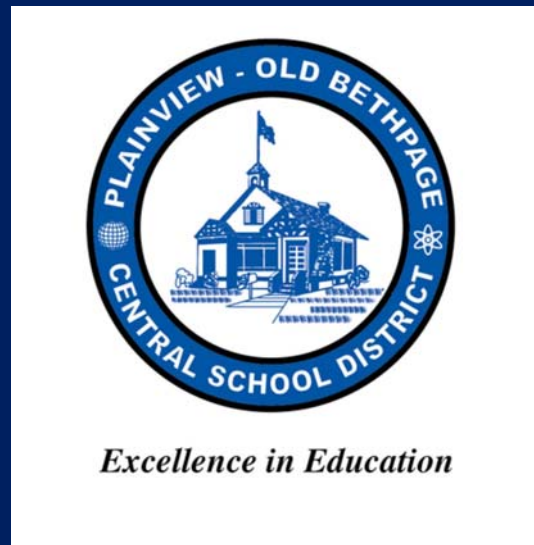


PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT



REVIEW OF 2024-2025 AUDIT RESULTS

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R.S. Abrams & Co., LLP

Review of Audit

- The District received unmodified opinions on the June 30, 2025 school district financial statements and extraclassroom financial statement.
- Business office was very cooperative during the audit.

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 or prior year findings or recommendations.

Required Auditor Communications

- Our responsibility under generally accepted auditing standards and *Government Auditing Standards*.
- Accounting estimates affecting financials.
 - Lease receivable and deferred inflows of resources
 - Useful life of capital assets and intangible assets
 - Lease liability
 - Compensated absences payable
 - Net pension asset/liability
 - Other post-employment benefits obligation

Required Auditor Communications

- There were no:
 - Disagreements with management.
 - Difficulties encountered in performing the audit.
- Corrected misstatements (none identified that were material, individually or in the aggregate, to the financial statements as a whole).
- Management representation.

Financial Highlights – Governmental Funds

	2025	2024	Increase/ (Decrease)	Total Percentage Change
General Fund				
Nonspendable	\$ 37,353	\$ 100,335	\$ (62,982)	(62.77%)
Restricted for unemployment insurance	856,526	755,082	101,444	13.43%
Restricted for retirement contribution				
Employees' retirement system	10,510,753	8,261,857	2,248,896	27.22%
Teachers' retirement system	7,282,649	6,282,802	999,847	15.91%
Restricted for employee benefit accrued liability	9,128,784	8,370,078	758,706	9.06%
Restricted for repair	223,269	204,713	18,556	9.06%
Restricted for capital	15,471,290	5,229,853	10,241,437	195.83%
Assigned - general support	2,901,207	2,247,493	653,714	29.09%
Assigned - instruction	807,807	680,133	127,674	18.77%
Assigned - employee benefits	-	831,208	(831,208)	(100.00%)
Unassigned reserve for tax reduction	3,644,434	3,341,540	302,894	9.06%
Unassigned	7,896,172	7,602,484	293,688	3.86%
Total Fund Balance - General Fund	<u>\$ 58,760,244</u>	<u>\$ 43,907,578</u>	<u>\$ 14,852,666</u>	<u>33.83%</u>

Review of the Financial Statements

	2025	2024	Increase/ (Decrease)	Total Percentage Change
Special Revenue Child Care				
Assigned - unappropriated	\$ 334,722	\$ 282,100	\$ 52,622	18.65%
Total Fund Balance - Special Revenue Child Care	<u>\$ 334,722</u>	<u>\$ 282,100</u>	<u>\$ 52,622</u>	<u>18.65%</u>
School Lunch Fund				
Nonspendable	\$ 11,062	\$ 22,548	\$ (11,486)	(50.94%)
Assigned - unappropriated	1,199,804	1,497,049	(297,245)	(19.86%)
Total Fund Balance - School Lunch Fund	<u>\$ 1,210,866</u>	<u>\$ 1,519,597</u>	<u>\$ (308,731)</u>	<u>(20.32%)</u>
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	\$ 169,125	\$ 185,306	\$ (16,181)	(8.73%)
Assigned - unappropriated	418,513	346,442	72,071	20.80%
Total Fund Balance - Miscellaneous Special Revenue Fund	<u>\$ 587,638</u>	<u>\$ 531,748</u>	<u>\$ 55,890</u>	<u>10.51%</u>
Debt Service Fund				
Restricted for debt service	<u>\$ 671,322</u>	<u>\$ 671,322</u>	<u>\$ -</u>	<u>0.00%</u>
Capital Projects Fund				
Restricted - capital reserve	\$ 7,877,259	\$ 7,897,117	\$ (19,858)	(0.25%)
Assigned - unappropriated	6,374,118	4,791,610	1,582,508	33.03%
Total Fund Balance - Capital Projects Fund	<u>\$ 14,251,377</u>	<u>\$ 12,688,727</u>	<u>\$ 1,562,650</u>	<u>12.32%</u>
Total Fund Balance - All Funds	<u>\$ 75,816,169</u>	<u>\$ 59,601,072</u>	<u>\$ 16,215,097</u>	<u>27.21%</u>

Review of the Financial Statements

- General fund - The fund balance in the general fund increased by \$14,852,666. This increase is due to revenues of \$192,116,286 exceeding expenditures and other financing uses of \$177,263,620.
- Special aid fund - The fund balance in the special aid fund remained at \$0, as revenues and expenditures are recognized in equal amounts each year. Expenditures consist primarily of reimbursable grant programs, as well as a transfer from the general fund for the District's share of costs for the summer program for students with disabilities and state supported section 4201 schools. Revenues and expenditures in the special aid fund increased primarily related to the District's state funded universal pre-kindergarten (UPK) program, partially offset by a decrease in revenues and expenditures related to COVID-19 American Rescue Plan (ARP) grants.

Review of the Financial Statements

- Special revenue child care fund - The fund balance in the special revenue child care fund increased by \$52,622, 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 decreased by \$308,731, which is the result of expenditures exceeding revenues and other financing sources primarily due to purchases of serving line equipment in fiscal year 2025.
- Miscellaneous special revenue fund - The fund balance in the miscellaneous special revenue fund increased by \$55,890. 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.

Review of the Financial Statements

- 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 increased by \$1,562,650 due to revenues from state sources and other financing sources relating to leases, transfers from general fund for the budgeted appropriated transfer of \$2,000,000, and voter approved appropriations from the capital reserve of \$3,500,000 exceeding capital outlays.

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	\$ 755,082	\$ 33,000	\$ 68,444	\$ -	\$ 856,526
Retirement contribution					
Employees' retirement system	8,261,857	1,500,000	748,896		10,510,753
Teachers' retirement system	6,282,802	430,342	569,505		7,282,649
Employee benefit accrued liability reserve	8,370,078		758,706		9,128,784
Repair	204,713		18,556		223,269
Capital	5,229,853	13,584,635	156,802	(3,500,000)	15,471,290
Total Restricted Fund Balance	<u>\$ 29,104,385</u>	<u>\$ 15,547,977</u>	<u>\$ 2,320,909</u>	<u>\$ (3,500,000)</u>	<u>\$ 43,473,271</u>

Change in the Unassigned Fund Balance – General Fund

Opening, unassigned fund balance	\$ 7,602,484
Revenues over budget	3,858,256
Expenditures, other financing uses, and encumbrances under budget	16,348,292
Funding of reserves	(15,547,977)
Interest allocated to reserves	(2,320,909)
Interest allocated to unassigned reserve for tax reduction	(302,894)
Change in nonspendable	62,982
Unused appropriated reserves	<u>(1,804,062)</u>
Closing, unassigned fund balance	<u><u>\$ 7,896,172</u></u>

Change in the Unassigned Fund Balance – General Fund

- The opening unassigned fund balance of \$7,602,484 is the June 30, 2024, unassigned fund balance.
- The total revenues over budget in the amount of \$3,858,256 were primarily due to use of money and property and miscellaneous sources.
- The expenditures, other financing uses, and encumbrances under budget in the amount of \$16,348,292 reflected savings across the budget, but were predominantly in instruction and employee benefits.
- The District funded the reserves in the amount of \$15,547,977, as detailed on the prior slides.
- The District allocated \$2,320,909 in interest to the reserves, as detailed on the prior slides.

Change in the Unassigned Fund Balance – General Fund

- The District allocated \$302,894 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 \$62,982.
- In the 2024-2025 budget, \$1,804,062 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 closing, unassigned fund balance of \$7,896,172 represents the fund balance retained by the District that is not restricted or assigned for subsequent fiscal years' taxes. This amount is limited to 4% of the 2025-2026 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 fiscal year:

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 138,173,447	\$ 132,284,975	\$ 5,888,472	4.45%
Other tax items - including STAR	10,052,738	11,345,531	(1,292,793)	(11.39%)
Charges for services	450,707	539,589	(88,882)	(16.47%)
Use of money and property	3,325,224	3,160,811	164,413	5.20%
Sale of property and compensation for loss	5,022	5,365	(343)	(6.39%)
Miscellaneous	700,264	668,237	32,027	4.79%
State sources	39,401,886	37,668,477	1,733,409	4.60%
Federal sources	6,998	87,158	(80,160)	(91.97%)
Total Revenues	<u>192,116,286</u>	<u>185,760,143</u>	<u>6,356,143</u>	3.42%
Other Financing Sources				
Operating transfers in	<u>-</u>	<u>111,600</u>	<u>(111,600)</u>	(100.00%)
Total Other Financing Sources	<u>-</u>	<u>111,600</u>	<u>(111,600)</u>	(100.00%)

Review of the Financial Statements

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

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
Expenditures				
General support	18,602,985	18,092,070	510,915	2.82%
Instruction	97,239,340	98,610,582	(1,371,242)	(1.39%)
Pupil transportation	9,652,356	9,259,032	393,324	4.25%
Community service	188,307	162,041	26,266	16.21%
Employee benefits	41,212,798	40,123,186	1,089,612	2.72%
Debt service - principal	829,752	605,562	224,190	37.02%
Debt service - interest	96,057	80,196	15,861	19.78%
Total Expenditures	167,821,595	166,932,669	888,926	0.53%
Other Financing Uses				
Operating transfers out	9,442,025	5,979,179	3,462,846	57.92%
Total Other Financing Uses	9,442,025	5,979,179	3,462,846	57.92%
Net Change in Fund Balances	\$ 14,852,666	\$ 12,959,895	\$ 1,892,771	14.60%

Review of Financial Statements

- Revenues in the general fund increased when compared to the prior fiscal year, primarily due to the following:
 - Real property taxes increased in accordance with the District's voter approved tax levy increase.
 - State sources increased due to the District receiving more general aid and lottery aid.

Review of Financial Statements

- Expenditures and other financing uses in the general fund increased when compared to the prior fiscal year, primarily due to the following:
 - Employee benefits increased due to an increase in workers' compensation costs.
 - Operating transfers out increased due to additional monies appropriated from the capital reserve and transferred to the capital projects fund as approved by the voters.
 - The overall increase in expenditures was partially offset by a decrease in instruction due to a decrease in special education costs and salary costs.

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 Accounting Standard

- The District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. Accordingly, the cumulative effect of the accounting change as of July 1, 2024 is reported in the District-Wide Financial Statements.
- GASB Statement No. 101 replaces the prior approach to leave liability reporting with a single model based on whether leave is attributable to services already rendered and more likely than not to be used. The statement clarifies which types of leave should be accrued as liabilities, enhancing consistency and comparability across governmental financial statements.

Future Accounting Standard

- GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued to improve the consistency, comparability, and decision-usefulness of governmental fund financial statements by refining the financial reporting model. That objective is achieved by updating presentation formats, clarifying measurement focus and basis of accounting, and enhancing disclosures. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

Future Accounting Standard

- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as intangible right-to-use assets, subscription assets, and assets held for sale. The requirements of this statement are effective for the fiscal year ended June 30, 2026.

Plainview-Old Bethpage Central School District

QUESTIONS?

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