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April 11, 2008

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

Report Number: B3-8-6

Dear Superintendent Ryan 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. Local Finance Law Section 10.10 requires all local governments that have been authorized to issue obligations to fund operating deficits to submit to the State Comptroller each year, starting with the fiscal year during which the local government is authorized to issue obligations and for each subsequent fiscal year during which the deficit obligations are outstanding, their tentative or preliminary budget for the next succeeding fiscal year.

The budget must be submitted no later than 30 days before the date scheduled for the governing board's vote on the adoption of the budget or the last date on which the budget may be finally adopted, whichever is sooner. 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 into the estimates of revenues and expenditures of the District.

Our Office has recently completed an audit of the District's budget for the 2008-09 fiscal year. The objective of the audit was to provide an independent evaluation of the tentative budget. Our audit addressed the following questions related to the District's budget for the 2008-2009 fiscal year:

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

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS), with the exception of reporting views of responsible officials. Officials' views 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 requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions regarding the estimates in 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 in order to determine if the revenue and expenditure estimates are reasonable. We do not offer comments on public policy decisions, such as the type and level of services to be provided.

The tentative budget package submitted for audit for the fiscal year ended June 30, 2009 consisted of the following:

- Cover Letter
- 2008-09 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	\$16,484,356	\$9,267,988		\$7,216,368

We have reviewed the 2008-09 tentative budget for the District and the budgeted estimated revenues and appropriations appear reasonable.

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 the District. If you have any questions on the scope of our work, please feel free to contact Eugene A. Camp at (315) 428-4192.

Very truly yours,

Steven J. Hancox
Deputy Comptroller

cc: Peter W. Mahunik, Business Administrator
Alma M. Hartnett, District Clerk
Michelle Cretaro, District Treasurer
Donald Neugebauer, President
Dr. Jessica F. Cohen, BOCES District Superintendent
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
Laura L. Anglin, Director, Division of the Budget
Richard P. Mills, Commissioner, State Education Department
James Conway, Director, Office of Audit Services, State Education Department
Eugene A. Camp, LGSA Regional Chief