



Centennial School District

Audit Summary

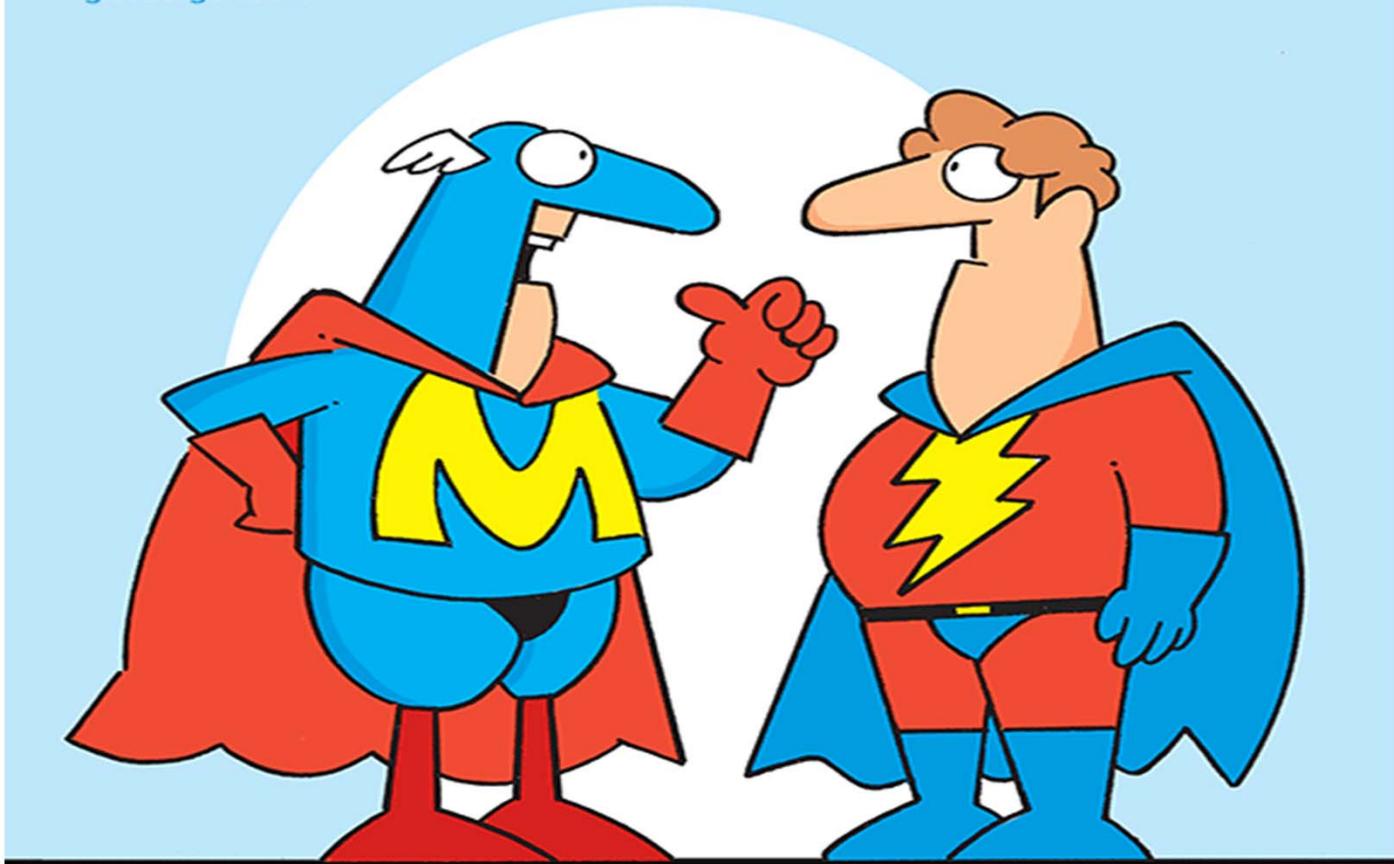
For the Year Ended June 30, 2018



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**“I’m Meeting Man. My superpower is the ability
to keep people awake during PowerPoints!”**

Independent Auditor's Report

- Report on the Financial Statements - outlines the scope of the audit and identifying each opinion unit.
- Management's Responsibility - to prepare the financial statements in accordance with generally accepted accounting principles.
- Auditor's Responsibility - express opinions on each opinion unit.
 - Conduct the audit in accordance with generally accepted auditing standards
 - Conduct the audit in accordance with government auditing standards
- Opinions - unmodified, which means that the financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- Change in Accounting Principle – addresses implementation of GASB 75
- Required Supplementary Information - which is to perform limited procedures, such as comparing with financial statements, but not to provide an opinion.
- Supplementary Information – discusses the schedule of expenditures of federal awards which was included in our audit of the basic financial statements and are fairly presented.
- Other Reporting - references our report on internal control and compliance based on an audit conducted in accordance with government auditing standards

General Fund Budget vs Actual

	Budget	Actual	Variance
Revenues	\$ 115,222,968	\$ 117,372,190	\$ 2,149,222
Expenditures	\$ (115,650,472)	\$ (115,621,352)	\$ 28,458
Other Financing Uses	\$ (72,496)	\$ (1,688,283)	\$ (1,615,787)
Change in Fund Balance	\$ (500,000)	\$ 62,555	\$ 561,893
Fund Balance, Beginning		\$ 10,665,847	
Fund Balance, Ending		\$ 10,728,402	

- Summarized from page 51 of financial statements.
- Total General Fund revenues were \$2,149,222 or 1.87% more than budgeted amounts and total General Fund expenditures and other financing uses were \$1,587,329 or 1.37% more than budgeted amounts.

General Fund Budget vs Actual Analysis

- Total local source revenues were \$1,205,694 more than budgeted due to better than anticipated collections for real estate, interim, PILOT, earned income and realty transfer taxes and more than expected investment earnings, which are indicators of an improving local economy.
- Total state source revenues were \$650,637 more than budgeted as result of more than expected state appropriations for retirement subsidy.
- Transfers out were \$1,612,388 more than budgeted as the District replenished its Capital Reserve and Debt Service funds at year end as part of its multiyear strategy.

General Fund – Fund Balance June 30, 2018

Committed	
Employer retirement rate stabilization	\$ 2,500,000
Assigned	
Capital projects	\$ 292,338
Unassigned*	\$ <u>7,936,064</u>
	\$ <u>10,728,402</u>

*Represents 6.61% of the \$119,991,125 2018-2019 expenditure budget which is within 8% allowed by PDE and School Board policy.



Capital Projects Fund

– Fund Balance June 30, 2018

Capital Projects Fund	
Balance June 30, 2017	\$ 10,553,933
2018 Change in Fund Balance	\$ 739,440
Balance June 30, 2018	\$ 11,293,373
Capital Reserve Fund	
Balance June 30, 2017	\$ 4,645,053
2018 Change in Fund Balance	\$ (2,082,678)
Balance June 30, 2018	\$ 2,562,375
Total Available for Future Capital Expenditures June 30, 2018	\$ 13,855,748

Notes: Major capital additions for the current year consisted of warm, safe and dry projects for Log College and Klinger middle schools and the completion of the Swan Way administration building. Issued GOB Series of 2018 totaling \$13,380,000 to be used for certain energy savings projects ("ESCO").

PSERS Net Pension Liability Update

Effective 2014-2015, the District was required to comply with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The major impact of GASB Statement No. 68 is to present, on the Statement of Financial Position, certain items related to the District's proportionate liability from its participation in the Commonwealth's Public School Employees Retirement System ("**PSERS**").

Effective 2017-2018, the District was required to comply with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The major impact of GASB Statement No. 75 is to present, on the Statement of Financial Position, certain items related to the District's proportionate liability from its participation in the Commonwealth's Public School Employees Retirement System ("**PSERS**") healthcare insurance premium assistance program, which was not required to be presented in the prior years.

The liability for both the pension and OPEB components totaled \$213,468,567 as of June 30, 2018, representing a decrease of \$510,640.

Employer Contribution Rates to "PSERS"

2016 - 2017	30.03%
2017 - 2018	32.57%
2018 - 2019	33.43%
2019 - 2020	34.29%
2020 - 2021	34.77% *
2021 - 2022	35.19% *
2022 - 2023	35.84% *
2023 - 2024	36.30% *

* Projected, not yet certified

Schedule of Findings and Questioned Costs and Other Filing Deadlines

- No findings to report on internal control over financial reporting and on compliance
- No management letter comments
- Since the District spent more than \$750,000 in federal funds, a Single Audit was required
 - The major program tested was IDEA.
- Unmodified opinion on compliance
- Internal controls over compliance were also evaluated
- PDE Annual Audit and Financial report was filed by November 30
- Financial Statements were posted to EMMA by December 31
- Single Audit was filed with Audit Clearinghouse by 9 months of year end (March 31st)