



Plainview-Old Bethpage
Central School District

Excellence in Education

Review of 2017-2018

External Audit

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Managing Partner

R.S. Abrams & Co., LLP

Review of Audit

- The District received an unmodified opinion on the June 30, 2018 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:
 - ❖ School Lunch
 - ❖ Extra Classroom Accounts
- No material weaknesses were identified during the audit.
- Management was proactive in addressing recommendations.
- Most of the internal control recommendations noted during the prior year were implemented or partially implemented.

Review of the Financial Statements

- Total fund balance in the general fund increased \$133,177 in the current year primarily due to revenue and other financing sources in excess of expenditures and other financing uses based on the modified accrual basis of accounting.
- The decrease in the restricted fund balance of \$366,199 is due to the authorized transfers into the reserves totaling \$7,263,864, plus interest earned of \$82,532, offset by use of the reserves of \$7,712,595.
- The increase in the fund balance of the special revenue child care fund of \$94,315 is due to the operating profit of the special revenue child care fund.

Review of the Financial Statements

- The increase in the fund balance of the school lunch fund of \$145,711 was attributable to a profit from the school lunch program of \$120,711 and an operating transfer in from the general fund of \$25,000.
- The increase in the fund balance of the debt service fund of \$303,045 is due to the District receiving a premium related to the bond anticipation notes issued during 2017-18.
- The decrease in the fund balance of the capital projects fund of \$7,498,597 was due to expenditures incurred during the year of \$14,098,597 on capital projects, offset by an operating transfer from the general fund of \$6,600,000.

Financial Highlights – Governmental Funds

Fund Balance for Governmental Funds

	Fiscal Year 2018	Fiscal Year 2017	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted for unemployment insurance	\$1,691,854	\$1,711,719	(\$19,865)	-1.16%
Restricted for retirement contributions	9,627,596	8,060,509	1,567,087	19.44%
Restricted for employee benefit accrued liability	7,644,114	10,737,092	(3,092,978)	-28.81%
Restricted for capital	7,623,521	6,205,521	1,418,000	22.85%
Restricted for repairs	762,854	1,001,297	(238,443)	-23.81%
Assigned- appropriated for:				
subsequent year's expenditures	3,258,623	2,658,000	600,623	22.60%
Assigned - unappropriated for:				
General support	599,368	619,794	(20,426)	-3.30%
Instruction	140,537	423,354	(282,817)	-66.80%
Employee benefits	14,380	11,166	3,214	28.78%
Unassigned	6,286,655	6,087,873	198,782	3.27%
Total fund balance - general fund	<u>37,649,502</u>	<u>37,516,325</u>	<u>133,177</u>	0.35%

Financial Highlights – Governmental Funds

Fund Balance for Governmental Funds

	Fiscal Year 2018	Fiscal Year 2017	Increase (Decrease)	Total Percentage Change
Special Revenue Child Care Fund				
Assigned: Unappropriated fund balance	454,015	359,700	94,315	26%
School Lunch Fund				
Nonspendable	34,953	19,247	15,706	81.60%
Assigned - unappropriated	359,673	229,668	130,005	56.61%
Total fund balance - school lunch fund	394,626	248,915	145,711	58.54%
Debt Service Fund				
Restricted	303,543	498	303,045	60852.41%
Total fund balance - school lunch fund	303,543	498	303,045	60852.41%
Capital Projects Fund				
Restricted	11,180,530	8,616,820	2,563,710	29.75%
Unassigned	(16,473,101)	(6,410,794)	(10,062,307)	156.96%
Total fund balance - capital projects fund	(5,292,571)	2,206,026	(7,498,597)	-339.91%
Total fund balance - all funds	\$33,509,115	\$40,331,464	(\$6,822,349)	-16.92%

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.

New Accounting Standards

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for the year ending June 30, 2018. This statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

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QUESTIONS?

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