



Plainview-Old Bethpage
Central School District

Excellence in Education

Review of 2019-2020 External Audit

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Review of Audit

- The District received an unmodified opinion on the June 30, 2020 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 an area in which the District's internal controls could be improved including:
 - Capital Fund
 - Extra Classroom Accounts

Review of the Financial Statements

- Total fund balance in the general fund decreased \$2,159,848 in the current year primarily due to expenditures and other financing uses in excess of revenue and other financing sources based on the modified accrual basis of accounting.
- The unassigned fund balance in the general fund was 4% of the subsequent year's budget for the current year and the prior year which is within the limit established by NYS Real Property Tax Law § 1318.
- The restricted net position relates to the District's reserves. This balance decreased from the prior year due to use of the reserves, offset by the authorized transfers into the reserves, plus interest earned.
- The decrease in the fund balance of the special revenue child care fund of \$465,767 is due to the operating loss of the special revenue child care fund during the COVID closure.

Review of the Financial Statements

- The increase in the fund balance of the school food service fund of \$105,239 was primarily attributable to the operating profit of the food service program.
- The decrease in the fund balance of the capital projects fund of \$8,752,471 was due to expenditures incurred during the year totaling \$15,209,180 and operating transfers out to the general fund of \$641,109 for unspent amounts on completed projects. These amounts were offset partially by the Smart Schools Bond revenue received in the amount of \$656,708, operating transfers of \$2,641,110 from the general fund for facility improvements, safety, and security and a voter authorized transfer of \$3,800,000 from the capital reserve.

Financial Highlights – Governmental Funds

Fund Balance for Governmental Funds

	Fiscal Year 2020	Fiscal Year 2019	Increase (Decrease)	Total Percentage Change
General Fund				
Restricted for unemployment insurance	\$642,438	\$1,681,235	(\$1,038,797)	-61.79%
Retirement contribution				
Employees' retirement system	2,564,749	1,267,098	1,297,651	102.41%
Teachers' retirement system	7,230,763	7,484,131	(253,368)	-3.39%
Employee benefit accrued liability	6,923,473	7,309,089	(385,616)	-5.28%
Restricted for capital	951,161	3,033,975	(2,082,814)	-68.65%
Restricted for repairs	771,262	769,339	1,923	0.25%
Assigned:				
Appropriated fund balance	4,661,236	4,546,175	115,061	2.53%
Unappropriated fund balance	1,045,176	934,693	110,483	11.82%
Unassigned	6,569,944	6,494,315	75,629	1.16%
Total Fund Balance - General Fund	<u>31,360,202</u>	<u>33,520,050</u>	<u>(2,159,848)</u>	-6.44%

Financial Highlights – Governmental Funds

Fund Balance for Governmental Funds

	Fiscal Year 2020	Fiscal Year 2019	(Decrease)	Change
Special Revenue Child Care Fund				
Assigned: Unappropriated fund balance	53,864	519,631	(465,767)	-89.63%
School Food Service Fund				
Nonspendable	2,717	9,717	(7,000)	-72.04%
Assigned - unappropriated	504,062	391,823	112,239	28.65%
Total Fund Balance - School Food Service Fund	506,779	401,540	105,239	26.21%
Debt Service Fund				
Restricted	462,126	462,126	-	0.00%
Total Fund Balance - Debt Service Fund	462,126	462,126	-	0.00%
Capital Projects Fund				
Restricted:				
Capital	16,950,610	17,568,507	(617,897)	-3.52%
Unspent bond proceeds	-	5,605,303	(5,605,303)	-100.00%
Assigned: Unappropriated fund balance	3,659,499	6,188,770	(2,529,271)	-40.87%
Total Fund Balance - Capital Projects Fund	20,610,109	29,362,580	(8,752,471)	-29.81%
Total Fund Balance - All Funds	\$ 52,993,080	\$ 64,265,927	\$ (11,272,847)	-17.54%

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;

Why is Financial Health So Important?

- Assists with compliance with State imposed tax cap.
- 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.

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QUESTIONS?

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