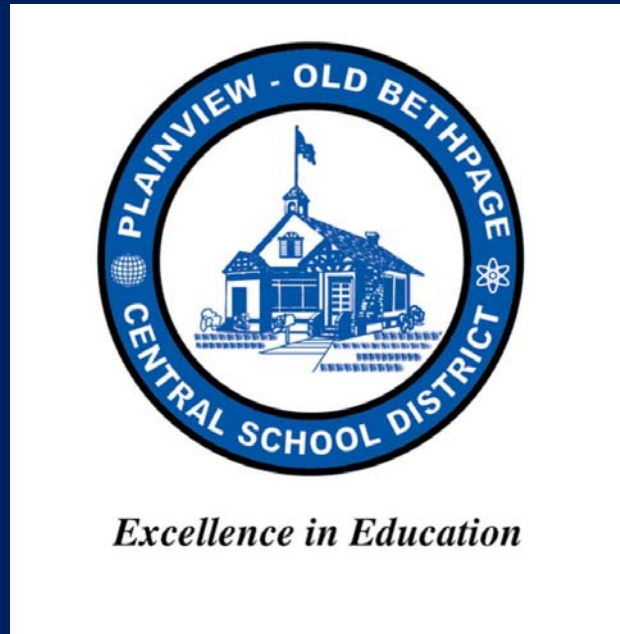


PLAINVIEW-OLD BETHPAGE SCHOOL DISTRICT



REVIEW OF 2023-2024 AUDITS

*Marianne E. Van Duyne, C.P.A., Managing Partner
R.S. Abrams & Co., LLP*

Review of Audits

- The District received unmodified opinions on the District financial statements, extraclassroom financial statements, and Single Audit.
- Business office was very cooperative during the audits.

Management Letter

- A report on the District's internal control over financial reporting was issued and did not identify any areas in which the District's internal controls can be improved.
- No current year findings or recommendations.
- The prior year recommendation pertaining to the school lunch fund balance was substantially implemented.

Required Auditor Communications

- Our responsibility under generally accepted auditing standards and *Government Auditing Standards*.
- No new accounting policies.
- Accounting estimates affecting financials.
 - Lease Receivable and Deferred Inflows of Resources
 - Useful Life of Capital Assets and Intangible Lease Assets
 - Lease Liability
 - Compensated Absences Payable
 - Net Pension Asset/Liability
 - Other Post-Employment Benefits (OPEB) Obligation

Required Auditor Communications

- There were no:
 - Disagreements with management.
 - Difficulties encountered in performing the audit.
- Corrected and uncorrected misstatements.
- Management representations.

Financial Highlights – Governmental Funds

	2024	2023	(Decrease)	Change
General Fund				
Nonspendable	\$ 100,335	\$ 75,256	\$ 25,079	33.32%
Restricted for unemployment insurance	755,082	688,435	66,647	9.68%
Restricted for retirement contribution				
Employees' retirement system	8,261,857	7,532,636	729,221	9.68%
Teachers' retirement system	6,282,802	4,454,196	1,828,606	41.05%
Restricted for employee benefit accrued liability	8,370,078	6,689,901	1,680,177	25.12%
Restricted for repair	204,713	186,644	18,069	9.68%
Restricted for capital	5,229,853	754,000	4,475,853	593.61%
Assigned - general support	2,247,493	163,444	2,084,049	1275.08%
Assigned - instruction	680,133	109,052	571,081	523.68%
Assigned - employee benefits	831,208	-	831,208	N/A
Unassigned reserve for tax reduction	3,341,540	3,046,604	294,936	9.68%
Unassigned	7,602,484	7,247,515	354,969	4.90%
Total Fund Balance - General Fund	\$ 43,907,578	\$ 30,947,683	\$ 12,959,895	41.88%

Financial Highlights – Governmental Funds

	2024	2023	Increase/ (Decrease)	Total Percentage Change
Special Revenue Child Care				
Assigned - unappropriated	\$ 282,100	\$ 128,511	\$ 153,589	119.51%
Total Fund Balance - Special Revenue Child Care	\$ 282,100	\$ 128,511	\$ 153,589	119.51%
School Lunch Fund				
Nonspendable	\$ 22,548	\$ 13,926	\$ 8,622	61.91%
Assigned - unappropriated	1,497,049	1,366,787	130,262	9.53%
Total Fund Balance - School Lunch Fund	\$ 1,519,597	\$ 1,380,713	\$ 138,884	10.06%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	\$ 185,306	\$ 186,705	\$ (1,399)	(0.75%)
Assigned - unappropriated	346,442	313,068	33,374	10.66%
Total Fund Balance - Miscellaneous Special Revenue Fund	\$ 531,748	\$ 499,773	\$ 31,975	6.40%
Debt Service Fund				
Restricted for debt service	\$ 671,322	\$ 671,322	\$ -	0.00%
Capital Projects Fund				
Restricted - capital reserve	\$ 7,897,117	\$ 12,624,547	\$ (4,727,430)	(37.45%)
Assigned - unappropriated	4,791,610	6,810,064	(2,018,454)	(29.64%)
Total Fund Balance - Capital Projects Fund	\$ 12,688,727	\$ 19,434,611	\$ (6,745,884)	(34.71%)
Total Fund Balance - All Funds	\$ 59,601,072	\$ 53,062,613	\$ 6,538,459	12.32%

Review of the Financial Statements

- The fund balance in the general fund increased by \$12,959,895. This increase is due to revenues and other financing sources of \$185,871,473 exceeding expenditures and other financing uses of \$172,911,848.
- Special revenue child care fund - the fund balance in the special revenue child care fund increased by \$153,589, which was due to the favorable operations of the child care program due to increased enrollment in the program.
- School lunch fund - the fund balance in the school lunch fund increased by \$138,884, which is the result of revenues of \$2,227,288 exceeding expenditures of \$2,088,404. This increase is due to the District receiving more favorable contract terms with its food service management company and increased participation in the school lunch program.

Review of the Financial Statements

- Miscellaneous special revenue fund - the fund balance in the miscellaneous special revenue fund increased by \$31,975. This increase is due to revenues exceeding expenditures for extraclassroom activities, partially offset by scholarships awarded exceeding donations received and interest earnings for scholarships and donations.
- Debt service fund - the fund balance in the debt service fund did not change from the prior fiscal year.
- Capital projects fund - the fund balance in the capital projects fund decreased by \$6,745,884, or 34.71%, due to capital outlay exceeding revenues and other financing sources relating to insurance recoveries, proceeds from leases, and transfers from general fund for the budgeted appropriated transfer of \$2,000,000.

Review of the Financial Statements

The following is a summary of the District's general fund restricted fund balance activity:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Unemployment insurance	\$ 688,435	\$ -	\$ 66,647	\$ -	\$ 755,082
Retirement contribution					
Employees' retirement system	7,532,636		729,221		\$ 8,261,857
Teachers' retirement system	4,454,196	1,397,403	431,203		\$ 6,282,802
Employee benefit accrued liability reserve	6,689,901	1,032,540	647,637		8,370,078
Repair	186,644		18,069		204,713
Capital	754,000	4,257,260	218,593		5,229,853
Total Restricted Fund Balance	<u>\$ 20,305,812</u>	<u>\$ 6,687,203</u>	<u>\$ 2,111,370</u>	<u>\$ -</u>	<u>\$ 29,104,385</u>

Change in the Unassigned Fund Balance – General Fund

Opening, unassigned fund balance	\$ 7,247,515
Revenues and other financing sources over budget	3,360,879
Expenditures, other financing uses, and encumbrances under budget	6,674,654
Funding of reserves	(6,687,203)
Interest allocated to reserves	(2,111,370)
Interest allocated to unassigned reserve for tax reduction	(294,936)
Change in nonspendable	(25,079)
Unused appropriated reserves	(561,976)
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Closing, unassigned fund balance	<u><u>\$ 7,602,484</u></u>

Change in the Unassigned Fund Balance – General Fund

- The opening unassigned fund balance of \$7,247,515 is the June 30, 2023, unassigned fund balance as restated.
- The revenues and other financing sources over budget of \$3,360,879 were primarily due to other tax items, use of money of property, and miscellaneous revenue.
- The expenditures, other financing uses, and encumbrances under budget of \$6,674,564 reflected savings across the budget, but were predominately in general support, instruction, pupil transportation, and employee benefits.
- The District funded the reserves in the amount of \$6,687,203.
- The District allocated \$2,111,370 in interest to the reserves.

Change in the Unassigned Fund Balance – General Fund

- The District allocated \$294,936 in interest to the unassigned reserve for tax reduction.
- 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 \$25,079.
- In the 2023-2024 budget, \$561,976 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures, this amount was not used. As such, this amount was returned to the reserves for future use.
- The closing unassigned fund balance of \$7,602,484 represents the fund balance retained by the District that is not restricted for subsequent fiscal years' taxes. This amount is limited to 4% of the 2024-2025 budget. The District's unassigned fund balance is within this limit.

Review of the Financial Statements

The following is a summary of the major changes in the general fund that resulted in revenues and other financing sources increasing over the prior year:

	Fiscal Year 2024	Fiscal Year 2023	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 132,284,975	\$ 127,341,938	\$ 4,943,037	3.88%
Other tax items - including STAR	11,345,531	12,093,524	(747,993)	(6.19%)
Charges for services	539,589	449,098	90,491	20.15%
Use of money and property	3,160,811	2,114,090	1,046,721	49.51%
Sale of property and compensation for loss	5,365	16,819	(11,454)	(68.10%)
Miscellaneous	668,237	653,248	14,989	2.29%
State sources	37,668,477	28,614,521	9,053,956	31.64%
Federal sources	87,158	77,049	10,109	13.12%
Total Revenues	185,760,143	171,360,287	14,399,856	8.40%
Other Financing Sources				
Operating transfers in	111,600		111,600	N/A
Total Other Financing Sources	111,600	-	111,600	N/A

Review of the Financial Statements

The following is a summary of the major changes in the general fund that resulted in expenditures increasing and other financing uses decreasing over the prior year:

	Fiscal Year 2024	Fiscal Year 2023	Increase/ (Decrease)	Total Percentage Change
Expenditures				
General support	18,092,070	17,913,010	179,060	1.00%
Instruction	98,610,582	96,994,428	1,616,154	1.67%
Pupil transportation	9,259,032	9,304,443	(45,411)	(0.49%)
Community service	162,041	161,108	933	0.58%
Employee benefits	40,123,186	38,730,825	1,392,361	3.59%
Debt service - principal	605,562	200,558	405,004	201.94%
Debt service - interest	80,196	27,111	53,085	195.81%
Total Expenditures	<u>166,932,669</u>	<u>163,331,483</u>	<u>3,601,186</u>	2.20%
Other Financing Uses				
Operating transfers out	<u>5,979,179</u>	<u>14,387,981</u>	<u>(8,408,802)</u>	(58.44%)
Total Other Financing Uses	<u>5,979,179</u>	<u>14,387,981</u>	<u>(8,408,802)</u>	(58.44%)
Net Change in Fund Balances	<u>\$ 12,959,895</u>	<u>\$ (6,359,177)</u>	<u>\$ 19,319,072</u>	(303.80%)

Review of Financial Statements

- Revenues in the general fund increased when compared to the prior year, primarily due to the following:
 - Real property taxes increased in accordance with the District's voter tax levy increase.
 - Use of money and property increased due to an increase in interest rates.
 - State sources increased due to the District receiving more foundation aid due to the completion of the full phase-in of the state foundation aid formula during the 2023-2024 school year.

Review of Financial Statements

- Expenditures and other financing uses in the general fund increased when compared to the prior year, primarily due to the following:
 - General support increased due to salary increases and the District incurring more costs in BOCES services.
 - Instruction increased due to salary increases and the District incurring more costs in programs for students with disabilities.
 - Employee benefits increased mainly due to higher premium costs for medical insurance and higher pension contributions for the employees' retirement system, partially offset by a decrease in pension contributions for teachers' retirement system.

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.

New Government Accounting Standard

- GASB Statement No. 101, *Compensated Absences*, was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023.

Plainview-Old Bethpage School District

QUESTIONS?

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

Managing Partner