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