



LEVITTOWN PUBLIC
SCHOOLS

Review of 2022-2023

External Audit

Alexandria Battaglia, CPA

Partner

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Senior Manager

R.S. Abrams & Co., LLP



Review of Audit

- The District received an unmodified opinion on the June 30, 2023 financial statements.
- 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:
 - Budget transfers
- Prior year findings were implemented.
- No material weaknesses were identified during the audit.

Financial Highlights – Governmental Funds

	2023	2022	Increase (Decrease)	Percentage Change
General Fund				
Restricted				
Workers' compensation	\$ 3,534,310	\$ 3,270,606	\$ 263,704	8.06 %
Unemployment insurance	528,341	997,883	(469,542)	(47.05)%
Retirement contribution				
Teachers' retirement system	6,262,905	4,076,618	2,186,287	53.63 %
Employees' retirement system	10,928,798	10,113,372	815,426	8.06 %
Employee benefit accrued liability	109,000	3,162,002	(3,053,002)	(96.55)%
Capital	7,305,030	46,000,000	(38,694,970)	(84.12)%
Assigned:				
Appropriated fund balance	9,900,000	11,000,000	(1,100,000)	(10.00)%
Unappropriated fund balance	682,287	1,284,557	(602,270)	(46.89)%
Unassigned: Fund balance				
	<u>10,071,716</u>	<u>9,574,040</u>	<u>497,676</u>	<u>5.20 %</u>
	<u>49,322,387</u>	<u>89,479,078</u>	<u>(40,156,691)</u>	<u>(44.88)%</u>

Financial Highlights – Governmental Funds

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

	2023	2022	Increase (Decrease)	Percentage Change
Real Property Taxes & STAR	\$ 152,756,232	\$ 149,340,907	\$ 3,415,325	2.29 %
Other Local Sources	9,969,469	8,125,009	1,844,460	22.70 %
State Sources	65,843,116	60,286,674	5,556,442	9.22 %
Medicaid Reimbursement	108,317	82,471	25,846	31.34 %
Federal Sources	10,896	-	10,896	0.00 %
Other Financing Sources	155,938	5,692,625	(5,536,687)	(97.26)%
	<u>\$ 228,843,968</u>	<u>\$ 223,527,686</u>	<u>\$ 5,316,282</u>	2.38 %

- The increase in state sources is chiefly due to the District receiving more in general, excess cost, lottery, and BOCES aids.
- Property taxes and STAR were increased to fund additional appropriations in accordance with the 2022-2023 voter-approved budget.
- Other local sources increased predominantly as a result of receiving additional interest earnings which is attributable to a rise in interest rates.
- Other financing sources decreased as in the prior year the special aid fund transferred funds to the general fund to reimburse for prior year expenditures that related to the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act.

Financial Highlights – Governmental Funds

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

	2023	2022	Increase (Decrease)	Percentage Change
General Support	\$ 19,784,823	\$ 19,560,224	\$ 224,599	1.15 %
Instruction	128,213,994	121,511,034	6,702,960	5.52 %
Pupil Transportation	8,877,766	6,970,407	1,907,359	27.36 %
Community Services	854,953	725,703	129,250	17.81 %
Employee Benefits	51,697,155	47,980,917	3,716,238	7.75 %
Debt Service	2,957,311	2,832,093	125,218	4.42 %
Other Financing Uses	56,614,657	2,379,436	54,235,221	2279.33 %
	<u>\$ 269,000,659</u>	<u>\$ 201,959,814</u>	<u>\$ 67,040,845</u>	33.20 %

- Other financing uses increased mainly due to transfers to the capital projects fund for district-wide improvements as approved by the voters of the District and funded through a combination of capital reserves, debt service reserve, and unassigned fund balance.
- Instruction increased due to routine salary and step increases along with the District incurring additional costs for BOCES services and utilities.
- Employee benefits increased due to the growth in health insurance premiums and TRS pension contributions, offset by decreases in workers' compensation claims paid and a reduction in ERS pension contributions.
- Pupil transportation increased chiefly due to the purchase of buses, as well as routine salary increases.

Financial Highlights – Governmental Funds

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

	Balance @ June 30, 2022	Use of Reserves	Transfers	Interest	Funding	Balance @ June 30, 2023
Workers' compensation	\$ 3,270,606	\$	\$	\$ 263,704	\$	\$ 3,534,310
Unemployment insurance	997,883		(550,000)	80,458		528,341
Retirement contribution						
TRS	4,076,618			328,691	1,857,596	6,262,905
ERS	10,113,372			815,426		10,928,798
EBALR	3,162,002	(139,567)	(2,990,331)	76,896		109,000
Capital						
2013	82,841	(82,841)				-
2017	23,125,451	(23,125,451)				-
2020	22,791,708	(25,000,000)	2,208,292			-
2023			1,332,039		5,972,991	7,305,030
	<u>\$ 67,620,481</u>	<u>\$ (48,347,859)</u>	<u>\$ -</u>	<u>\$ 1,565,175</u>	<u>\$ 7,830,587</u>	<u>\$ 28,668,384</u>

Financial Highlights – Governmental Funds

	2023	2022	Increase (Decrease)	Percentage Change
School Food Service Fund				
Nonspendable: Inventory	36,348	18,183	18,165	99.90 %
Assigned: Unappropriated fund balance	1,601,802	2,624,190	(1,022,388)	(38.96)%
	<u>1,638,150</u>	<u>2,642,373</u>	<u>(1,004,223)</u>	(38.00)%
Debt Service Fund				
Restricted: Debt service	-	2,704,377	(2,704,377)	(100.00)%
Capital Projects Fund				
Restricted: Capital	50,345,952	2,199,101	48,146,851	2189.39 %
Assigned: Unappropriated fund balance	16,220,473	6,858,193	9,362,280	136.51 %
	<u>66,566,425</u>	<u>9,057,294</u>	<u>57,509,131</u>	634.95 %
Extraclasroom Activity Funds				
Assigned: Unappropriated fund balance	354,693	380,279	(25,586)	(6.73)%
Scholarships Fund				
Restricted: Scholarships	58,965	49,033	9,932	20.26 %
Total Fund Balance	<u><u>\$ 117,940,620</u></u>	<u><u>\$ 104,312,434</u></u>	<u><u>\$ 13,628,186</u></u>	13.06 %

Financial Highlights – Governmental Funds

B. School Food Service Fund

The school food service fund - fund balance net decrease can be attributed to the District receiving less state and federal reimbursements due to the discontinuation of the free meals to all students program, as well as an increase in equipment purchases made during the year.

C. Debt Service Fund

The debt service fund – fund balance net decrease is the result of the District utilizing the remaining fund balance associated with defeased bonds towards the voter-approved \$56,000,000 district-wide improvements capital project.

D. Capital Projects Fund

The capital projects fund – fund balance net increase is the result of general and debt service fund transfers, proceeds of debt, and state sources exceeding capital expenditures.

Levittown Union Free School District

QUESTIONS?

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