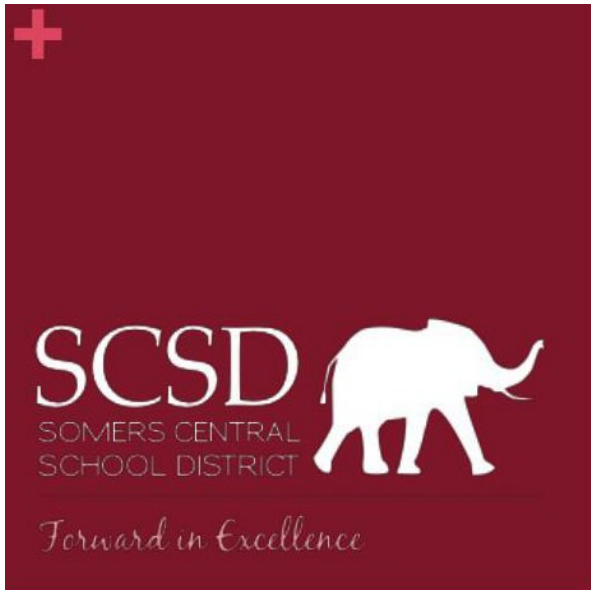
PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

AUDIT PRESENTATION

Somers Central School District, New York

Year Ended June 30, 2026



Somers Central School District

November 3, 2026

2026 Audit Results

Required communications to Those Charged With Governance

AUDIT OPINION

UNMODIFIED

SIGNIFICANT DIFFICULTIES
None

DISAGREEMENTS
None

AUDIT ADJUSTMENTS
1 Noted

GASB 103
Implemented in 2026

INTERNAL CONTROLS
No material weaknesses identified

Why the General Fund Is the Starting Point

GENERAL FUND

Primary operating fund for recurring activity

The clearest view of ongoing operations

Recurring revenues and recurring expenditures are measured here.

That makes General Fund budget-to-actual results the starting point for assessing annual operating performance.

Separate funds account for capital projects, special aid, school lunch, special purpose and debt service activity.

2026 General Fund: Budget vs. Actual

Amounts	Original Budget	Final Budget	Actual	Variance
Total Revenues	$111.7M	$111.8M	$113.1M	$1.3M
Total Expenditures	$113.2M	$113.3M	$107.6M	$5.7M
Excess (Deficiency)	($1.5M)	($1.5M)	$5.5M	$7.0M
Other Financing Uses	($.6M)	($2.5M)	($2.4M)	$.1M
Net Change in Fund Balance	**($2.1M)**	**($4.0M)**	**$3.1M**	**$7.1M**

Encumbrances: $.7M. Favorable variance after commitments: $6.4M.

Actual fund balance increased $3.1M, compared with a planned $4.0M decrease. The favorable variance was $7.1M before encumbrances.

What Drove the Revenue Variance?

Actual revenues were $1.3M above final budget

Revenue Category	Variance	Primary Explanation
Earnings on investments	$.4M	Investment earnings exceeded budget.
Miscellaneous revenues	$.3M	Prior-year refunds, BOCES refunds and E-Rate refunds.
State aid	$.2M	Total State aid exceeded the combined budget.
Other revenue variances, net	$.4M	Remaining revenue categories, net.
Total	**$1.3M**	

Budgeted transfers in of $.1M did not occur and reduced the net budget variance.

Where Did Spending Finish Below Budget?

Actual expenditures were $5.7M below final budget before encumbrances

Expenditure Category	Variance
General Support	$1.0M
Instruction	$3.4M
Pupil Transportation	$.5M
Employee Benefits	$.8M
Total	**$5.7M**

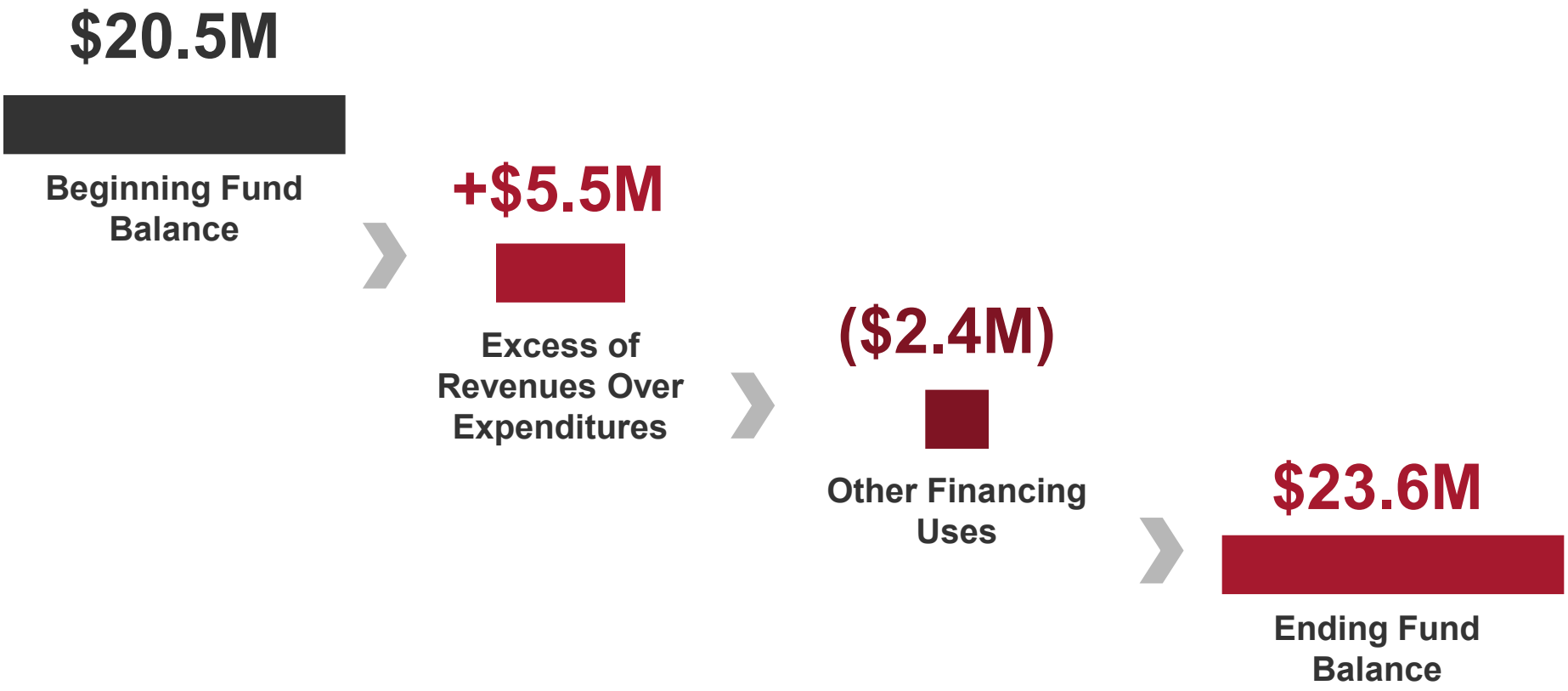
After $.7M of encumbrances, unused appropriations totaled $5.0M.

General Support	$1.0M
Central Services	$.8M
Staff	$.1M
Other, net	$.1M

Instruction	$3.4M
Teaching - Regular School	$1.2M
Students with Disabilities	$1.2M
Pupil Services	$.3M
Instructional Media	$.4M
Other, net	$.3M

How 2026 Changed Fund Balance

General Fund



NET INCREASE $3.1M

Fund Balance Serves Different Purposes

The $23.6M ending balance includes amounts designated for specific purposes

$23.6M

Total ending fund balance

RESTRICTED
$17.0M
Legally restricted for specific purposes

ASSIGNED
$2.0M
Intended for identified future uses
Includes $1.3M for the 2026–27 budget and $.7M of encumbrances

UNASSIGNED
$4.6M
Most flexible portion of fund balance
Unassigned fund balance as a % of subsequent year's budget = 4.0%

What Is Restricted Fund Balance Intended For?

Restricted Purpose	6/30/2025	6/30/2026	Net Change
Tax certiorari	$8.1M	$10.3M	$2.2M
Employee benefit accrued liability	$.2M	$.3M	$.1M
Retirement contributions	$4.0M	$5.0M	$1.0M
Future capital projects	$2.0M	$1.4M	($.6M)
Total Restricted	**$14.3M**	**$17.0M**	**$2.7M**

PLANNED FOR 2026 - 2027 USE

$.5M
General Fund Reserves

ERS **$.5M**

What Are These Reserves For?

Tax Certiorari
Property assessment challenge refunds

ERS Retirement
Future ERS employer contributions

TRS Retirement
Future TRS employer contributions

EBLAR
Accrued leave paid upon separation

Future Capital Projects
Capital improvements and equipment

Unassigned Fund Balance Is Within the NYS Limit

4.0%

$4.6M

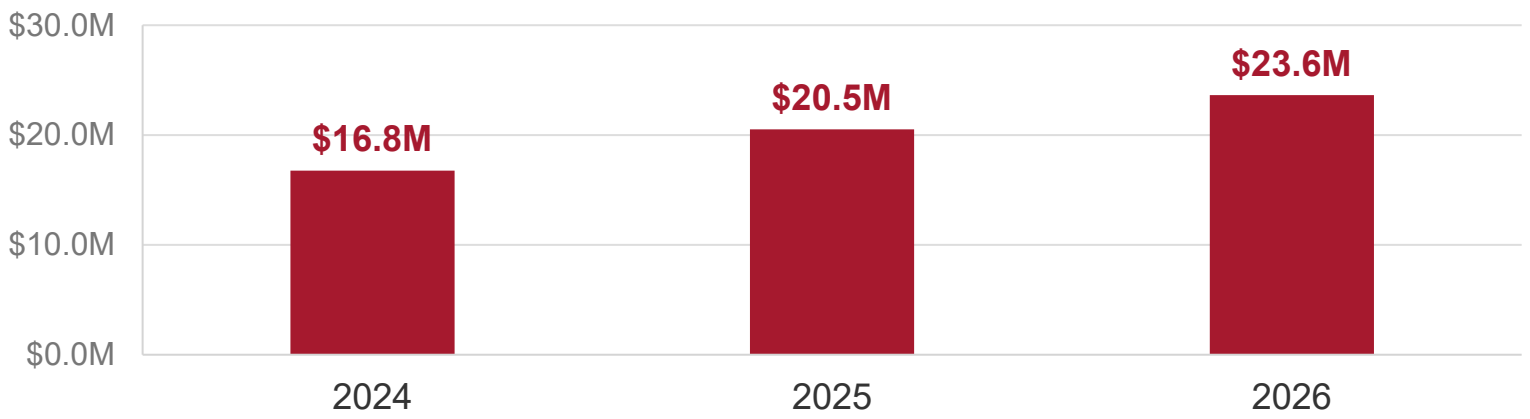
Unassigned Fund Balance



2026 – 2027 BUDGET	GENERAL FUND BALANCE
$116.0M	**$23.6M**

General Fund Balance – Available History

Amounts	2026	2025	2024
Nonspendable	$0	$.1M	$.1M
Restricted	$17.0M	$14.3M	$10.8M
Assigned	$2.0M	$1.6M	$1.5M
Unassigned	$4.6M	$4.5M	$4.4M
Total Fund Balance	**$23.6M**	**$20.5M**	**$16.8M**

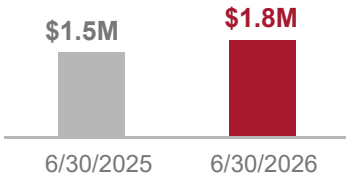


Other Governmental Fund Balances

CAPITAL PROJECTS FUND

Ending Fund Balance

$1.8M



Expenditures	($2.7M)
Other financing sources	$3.0M
Net change	**$.3M**

Fund balance increased $.3M. Financed purchase debt issued: $.9M.

SPECIAL AID FUND

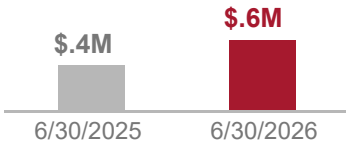
Revenues	$3.0M
Expenditures	($3.3M)
Other financing sources	$.3M

Operated at break-even.

SCHOOL LUNCH FUND

Ending Fund Balance

$.6M

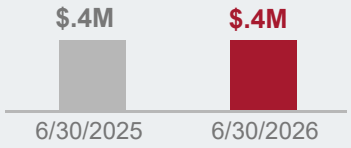


Revenues	$1.8M
Expenditures	($1.6M)
Other financing sources	—
Net change	**$.2M**

SPECIAL PURPOSE FUND

Ending Fund Balance

$.4M



Revenues	$.4M
Expenditures	($.4M)
Other financing sources	—

DEBT SERVICE FUND

$.3M remains restricted for debt service, including $.1M for 2026–27

2026 Audit: Key Takeaways

AUDIT RESULTS
Unmodified opinion

2026 FUND BALANCE
General Fund balance increased $3.1M

UNASSIGNED FUND BALANCE
4.0% of the subsequent year's budget, within the statutory limit

Questions & Discussion

Somers Central School District

Year Ended June 30, 2026

PKF O'Connor Davies, LLP