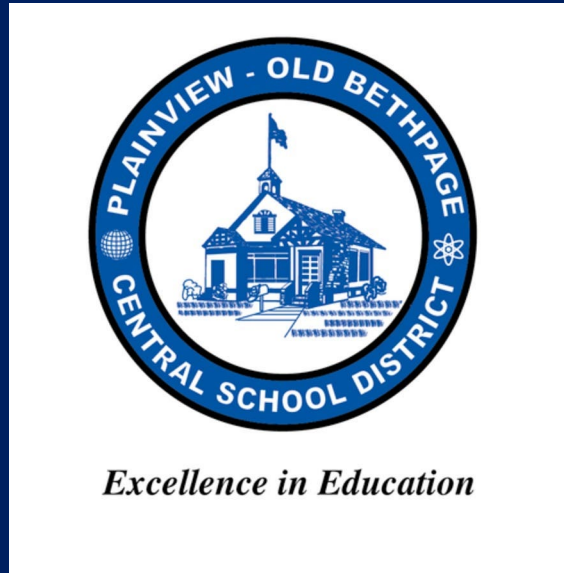


# PLAINVIEW-OLD BETHPAGE SCHOOL DISTRICT



## REVIEW OF 2022-2023 AUDIT

*Marianne E. Van Duyne, C.P.A., Managing Partner*

*Christopher Schneider, C.P.A., Senior Audit Manager*

*R.S. Abrams & Co., LLP*

# Review of Audit

- The District received an unmodified opinion on the June 30, 2023 financial statements.
- Business office was very cooperative during audit.

# Management Letter

- A report on the District's internal control over financial reporting was issued and identified the following area in which the District's internal controls can be improved:
  - \*School Lunch Fund – Fund Balance
- The recommendations regarding the prior year findings for outstanding checks and capital assets were implemented.

# Financial Highlights – Governmental Funds

	2023	2022	(Decrease)	Change
<b>General Fund</b>				
Nonspendable	\$ 75,256	\$ -	\$ 75,256	100.00%
Restricted for unemployment insurance	688,435	645,571	42,864	6.64%
Restricted for retirement contribution				
Employees' retirement system	7,532,636	7,063,621	469,015	6.64%
Teachers' retirement system	4,454,196	4,176,858	277,338	6.64%
Restricted for employee benefit accrued liability	6,689,901	6,273,359	416,542	6.64%
Restricted for repairs	186,644	775,023	(588,379)	(75.92%)
Restricted for capital	754,000	5,109,029	(4,355,029)	(85.24%)
Assigned - designated for subsequent year's expenditures	-	2,700,000	(2,700,000)	(100.00%)
Assigned - general support	163,444	322,516	(159,072)	(49.32%)
Assigned - instruction	109,052	503,317	(394,265)	(78.33%)
Assigned- employee benefits	-	80	(80)	(100.00%)
Unassigned reserve for tax reduction	3,046,604	2,856,909	189,695	6.64%
Unassigned	7,247,515	6,880,577	366,938	5.33%
<b>Total Fund Balance - General Fund</b>	<b>\$ 30,947,683</b>	<b>\$ 37,306,860</b>	<b>\$ (6,359,177)</b>	<b>(17.05%)</b>

# Financial Highlights – Governmental Funds

	2023	2022	Increase/ (Decrease)	Total Percentage Change
<b>Special Revenue Child Care</b>				
Unassigned (deficit)	\$ 128,511	\$ (92,691)	\$ 221,202	238.64%
<b>School Lunch Fund</b>				
Nonspendable - inventory	13,926	6,300	7,626	121.05%
Assigned	1,366,787	1,063,566	303,221	28.51%
Total Fund Balance - School Lunch Fund	1,380,713	1,069,866	310,847	29.05%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted for scholarships and donations	186,705	200,196	(13,491)	(6.74%)
Assigned - unappropriated fund balance	313,068	290,468	22,600	7.78%
Total Fund Balance - Miscellaneous Special Revenue Fund	499,773	490,664	9,109	1.86%
<b>Debt Service Fund</b>				
Restricted for debt service	671,322	671,322	-	0.00%
<b>Capital Projects Fund</b>				
Restricted - capital reserve	12,624,547	9,868,239	2,756,308	27.93%
Restricted - unspent bond proceeds	-	77,400	(77,400)	(100.00%)
Assigned - unappropriated fund balance	6,810,064	5,371,061	1,439,003	26.79%
Total Fund Balance - Capital Projects Fund	\$ 19,434,611	\$ 15,316,700	\$ 4,117,911	26.89%
Total Fund Balance - All Funds	\$ 53,062,613	\$ 54,762,721	\$ (1,700,108)	(3.10%)

# Review of the Financial Statements

- The fund balance in the general fund decreased by \$6,359,177. This decrease is primarily due to expenditures and other financing uses of \$177,719,464 exceeding revenues of \$171,360,287.
- The unassigned fund balance in the general fund is limited to 4% of the subsequent year's budget established by NYS Real Property Tax Law § 1318. The District's unassigned fund balance is within the legal limit at June 30, 2023.
- The change in nonspendable fund balance relates to the long-term lease receivable (excess of lease receivable over deferred inflows of resources – leases) in the amount of \$75,256.
- The District funded the capital reserves in the amount of \$2,045,000 in the Capital Reserve 2017 and \$754,000 in the Capital Reserve 2022.

# Review of the Financial Statements

- The District appropriated the capital reserves in the amount of \$7,154,028 and the repair reserve in the amount of \$600,000.
- In the 2022-2023 budget, \$3,077,205 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures, this amount was not used. Since this funding was not needed, it was returned to the reserves for future use.
- The District allocated interest of \$1,407,074 to the reserves as follows: \$42,865 to the unemployment insurance reserve, \$746,351 to the retirement contribution reserves, \$416,542 to the employee benefit accrued liability reserve, and \$11,621 to the repair reserve, and \$189,695 to the tax reduction reserve.

# Review of the Financial Statements

- The fund balance in the school lunch fund increased by \$310,487, which is the result of revenues and other financing sources of \$2,210,081 exceeding expenditures of \$1,899,234.
- The fund balance in the miscellaneous special revenue fund increased by \$9,109. This increase is due to revenues exceeding expenditures for extraclassroom activities partially offset by expenditures exceeding current year donations and interest earnings for scholarships and donations.
- The fund balance in the debt service fund did not change from the prior year.
- The fund balance in the capital projects fund increased by \$4,117,911 due to revenues and other financing sources exceeding expenditures. The capital projects fund received \$2,000,000 in general fund appropriation transfers, a transfer from appropriating the repair reserve of \$600,000 and a transfer from appropriating the capital reserve to the capital fund of \$7,154,028 and offset by \$7,314,374 in capital outlay.



# Importance of Financial Health

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

# Plainview-Old Bethpage School District

## QUESTIONS?

Marianne E. Van Duyne, C.P.A.

Managing Partner

Christopher Schneider, C.P.A.

Senior Audit Manager