CURRENT YEAR FINDINGS AND RECOMMENDATIONS

FUND BALANCE MANAGEMENT

Finding: During our current year audit, we noted the District had a balance of $11,205,068 in its workers' compensation reserve at June 30, 2023, which is higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2023 was $6,802,565, which includes incurred claims and claims incurred but not reported. We noted the District appropriated $500,000 of the reserve for the current year claims payments. We recommend the District review the reserve balance for reasonableness and continue to utilize the reserve for future claim expenses in order to lower the balance to a reasonable level in relation to their estimated liability.

District Response: The District has reviewed the workers' compensation reserve and annual expenditures in the general fund budget based on our auditors' recommendation. We will seek to reduce the balance in this reserve by utilize more of the reserve to pay annual expenditures and will consider transferring funds from this reserve into another reserve to reduce the balance to a reasonable level.

Anticipated Completion Date: July 2024

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Finance & Personnel
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STATUS OF PRIOR YEAR RECOMMENDATIONS

BUDGET TRANSFERS

Finding: During our prior year audit, we noted the District made transfers between non-contingent areas of the budget, which is prohibited under New York State Education Law. Per Education Law, budget transfers can only be made between contingent codes or from non-contingent to contingent codes. Budget transfers cannot be made from contingent to non-contingent areas of the budget, or between non-contingent areas of the budget, as non-contingent expenditure codes cannot be increased absent voter authorization. We recommended that the District review all proposed budget transfers during the year and ensure that all transfers are allowable under NYS Education Law.

STATUS: Implemented.

FUND BALANCE MANAGEMENT

Finding: During our prior year audit, we noted the District had a balance of $11,541,552 in its workers' compensation reserve at June 30, 2022, which is higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2022 was $6,632,575, which includes incurred claims and claims incurred but not reported. We noted the District appropriated $465,276 of the reserve for the current year claims payments. We recommend the District review the reserve balance for reasonableness and continue to utilize the reserve for future claim expenses in order to lower the balance to a reasonable level in relation to their estimated liability.

STATUS: Partially Implemented (see current year finding).