



# Fiscal Management

Board Meeting - September 18, 2014

# Mandatory Audits for Public School Districts

- ▶ External Audit - financial statements accuracy, compliance and testing
- ▶ Internal Audit - risk assessment, procedures/policies, Board special procedures
- ▶ Claims Audit - audit of each and every claims payment before the check is released
- ▶ Other State Audits Including NYS Comptroller

# Wantagh UFSD Audit Findings

## ▶ EXTERNAL AUDIT

- ▶ Financial Statements - accurate and compliant
- ▶ Financial Status - healthy and strong
- ▶ Reserves and Fund Balance - meet all legal parameters

## ▶ INTERNAL AUDIT

- ▶ Special procedures to continually improve performance and to meet new requirements

## ▶ CLAIMS AUDIT

- ▶ Very high compliance rate
- ▶ No outstanding issues



# Recent NYS Comptroller Reports

Districts are cited by the Comptroller for the following offenses:

- ▶ Depletion of Fund Balance and/or Reserves
- ▶ Failure to Establish Board Policy for Fiscal Management
- ▶ Absence of Multi-year Planning
- ▶ Absence of Targets for Reserves

# What are the Legal Limits?

- ▶ Unassigned Fund Balance - limited to 4% of next year's budget
- ▶ Reserves - no limit on total reserves, but there are targets for individual reserves
- ▶ Fund Balance - no limit on total fund balance

# Fiscal Management Policy

Establish Measurable Fiscal Targets Based on Moody's Recommendations, Fiscal Advisors, and Audit Professionals

- ▶ Total Fund Balance - 15-20% of revenues or more
- ▶ Reserves
  - ▶ Available - 5% of revenues or more
  - ▶ Restricted
- ▶ Debt Service - 2.5-4.0% of operating expenditures
- ▶ Assigned Fund Balance - as low as possible
- ▶ Unassigned Fund Balance - 4% of next year's budget (maximum permitted)



# Reserves Report

- ▶ Multi-Year Approach to Reserves
- ▶ History of Each Reserve
- ▶ Current and Future Needs
- ▶ Targets for Optimal Levels