

THOMAS P. DiNAPOLI
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

April 26, 2007

Mr. Martin L. Swenson, Superintendent
Members of the Board of Education
Fabius-Pompey Central School District
1211 Mill Street
Fabius, NY 13063

Report Number: B3-7-15

Dear Superintendent Swenson and Members of the Board of Education:

Pursuant to Chapter 304 of the Laws of 2005, the State Legislature authorized the Fabius-Pompey Central School District (District) to issue debt with a stated period of probable usefulness set at 10 years to liquidate a projected deficit of up to \$1,500,000 in its general fund at the close of its fiscal year ending June 30, 2006. Pursuant to this legislation, the Office of the State Comptroller approved borrowing in the amount of \$1,004,573. Chapter 304 requires the District Treasurer, or the individual or individuals responsible for the preparation of the District's tentative budget, to submit the District's tentative budget to the State Comptroller within five days after its preparation. The State Comptroller must examine the tentative budget and make recommendations for any changes that are needed to bring the proposed budget into balance. Such recommendations are made after the examination of the estimates of revenues and expenditures of the District prior to the approval of the budget.

Our Office has recently completed an audit of the District's budget for the 2007-08 fiscal year. The objective of the audit was to provide an independent evaluation of the tentative budget. Our audit addressed the following question related to the District's budget for the 2007-08 fiscal year:

- Are the District's revenue and expenditure projections in the proposed budget reasonable?

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS) with the exception of reporting views of responsible officials which were not solicited for this report due to the necessity of providing the District with this time-sensitive information. However, the results of this audit have been discussed with District officials and their comments have been considered in preparing this report. GAGAS require that we plan and perform our audit to adequately assess the estimates in the tentative budget. Further, those standards require

that we understand the District's management controls and those laws, rules, and regulations that are relevant to preparing estimates for the tentative budget.

To accomplish our objectives in this audit, we requested your tentative budget along with other pertinent information. We analyzed the composition of revenues and expenditures to determine if the revenue and expenditure estimates are reasonable and if the budget is structurally balanced so that recurring costs are financed with recurring revenues. It was not our intent and we do not offer comments on public policy decisions, such as the type and level of services to be provided.

The tentative budget package for the fiscal year ended June 30, 2008, submitted for audit consisted of the following:

- Cover letter
- 2007-08 Tentative budget
- Supplementary information

The tentative budget submitted to our office is summarized as follows:

Fund	Appropriations and Provisions for Other Uses	Estimated Revenues	Appropriated Fund Balance	Real Property Taxes
General	\$15,696,877	\$8,592,655	\$0	\$7,104,222

The observations and recommendations resulting from our audit are, to a great extent, influenced by the quality and quantity of materials submitted, and the time between submission and budget adoption. We have reviewed the 2007-08 tentative budget for the District and the budgeted estimated revenues and appropriations appear reasonable.

For guidance in filing this report, please refer to the attached documents. We request that you provide us with a copy of the adopted budget.

We hope that this information is useful as you adopt a budget for your District. If you have any questions on the scope of our work, please contact the Syracuse regional office at (315) 428-4192.

Sincerely,

Mark P. Pattison
Deputy Comptroller
Division of Local Government Services
and Economic Development

cc: Peter W. Mahunik, Business Administrator
Alma M. Hartnett, District Clerk
Michelle Cretaro, District Treasurer
Owen H. Johnson, Chair, Senate Finance Committee
Herman D. Farrell, Jr., Chair, Assembly Ways and Means Committee
Gary D. Finch, State Assembly Representative
Brian M. Kolb, State Assembly Representative
William Magee, State Assembly Representative
Albert A. Stirpe, Jr., State Assembly Representative
John A. DeFrancisco, State Senator
James L. Seward, State Senator
David J. Valesky, State Senator
Paul E. Francis, Director, Division of the Budget
James Conway, State Education Department
Eugene A. Camp, Regional Chief