



Plainview-Old Bethpage
Central School District

Excellence in Education

Review of 2015-2016

External Audit

Marianne E. Van Duyne, CPA

Managing Partner

R.S. Abrams & Co., LLP

Review of Audit

- The District received an unmodified opinion on the June 30, 2016 financial statements.
- There were no material weaknesses in the District's internal controls
- Business office was very cooperative during audit.

Management Letter

- A report on the District's internal control over financial reporting was issued that identified areas in which the District's internal controls could be improved including:
 - ❖ Capital Assets
 - ❖ Computer Controls
 - ❖ Fund Balance Management
 - ❖ Extra Classroom Accounts
- No material weaknesses were identified during the audit.
- Management was proactive in addressing recommendations.
- All of the internal control recommendations noted during the prior year were implemented during the current fiscal year.

Financial Highlights – Governmental Funds

Fund Balance for Governmental Funds

	Fiscal Year 2016	Fiscal Year 2015	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted for unemployment insurance	\$1,719,116	\$1,191,301	\$527,815	44.31%
Restricted for employee benefit accrued liability	8,226,555	7,538,568	687,987	9.13%
Restricted for retirement contributions	12,435,148	12,099,150	335,998	2.78%
Restricted for capital	204,608	5,440,008	(5,235,400)	-96.24%
Restricted for repairs	996,849	924,538	72,311	7.82%
Assigned- appropriated for:				
subsequent year's expenditures	2,658,000	2,658,000	-	0.00%
Assigned - unappropriated for:				
General support	360,440	729,367	(368,927)	-50.58%
Instruction	355,055	461,893	(106,838)	-23.13%
Pupil transportation	800	9,120	(8,320)	-91.23%
Community service	-	789	(789)	-100.00%
Employee benefits	23,318	4,814	18,504	384.38%
Unassigned	6,077,907	5,841,424	236,483	4.05%
Total fund balance - general fund	<u>33,057,796</u>	<u>36,898,972</u>	<u>(3,841,176)</u>	-10.41%

Financial Highlights – Governmental Funds

Fund Balance for Governmental Funds

	Fiscal Year 2016	Fiscal Year 2015	Increase (Decrease)	Total Percentage Change
School Lunch Fund				
Nonspendable	19,427	19,007	420	2.21%
Assigned - unappropriated	187,113	141,144	45,969	32.57%
Total fund balance - school lunch fund	<u>206,540</u>	<u>160,151</u>	<u>46,389</u>	28.97%
Debt Service Fund				
Restricted	2,996	30,692	(27,696)	-90.24%
Total fund balance - school lunch fund	<u>2,996</u>	<u>30,692</u>	<u>(27,696)</u>	-90.24%
Capital Projects Fund				
Restricted	8,963,019	5,843,898	3,119,121	53.37%
Restricted for unspent bond proceeds	670,433	-	670,433	100.00%
Unassigned	(1,121,092)	1,177,012	(2,298,104)	-195.25%
Total fund balance - capital projects fund	<u>8,512,360</u>	<u>7,020,910</u>	<u>1,491,450</u>	21.24%
Total fund balance - all funds	<u>\$41,779,692</u>	<u>\$44,110,725</u>	<u>(\$2,331,033)</u>	-5.28%

Review of the Financial Statements

- Total fund balance in the general fund decreased \$3,841,176 or 10.41% in the current year primarily due to the voter approval of the expenditures of the capital reserve in the amount of \$5,439,000.
- The change in the restricted fund balance in the general fund is the result of interest allocated during the year, a total of \$62,711. In addition, the following transfers were made, \$525,000 to the unemployment reserve, \$310,000 to the retirement contribution reserve, \$670,000 to the employee benefit accrued liability reserve, \$70,000 to the repair reserve and \$190,000 to the capital reserve. There were usages of \$5,439,000 from the capital reserves.

Review of the Financial Statements

- The net change in the fund balance of the school lunch fund of \$46,389 was attributable to a profit of \$36,389 in the school lunch program and a \$10,000 subsidy from the general fund.
- The net change in the fund balance of the capital projects fund of an increase of \$1,491,450 can be attributed to other financing sources from transfers from the general fund of \$8,139,000, (\$5,439,000 from the capital reserve and \$2,700,000 from budgetary appropriations.) exceeding expenditures of \$6,647,550 on capital projects.
- The District has a strong financial position
 - Current ratio 2.64 to 1 in the general fund (current assets/current liabilities)

Overall Financial Health

The continuation of the District's overall good financial health can be credited to:

- Continued leadership of the District's Board and administration;
- Cost effective purchasing procedures;
- Strategic use of services from the Nassau BOCES;
- Commitment to funding reserves;
- Improved curriculum and community support.

Why is Financial Health So Important?

- Assists in the computation of District's tax levy.
- Cash flow.
- Reduces borrowing and interest costs.
- Improves credit rating.
- Funds unbudgeted contingent expenses.
- Funds state aid shortfalls.
- Preserve existing programs and opportunities for the students.

Plainview-Old Bethpage Central School District

QUESTIONS?

Marianne E. Van Duyne, CPA
Managing Partner