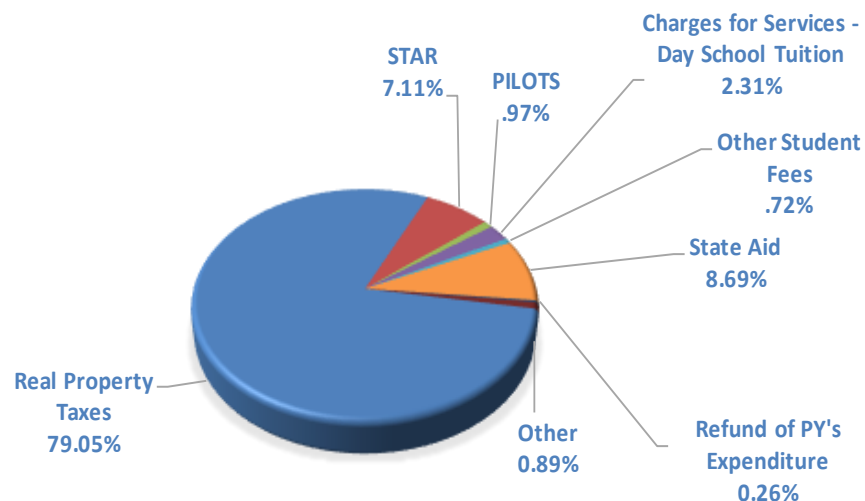
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>2015</u>
Property Tax	\$ 83,531,622	\$ 83,531,622	\$ 83,552,626	\$ 21,004	\$ 81,456,587
School tax relief reimbursement	7,514,834	7,514,834	7,514,834	-	7,311,569
PILOTS	985,450	985,450	1,024,900	39,450	806,715
Day school tuition	2,110,000	2,110,000	2,444,188	334,188	2,206,887
Other student fees and charges	586,000	586,000	757,567	171,567	819,934
State Aid	8,732,414	8,732,414	9,186,461	454,047	9,297,778
Refund of prior year's expenditure	-	-	274,141	274,141	195,241
	<u>\$ 103,460,320</u>	<u>\$ 103,460,320</u>	<u>\$ 104,754,717</u>	<u>\$ 1,294,397</u>	<u>\$ 102,094,711</u>
% of Total Revenues and Other Financing Sources	<u>99.22%</u>	<u>99.22%</u>	<u>99.11%</u>		

Major Expenditures

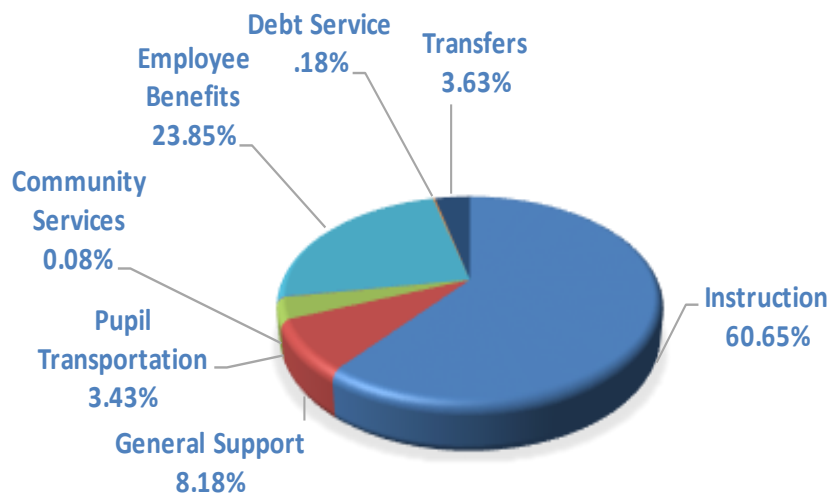
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance With Final Budget</u>	<u>2015</u>
Operation & maintenance of plant	\$ 5,844,434	\$ 5,343,871	\$ 4,986,829	\$ 78,696	\$ 278,346	\$ 4,772,568
Teaching - regular school	38,485,289	39,091,672	39,087,307	2,987	1,378	37,595,974
Programs for students with disabilities	10,632,080	11,354,680	11,352,579	2,033	68	10,910,340
Pupil transportation	4,157,978	4,089,858	3,637,963	-	451,895	3,702,071
Teachers' retirement	6,500,000	6,561,500	6,561,236	-	264	8,415,778
Social security	4,400,000	4,474,421	4,473,961	-	460	4,286,261
Health insurance	11,577,000	11,300,096	11,296,937	-	3,159	10,634,275
Transfer out - debt service	<u>3,748,212</u>	<u>3,748,212</u>	<u>3,748,211</u>	<u>-</u>	<u>1</u>	<u>2,730,023</u>
	<u>\$ 85,344,993</u>	<u>\$ 85,964,310</u>	<u>\$ 85,145,023</u>	<u>\$ 83,716</u>	<u>\$ 735,571</u>	<u>\$ 83,047,290</u>
% of Total Expenditures and Other financing Uses	<u>79.63%</u>	<u>79.84%</u>	<u>80.28%</u>			

Sources of Revenues and Expenditures

SOURCES OF REVENUES FOR FISCAL YEAR 2016



EXPENDITURES FOR FISCAL YEAR 2016



Comparative Fund Balance Analysis – General Fund

Details of 2016 and 2015 on page 52 of the Basic Financial Statement

	<u>2016</u>	<u>2015</u>
Nonspendable		
Prepaid expenditures	\$ 17,037	\$ -
Advances	264,174	314,797
	<u>281,211</u>	<u>314,797</u>
Restricted		
Employee benefit accrued liability	2,765,189	2,761,980
Retirement contributions	1,570,343	1,941,794
Unemployment benefits	111,632	111,200
	<u>4,447,164</u>	<u>4,814,974</u>
Assigned		
Purchases on Order	95,206	101,662
Subsequent year's expenditures	2,800,000	2,800,000
	<u>2,895,206</u>	<u>2,901,662</u>
Unassigned	<u>3,022,718</u>	<u>2,975,736</u>
Total Fund Balance	<u>\$ 10,646,299</u>	<u>\$ 11,007,169</u>

Current Year Fund Balance – Other Funds

Details on page 52 of the Basic Financial Statements

	Capital Projects Fund	School Lunch Fund	Special Purpose	Permanent	Debt Service Fund
Nonspendable					
Inventories	\$ -	\$ 7197	\$ -	\$ -	\$ -
Permanent fund	-	-	-	150,000	-
	-	7,197	-	150,000	-
Restricted					
Permanent fund	-	-	-	1,447,256	-
Debt service	-	-	-	-	631,033
Special purposes	-	-	46,733	-	-
	-	-	46,733	1,447,256	631,033
Assigned Balance	(426,633)	(15,360)	-	-	-
Total Fund Balance	<u>\$ (426,633)</u>	<u>\$ (8,163)</u>	<u>\$ 46,733</u>	<u>\$ 1,597,256</u>	<u>\$ 631,033</u>

Other Considerations

- Capital Projects Fund –
 - District spent ~ \$18.14 million in 2016 on District-wide improvements
 - District has ~ 10 current active projects (pages 66-67)
- Special Aid Fund – District expended in excess of \$750k in Federal expenditures requiring a single audit (compliance audit) in accordance with Uniform Guidance. No single audit findings.
- School Lunch Fund – has shown losses over the past 2 years and has a small Fund Balance Deficit.
- OPEB Obligations increased by \$8.6 million (page 49) to a total liability of \$61.3 million. (No funding mechanism in place in NYS).
- Pension reporting (pages 41-48) reflects the TRS system being funded at 110.46%, thus creating a net pension asset of \$33.2 million (the District's proportionate share) at a discount rate of 8% while the ERS system is funded at 90.7% creating a liability of \$5.3 million (the District's proportionate share) at a discount rate of 7%.

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