

OYSTER BAY – EAST NORWICH CSD



REVIEW OF 2015-16 FINANCIALS

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Review of Audit

- The District received an unmodified opinion on the June 30, 2016 financial statements.
- The District has a strong financial position.
 - ❖ Current ratio 2.97 to 1 in the general fund (current assets/current liabilities).
- 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:
 - ❖ Accounting Policies and Procedures
 - ❖ Accounts Payable
 - ❖ Fund Balance Management
- No material weaknesses were identified during the audit.

Financial Highlights – Governmental Funds

	Fiscal Year 2016	Fiscal Year 2015	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for capital	\$5,717,837	\$2,613,696	\$3,104,141	118.76%
Restricted for retirement contribution	2,406,752	2,405,068	1,684	0.07%
Restricted for employee benefit accrued liability	2,395,657	2,458,586	(62,929)	-2.56%
Restricted for unemployment insurance	75,442	95,375	(19,933)	-20.90%
Restricted for insurance	276,885	276,691	194	0.07%
Assigned-general support	74,259	128,138	(53,879)	-42.05%
Assigned-instruction	272,786	370,297	(97,511)	-26.33%
Assigned-pupil transportation		1,121	(1,121)	-100.00%
Assigned-employee benefits	12,526	11,000	1,526	13.87%
Assigned-appropriated for subsequent year's expenditures	700,000	1,000,000	(300,000)	-30.00%
Unassigned	2,234,675	2,216,379	18,296	0.83%
Total fund balance - general fund	\$14,166,819	\$11,576,351	\$2,590,468	22.38%

Financial Highlights – Governmental Funds

	Fiscal Year 2016	Fiscal Year 2015	Increase/ (Decrease)	Total Percentage Change
School Lunch Fund				
Nonspendable - inventory	\$924	\$1,437	(\$513)	-35.70%
Assigned - unappropriated	142,922	196,560	(53,638)	-27.29%
Total fund balance - school lunch fund	<u>\$143,846</u>	<u>\$197,997</u>	<u>(\$54,151)</u>	-27.35%
Debt Service Fund				
Restricted for debt service	<u>\$13,493</u>	<u>\$3,075</u>	<u>\$10,418</u>	338.80%
Capital Projects Fund				
Restricted for capital projects	\$4,062,584	\$4,448,942	(\$386,358)	-8.68%
Assigned - unappropriated	168,398	700,000	(531,602)	-75.94%
Total fund balance - capital projects fund	<u>\$4,230,982</u>	<u>\$5,148,942</u>	<u>(\$917,960)</u>	-17.83%
Total Fund Balance - all funds	<u>\$18,855,140</u>	<u>\$16,926,365</u>	<u>\$1,628,775</u>	9.62%

Review of the Financial Statements

- The increase in restricted fund balance is represented by the voter-approved funding of the capital reserve in the amount of \$4,248,399 and interest earnings allocated to the reserves of \$17,293, offset by the voter-approved appropriations of \$1,157,885 from the capital reserve, \$64,650 appropriated from the employee benefit accrued liability reserve and \$20,000 from the unemployment insurance reserve.
- The unassigned fund balance of \$2,234,675 in the general fund was at the maximum limit of 4% of the 2016-2017 budget.
- The decrease in fund balance in the school lunch fund resulted from purchases of a new point of sales system throughout the District and installation of bottle filler water stations.

Review of the Financial Statements

- The increase in fund balance in the debt service fund is a result of interest earnings.
- The decrease in the assigned fund balance in the capital projects fund is related to emergency appropriations from the general fund in the prior year which were authorized by the Board of Education for capital work completed in the fiscal year and funds were expended.

Overall Financial Health

The continuation of the District's overall good financial health can be credited to:

- Cost effective purchasing, participation in consortiums;
- Refinance of existing debt;
- Strategic use of Nassau BOCES services;
- Commitment to funding reserves;
- Improved curriculum and community support.

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.

QUESTIONS?

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