

Randolph Central School District

Financial Management

MARCH 2020



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Randolph Central School District

Audit Objective

Determine whether the Board and District officials properly managed fund balance and reserves.

Key Findings

- The Board and District officials can better manage fund balance and reserves.
- As of June 30, 2019, surplus fund balance was nearly \$2.9 million (14 percent of the 2019-20 budgeted appropriations), exceeding the statutory limit by more than \$2 million or 10 percentage points.
- The Board and District officials improperly restricted \$2.2 million in two reserves and the agency fund.

Key Recommendations

- Reduce surplus fund balance to comply with the statutory limit and use the excess funds in a manner more beneficial to taxpayers.
- Return money improperly restricted to surplus fund balance in the general fund.

District officials agreed with our findings and recommendations and indicated they have initiated, or planned to initiate, corrective action.

Background

The Randolph Central School District (District) serves the Towns of Coldspring, Conewango, Leon, Napoli, Randolph, Red House and South Valley in Cattaraugus County and the Towns of Ellington and Poland in Chautauqua County.

The seven-member Board of Education (Board) is responsible for the management and control of financial and educational affairs. The Superintendent of Schools (Superintendent) is the District's chief executive officer and is responsible, along with other administrative staff, for day-to-day management under the Board's direction. The Business Executive oversees the Business Office and maintains the financial records. The Board, Superintendent and Business Executive are responsible for developing the budget.

Quick Facts

Enrollment	876
Employees	161
2019-20 Appropriations	\$20 million

Audit Period

July 1, 2016 – September 27, 2019

Financial Management

What Is Proper Financial Management?

To properly manage financial condition, a board should adopt reasonably estimated and structurally balanced budgets based on historical data or known trends, in which recurring revenues finance recurring expenditures. In preparing the budget, a board must estimate the amounts a school district will spend and receive, the amount of fund balance that will be available for use at fiscal year-end and the expected real property tax levy. Accurate estimates help ensure that the tax levy is not greater than necessary.

A board is permitted to retain both a specified amount of fund balance for cash flow needs or unexpected expenditures and reserves for other identified or planned needs. Fund balance is the difference between revenues and expenditures accumulated over time. New York State Real Property Tax Law¹ currently limits the amount of surplus fund balance² that a school district can retain to no more than 4 percent of the next year's budget. Any surplus fund balance over this percentage must be used to reduce the upcoming fiscal year's real property tax levy or to fund needed reserves.

Prudent fiscal management also requires the board to establish long-term financial plans that include plans for maintenance and use of both surplus fund balance and reserve funds. Planning on a multiyear basis allows school district officials to identify developing revenue and expenditure trends, set long-term priorities and goals and consider the impact of current budget decisions on future fiscal years. Effective multiyear plans project operating and capital needs and financing sources over a three- to five-year period. Continually monitoring and updating these plans provides a reliable framework for preparing budgets and helping ensure that information used to guide decisions is current and accurate.³

School districts are legally allowed to establish reserves and accumulate funds for certain future purposes (e.g., retirement expenditures). District officials should plan for the funding and use of reserves by balancing the desire to accumulate funds for future needs with the obligation to make sure real property taxes are not higher than necessary. It is important that the board adopt a comprehensive written plan that states its rationale for establishing reserve funds, objectives for each reserve, maximum targeted funding levels and conditions under which reserves will be used or replenished. Ideally, amounts to be placed in reserve funds should be included in the annual budget. By making provisions to raise

1 New York State (NYS) Real Property Tax Law, Section 1318

2 Surplus fund balance is defined as unrestricted fund balance minus appropriated fund balance and encumbrances included in committed and assigned fund balance. See our accounting bulletin at <https://www.osc.state.ny.us/localgov/pubs/releases/gasb54.pdf>

3 Refer to our multiyear financial planning resources available at <https://www.osc.state.ny.us/localgov/planbudget/index.htm>

resources for reserve funds explicit in the proposed budget, a board gives voters and taxpayers an opportunity to know the board’s plan for funding reserves.

The Board Overestimated Appropriations and Surplus Fund Balance Exceeded the Statutory Limit

We compared budgeted appropriations and estimated revenues with actual operating results for 2016-17 through 2018-19 and found that, while revenue variances were generally reasonable, appropriations were overestimated by an annual average of more than \$1.7 million each year or a total of \$5.2 million. However, we noted that during our audit period the percentage of overestimated appropriations decreased from 15.3 percent to 5.6 percent.

Figure 1: Overestimated Appropriations^a

	2016-17	2017-18	2018-19	Totals
Appropriations	\$19,712,000	\$20,194,000	\$19,799,000	\$59,705,000
Actual Expenditures^b	\$17,099,000	\$18,653,000	\$18,741,000	\$54,493,000
Overestimated Appropriations	\$2,613,000	\$1,541,000	\$1,058,000	\$5,212,000
Percentage Overestimated^c	15.3%	8.3%	5.6%	9.6%

a Excludes budgeted and actual transfer activity

b Includes encumbrances of \$79,000, \$234,000 and \$277,000 respectively for fiscal years ended 2017 through 2019.

c Overestimated appropriations divided by actual expenditures

The most significant overestimated appropriations were for personal services (by \$2.8 million or 12 percent) and employee benefits (\$2.4 million or 20 percent). The Business Executive told us that appropriations were overestimated because the District’s previous budgeting method created budgets using a comparison of past budgeted appropriations.

While the District appropriated fund balance annually to help finance operations, these budget variances offset how much fund balance was actually needed and used. The District appropriated \$1.5 million of fund balance for 2017-18 and had an operating deficit of \$158,000 and appropriated \$1.4 million of fund balance for 2018-19 and had an operating deficit of \$382,000. As such, the District did not use all of the fund balance that was appropriated for those fiscal years.

Although total fund balance decreased from \$8.7 million as of June 30, 2017 to \$7.6 million as of June 30, 2019, surplus fund balance was still 14 percent of the 2019-20 budgeted appropriations, exceeding the statutory limit by more than \$2 million or 10 percentage points.

Figure 2: Surplus Fund Balance at Fiscal Year-End

	2016-17	2017-18	2018-19
Beginning Total Fund Balance	\$7,902,000	\$8,754,000	\$8,270,000
Add: Operating Results	\$998,000	(\$158,000)	(\$382,000)
Less: Net Transfers^a	\$146,000	\$326,000	\$292,000
Ending Total Fund Balance	\$8,754,000	\$8,270,000	\$7,596,000
Less: Restricted Fund Balance (Reserves)	\$3,012,000	\$3,012,000	\$3,012,000
Less: Appropriated Fund Balance	\$1,527,000	\$1,432,000	\$1,414,000
Less: Encumbrances	\$79,000	\$234,000	\$277,000
Surplus Fund Balance	\$4,136,000	\$3,592,000	\$2,893,000
Next Year's Budget	\$20,294,000	\$19,899,000	\$20,023,000
Surplus Fund Balance as a Percentage of Next Year's Budget	20%	18%	14%
Amount Exceeding the Legal Limit	\$3,324,000	\$2,796,000	\$2,092,000

^a This represents the total of all budgeted and unbudgeted transfers in and out.

Officials told us that beginning with the 2018-19 budget, the new District administration⁴ began using trend analysis of past operating expenditures to budget appropriations. This method resulted in a 2 percent (\$395,000) decrease in appropriations. In addition, there was no tax levy increase.

The Board adopted a Maintenance of Fund Balance Policy, dated June 17, 2015, which addresses surplus fund balance. The policy states that in order to maintain financial stability and protect against cash flow shortfalls, the Board will strive to maintain surplus fund balance of at least 4 percent of the current year's budgeted appropriations. It also states that in the event such balance falls below 4 percent, the District will seek to replenish deficiencies through reducing expenditures and/or increasing revenue.

We spoke to three Board members⁵ who told us that they are aware of surplus fund balance exceeding the statutory limit. It was also noted in the audited financial statements for fiscal years 2016-17 and 2017-18 that District officials stated in their written response to those audits that they realized that unassigned fund balance (i.e., surplus fund balance) was in excess of the 4 percent statutory limit. The Board President told us that the Board has discussed reducing surplus fund balance to a level in the 4 to 10 percent range, because the Board believes 20 percent is too high. Additionally, the District has a Budget Planning and Development Policy that was revised on March 1, 2017, that states the Board will

⁴ The Superintendent was appointed on April 27, 2016 and the Business Executive was appointed on December 6, 2017.

⁵ We attempted to contact all seven Board members and three met with us.

ensure that surplus funds have been applied in determining the amount of the school tax levy (surplus funds means any operating funds in excess of 4 percent). Board members told us they are aware they do not follow this policy.

When unused appropriated fund balance and improperly restricted funds (discussed in the section titled “Funds Were Improperly Restricted”) are added back, surplus fund balance exceeded the limit by \$6.8 million (34 percentage points) to \$5.4 million (27 percentage points) during the three-year period.

Figure 3: Recalculated Surplus Fund Balance

	2016-17	2017-18	2018-19
Surplus Fund Balance	\$4,136,000	\$3,592,000	\$2,893,000
Add: Unused Appropriated Fund Balance	\$1,369,000	\$1,050,000	\$1,144,000
Add: Unidentified Debt Reserve Funds	\$1,874,000	\$1,874,000	\$1,874,000
Add: Unidentified Agency Funds	\$166,000	\$240,000	\$210,000
Add: Expired Tax Certiorari Reserve	\$71,000	\$71,000	\$71,000
Recalculated Surplus Fund Balance	\$7,616,000	\$6,827,000	\$6,192,000
Next Year’s Budget	\$20,294,000	\$19,899,000	\$20,023,000
Recalculated Surplus Fund Balance as a Percentage of Next Year’s Budget	38%	34%	31%
Amount Exceeding the Legal Limit	\$6,804,000	\$6,031,000	\$5,391,000

Although the tax levy decreased \$187,000 in 2016-17, the levy amount has remained the same through 2019-20. Had the Board and officials adopted more reasonable budgets, they could have considered using these excess funds to fund one-time expenditures, fund needed reserves, pay off debt or reduce the levy and provide an even greater benefit to taxpayers.

The Board Did Not Adopt a Comprehensive Written Reserve Fund Policy and Reserves Were Not Used

Although the Board adopted a written reserve fund policy, it did not address optimal funding levels, conditions necessary for use or how and when reserve funds would be replenished. We found that seven reserves totaling \$2.9 million as of June 30, 2019 had not been used in the past three fiscal years.

Employee Benefit Accrued Liability Reserve – The Board established this reserve to pay accrued leave time benefits due employees upon termination of employment and totaled approximately \$1.3 million as of June 30, 2019. The District has calculated a corresponding liability of approximately \$280,000. Consequently, the reserve remains overfunded by approximately \$1 million. Additionally, over the last three fiscal years, two employees left District

employment and received payments for accumulated leave accruals totaling \$47,000. These costs were paid from the general fund instead of this reserve.

Retirement Contribution Reserve – The Board established this reserve to fund payments to the New York State and Local Retirement System and totaled approximately \$854,000 as of June 30, 2019. While annual contributions averaged \$255,000 over the past three years, District officials have not used any reserve funds to pay for these expenditures and instead paid them from general fund appropriations.

Unemployment Insurance Reserve – The Board established this reserve for the payment of contributions to the New York State Unemployment Insurance Fund and had a balance of \$281,000 as of June 30, 2019. Over the last three fiscal years, unemployment expenditures have averaged less than \$4,500 per year. District officials have not used any reserve funds to pay for these expenditures and paid them from general fund appropriations.

Workers' Compensation Reserve – The Board established this reserve to pay for compensation and benefits, and medical and hospital costs based on workers' compensation claims, rather than paying insurance premiums. It had a balance of \$175,000 as of June 30, 2019. Over the last three fiscal years, expenditures have averaged less than \$64,000 per year. District officials have not used any reserve funds to pay for these expenditures and instead paid them from general fund appropriations.

Liability Reserve – The Board established this reserve to fund liability claims. It had a balance of \$121,000 as of June 30, 2019, which was within the 3 percent of the annual budget authorized by Education Law.⁶

Insurance Reserve – The Board established this reserve to pay liability, casualty and other types of uninsured losses. It had a balance of \$100,000 as of June 30, 2019, which was within the 5 percent authorized by General Municipal Law.⁷

Property Loss Reserve – The Board established this reserve to cover property loss and liability claims. It had a balance of \$81,000 as of June 30, 2019, which was within the 3 percent authorized by Education Law.⁸

With no activity in these reserves and given the lack of a detailed plan, the question is raised as to why they are funded at these levels.

6 NYS Education Law Section 1950

7 NYS General Municipal Law (GML) Section 6-n

8 NYS Education Law Section 1709

Funds Were Improperly Restricted

As of June 30, 2019, the District improperly restricted \$2.2 million that should be returned to the general fund.

Debt Reserve – The District accounts for and reports a debt reserve in the debt service fund, which is separate from the general fund. As of June 30, 2019, this reserve had a reported balance of almost \$1.9 million. While certain funds are required by law⁹ to be set aside and used to pay related debt, District officials were unable to identify the source of these funds or that the funds were required to be restricted and used to pay related debt.

Agency Fund – The District uses an agency fund to account for District funds held in a custodial capacity. District officials hold such funds as an agent for individuals, private organizations or other governments. For example, funds accumulated for employee flexible spending plans and student extracurricular activities are accounted for in this fund pending payment at a later date. As of June 30, 2019, the agency fund's cash balance totaled more than \$500,000. Of that amount, approximately \$190,000 was related to the District's flexible spending plan and approximately \$100,000 was from student extracurricular activities. The remaining \$210,000 was District money that should have been accounted for in the general fund. The Executive was unable to explain why these funds were held in the agency fund.

Tax Certiorari Reserve – The Board established this reserve on June 27, 2001 to fund payments for judgments and claims in tax certiorari proceedings. As of June 30, 2019, this reserve had a balance of \$71,000. However, District officials acknowledged that there are no ongoing tax certiorari proceedings. The term of the reserve has expired, as such, these funds must be returned to the general fund in accordance with Education Law.¹⁰

While it is a prudent practice for officials to save for future expenditures, inappropriately retaining funds in this manner results in missed opportunities to use these funds in a manner that best benefits taxpayers.

Officials Did Not Develop a Comprehensive Written Multiyear Financial Plan

District officials could benefit from a comprehensive written multiyear financial plan being incorporated into the annual budgeting process. District officials told us

⁹ NYS GML Section 6-l, NYS Local Finance Law Section 165

¹⁰ Funds reserved for tax certiorari judgments and claims pursuant to NYS Education Law, Section 3651[1-a] that are not expended for the payment of judgments or claims arising out of tax certiorari proceedings for the tax roll in the year the money is deposited to the fund and/or that will not be "reasonably required to pay any such judgment or claim," must be returned to the general fund on or before the first day of the fourth fiscal year following the deposit of such money to the reserve fund.

that the Board often discusses long-term planning during budget preparation and throughout the year. However, the Board has not adopted any written multiyear plans.

Such a plan would help District officials address the use of fund balance, including reserve funds, and prioritize and plan for future capital needs. The lack of a multiyear plan limits the Board and District officials' ability to effectively manage finances and address future needs. As the District moves forward, a well-designed written plan can assist the Board in making timely and informed decisions about programs and operations and help the Board and District officials manage fund balance.

What Do We Recommend?

The Board and District officials should:

1. Develop and adopt budgets that include reasonable estimates for appropriations and the amount of fund balance that will be used to fund operations.
2. Update the fund balance policy to help ensure compliance with statute.
3. Develop a plan to reduce surplus fund balance to comply with the statutory limit. Surplus funds can be used for:
 - Reducing District property taxes,
 - Funding one-time expenditures,
 - Funding needed reserves, and
 - Paying off debt.
4. Adopt a more comprehensive written reserve policy with a clear purpose or intent that addresses the objective of each reserve, targeted funding levels and conditions under which reserves will be used and replenished.
5. Review reserve balances and develop a plan to reduce balances to reasonable levels in accordance with applicable statutes.
6. Transfer money improperly maintained in the debt service fund, agency fund and the tax certiorari reserve to surplus fund balance in the general fund.
7. Develop and adopt a comprehensive written multiyear financial plan to be used in conjunction with the annual budget process. The plan should be monitored and updated on an ongoing basis.

Appendix A: Response From District Officials

Randolph Central School District

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18 Main Street, Randolph, New York 14772

Telephone 716/358-6161

February 15, 2020

Jeffery Mazula
Chief Examiner of Local Government and School Accountability
Office of the NYS Comptroller – Buffalo Regional Office
295 Main Street, Suite 1032
Buffalo, New York 14203-2510

Re: Randolph Central School District Response and Corrective Action Plan to Financial Condition Report of Examination for the Period July 1, 2016 through September 27, 2019.

Dear Mr. Mazula:

This letter is in response to the New York State Comptroller's Financial Management Report of Examination for the time period July 1, 2016 through September 27, 2019. The Randolph Central School District is in receipt of the report and has reviewed it at an exit interview with our auditor [REDACTED]. On behalf of the Randolph Central School District, I would like to thank [REDACTED] as well as all of the staff at the NYS Comptroller's Office that we had the pleasure of interacting with as we found them to be thorough, prompt and professional throughout the entire audit process. The District welcomed the audit process and the constructive feedback it provides us. We have already, and will continue to reflect on the process in order to better refine our practices to enable us to deliver the highest quality service to our community.

The key finding of this audit related to our management of fund balance and reserves. We were very pleased to have this be the findings and that there were no instances of fraud or misappropriation of funds, nor were there any instances of waste or misuse. The District takes our role as stewards of the taxpayer's dollar very seriously and are very conscious as to not allow for any of the aforementioned issues. The audit findings of surplus funds being in excess of the statutory limits are not in contention. We have found that these budgeting and savings plans have allowed us to account for a very unpredictable revenue stream as well as very volatile enrollment and student programming trends. As a result, we have been able to maintain staffing levels, increase student programming, opportunities, and achievement while decreasing our overall tax levy over the examination period. However, you will see in the attached Corrective Action Plan this does not mean we are planning to ignore recommendations. We have put nearly all of the recommendations into action or have a plan for their implementation in the near future.

Below is the Corrective Action Plan for the Randolph Central School District in response to the New York State Comptroller's Financial Management Report of Examination for the time period July 1, 2016 through September 27, 2019:

Audit Recommendation: *Develop and adopt budgets that include reasonable estimates for appropriations and the amount of fund balance that will be used to fund operations.*

Implementation Plan of Action: The audit recommended the district should "include reasonable estimates for appropriations and the amount of fund balance that will be used to fund operations". We believe that given the current challenges and volatility being faced by this and other districts, we develop realistic appropriation estimates and have acted prudently on behalf of our taxpayers. The use of fund balance in our budget protects the district against unexpected cost increases that are unpredictable when completing the budget. The district is conscious of the amount

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of appropriation and fund balance included in the budget and will continue to monitor and manage those amounts in order to remain fiscally responsible.

Implementation Date: During the preparation of the 2020-21 School Budget.

Responsible Person: Board of Education, Superintendent of Schools, School Business Executive

Audit Recommendation: *Update the fund balance policy to help ensure compliance with statute.*

Implementation Plan of Action: The audit recommends the district should "Update the fund balance policy to help ensure compliance with statute". We will update the policy to comply with statute.

Implementation Date: June 2020 board of education meeting

Responsible Person: Board of Education

Audit Recommendation: *Develop a plan to reduce surplus fund balance to comply with the statutory limit. Surplus funds can be used for:*

- Reducing District property taxes,
- Funding one-time expenditures,
- Funding needed reserves, and
- Paying off debt.

Implementation Plan of Action: The audit recommended that the district should "Develop a plan to reduce surplus fund balance to comply with the statutory limit". We believe that a general fund balance and prudent reserves are a common sense approach to managing our finances given the turbulent state and national financial situations. With that said, the district will reassess the current level of fund balance during the completion of a comprehensive written multiyear financial plan and develop a plan to bring surplus fund balance to a level that we feel is fiscally responsible.

Implementation Date: During the completion of the comprehensive written multiyear financial plan during spring/summer 2020

Responsible Person: Board of Education, Superintendent of Schools, School Business Executive

Audit Recommendation: *Adopt a more comprehensive written reserve policy with a clear purpose or intent that addresses the objective of each reserve, targeted funding levels and conditions under which reserves will be used and replenished.*

Implementation Plan of Action: The audit recommended that the district should "Adopt a more comprehensive written reserve policy with a clear purpose or intent that addresses the objective of each reserve, targeted funding levels and conditions under which reserves will be used and replenished". We will update our current written reserve policy for each reserve to reflect the intended use and targeted funding levels deemed appropriate during the completion of the comprehensive written multiyear financial plan.

Implementation Date: During the completion of the comprehensive written multiyear financial plan during spring/summer 2020

Responsible Person: Board of Education, Superintendent of Schools, School Business Executive

Audit Recommendation: *Review reserve balances and develop a plan to reduce balances to reasonable levels in accordance with applicable statutes.*

Implementation Plan of Action: The audit recommends that the district should "Review reserve balances and develop a plan to reduce balances to reasonable levels in accordance with applicable statutes". We will update our current written reserve policy for each reserve to reflect the intended use and targeted funding levels deemed appropriate during the completion of the comprehensive written multiyear financial plan. Once the targeted funding for each reserve is established, we will adjust reserve balances to the appropriate levels in order for them to function as determined in the comprehensive written multiyear financial plan and updated written reserve policy. We will take into consideration the reserve funds specifically identified in the audit as being improperly restricted or unused.

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Implementation Date: During the completion of the comprehensive written multiyear financial plan during spring/summer 2020. Adjustment of reserves to appropriate levels to occur at the June 2020 board of education meeting.

Responsible Person: Board of Education, Superintendent of Schools, School Business Executive

Audit Recommendation: *Transfer money improperly maintained in the debt service fund, agency fund and the tax certiorari reserve to surplus fund balance in the general fund.*

Implementation Plan of Action: The audit recommends that the district should "Transfer money improperly maintained in the debt service fund, agency fund and the tax certiorari reserve to surplus fund balance in the general fund". We will take this recommendation into consideration during the completion of the comprehensive written multiyear financial plan and updated written reserve policy. The district will make the appropriate adjustment to the specified reserve balances and transfer the money to surplus fund balance in the general fund.

Implementation Date: June 2020 board of education meeting

Responsible Person: Board of Education, Superintendent of Schools, School Business Executive

Audit Recommendation: *Develop and adopt a comprehensive written multiyear financial plan to be used in conjunction with the annual budget process. The plan should be monitored and updated on an ongoing basis.*

Implementation Plan of Action: The audit recommends that the district should "Develop and adopt a comprehensive written multiyear financial plan to be used in conjunction with the annual budget process". We have adjusted our budget process to include a five-year projection. This projection, along with the comprehensive written multiyear financial plan will be used in conjunction with each other and updated each year during the completion of the subsequent years' budget. We feel that the comprehensive written multiyear financial plan should be a fluent document that is updated regularly based on the current financial environment and district needs.

Implementation Date: During the completion of the comprehensive written multiyear financial plan during spring/summer 2020.

Responsible Person: Board of Education, Superintendent of Schools, School Business Executive

In summary, we appreciate the time and effort put into assisting us with this thorough review of our financial management. We also greatly appreciate the candor and demeanor of our auditor [REDACTED]. This process will serve to make our school district stronger as we continue to strive to provide the stakeholders of the Randolph Central School District with the best educational experience possible for their children.

Sincerely,

Kaine M. Kelly – Superintendent of Schools

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and Board members and reviewed Board meeting minutes, resolutions and policies to gain an understanding of the District's financial management policies and procedures and budgeting practices.
- We analyzed general fund financial records from 2016-17 through 2018-19 and evaluated any factors contributing to fluctuations in fund balance including real property tax levy fluctuations and trends.
- We reviewed the adopted general fund budgets from 2016-17 through 2018-19 to assess whether they are reasonable and structurally balanced by comparing adopted budgets with actual results of operations and analyzing significant budget-to-actual variances.
- We reviewed the adopted 2019-20 general fund budget to determine whether any significant changes had been made to the District's budgeting practices.
- We reviewed the District's results of operations from 2016-17 through 2018-19 and calculated surplus fund balance as a percentage of the next year's appropriations to assess whether the District complied with New York State Real Property Tax Law.
- We recalculated surplus fund balance as a percentage of the next year's appropriations after adding back improperly restricted funds.
- We discussed multiyear financial and capital plans with District officials and Board members.
- We reviewed reserve fund balances as of June 30, 2019 to assess whether they were properly established, compliant with applicable statutes, used and reasonably funded.
- We reviewed the District's agency fund cash balances, bank statements and related support to determine if money held in a custodial capacity was properly supported.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a(3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted to the District's website for public review.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/pubs/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

Contact

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