

Office of the State Comptroller (OSC) Audit Update

Board of Education meeting
Tuesday, Dec. 15, 2015



Overview

- Brief Review of Office of the State Comptroller Audit process
 - Collaboration of effort - **Partnership**
- Fund Balance and Reserves: Funding and Use Plan
- Other Preliminary Recommendations



“ The practice of **planning** ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management.... Reserve funds can be utilized to help protect the budget against known risks (a potential lawsuit) or unknown risk (a major ice storm). ”



Office of the NYS Comptroller - Local Government Management Guide - Reserve Funds, Pg. 2

OSC Recommendation
for the prudent use of Reserves

Fund Balance and Reserves - Particulars

• Unemployment Reserve	\$1,044,238
• Encumbrance Reserve	799,855
• Employee Benefit Accrued Liability Reserve	304,797
• Tax Certiorari Reserve	1,961,005
• Capital Reserves	6,070,127
• Insurance Reserve	501,529
• Retirement Contribution Reserve	2,781,204
• Appropriated Fund Balance	400,000
• Undesignated Fund Balance	<u>1,060,836</u>
TOTAL	\$14,923,591

Other Recommendations

- Develop written procedures for separation payments and add to all labor contracts
 - Overall, calculation and documentation of separation payments were consistent and correct.
 - One instance of an incorrect payment: Employee was owed \$120. Since corrected.
 - Primary takeaway: The District's separation payment process should be committed to writing, for consistency and clarity to all.
 - District will develop new language and add to all contracts through the negotiation process.

Recap - The OSC Audit - The Four P's

- Partnership
- Planning
- Particulars
- Proactive

