

Minisink Valley Central School District

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Minisink Valley Central School District Receives New York State Audit and Implements Recommendations

Slate Hill, NY – June 1, 2016 – The Minisink Valley Central School District (MVCSD) recently received its final report regarding the district’s “Financial Condition” from the New York State Comptroller’s Office that summarized the findings of their audit for the period of July 2011 through June 2015.

The comptroller’s report indicated that by the end of the 2014-15 school year, the district had accumulated \$11.7 million in unassigned fund balance compared to the \$3.8 million allowed using the statutory maximum calculation of 4 percent of the 2015-16 budget.

The report also states that unassigned fund balance was increased each year during the budget development process by underestimating revenues and overestimating expenditures resulting in an operating surplus in each of the years examined by the state’s audit.

The comptroller’s report made recommendations in two areas: plan for the use of excess fund balance in a manner that benefits the district, and develop realistic budget estimates. The report recommended that uses of excess fund balance might include reducing property taxes, financing one-time expenditures, establishing reserves to finance future district operating needs and paying off existing debt.

The recently approved 2016-17 budget already began taking steps to address the recommendations outlined in the comptroller’s report. The budget includes a 2 percent reduction in the tax levy which returns \$900,000 to taxpayers. At the same time, the district is adding and reinstating new programs and positions. Additionally, the eight replacement buses that voters recently approved will be purchased outright – with existing fund balance – instead of borrowing. Voters also approved the establishment of a capital reserve fund of up to \$5 million which will be dedicated to minimizing costs to the community for upcoming facilities improvements accomplished through capital projects.

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“The comptroller’s report did not come as a surprise to the Board and district officials,” said Brian C. Monahan, Superintendent of Schools. “The district began implementing a plan to reduce unassigned fund balance in June of 2015 with the establishment of a \$1.6 million worker’s compensation reserve and reinstating positions. Prior to the state audit, and starting in September of 2015, we worked judiciously to develop a budget proposal for the 2016-17 school year that would return a portion of excess fund balance to the community, add and reinstate programs and positions, and prepare the district for future capital projects to minimize or eliminate costs to our tax payers.”

Minisink is one of a number of public schools across New York State to be audited this year, in accordance with legislation requiring the comptroller’s office to conduct the periodic audits of districts. State auditors conducted a comprehensive review of Minisink’s financial management practices to ensure that appropriate safeguards are in place to protect the financial assets of the school district.

District officials are looking at the audit results as an opportunity to enhance the academic program offerings of the district while maintaining a solid financial plan for local residents.

“Minisink Valley has always budgeted cautiously and conservatively, as part of its sound financial planning. In the context of the state’s recent economic crisis during the past four years, this strategy has been even more important given the state’s own budget struggles that have affected state funding to schools and municipalities during that time. During the same four-year period, the state cumulatively withheld \$15.5 million in state aid from the district in order to balance the state’s budget. The district’s 2016-17 budget was developed and proposed well in advance of the comptroller’s audit report, in recognition of the need to reallocate and redistribute unassigned fund balance to reduce taxes, fund reserves, and improve academic programs that position the district to comply with statutory limit for unassigned fund balance,” said Monahan.

“We are always interested in identifying ways to improve upon our financial practices and procedures,” said Matt Bourgeois, Assistant Superintendent for Business. “As part of the recommendations of the state comptroller’s office, we are using this opportunity to strengthen our procedures to ensure long-term financial stability and accountability.”

The complete audit report is published on the budget page of the district’s website and available for public review during regular business hours (Monday through Friday, from 8 a.m. to 4:00 p.m.) at the District Office, located on Route 6 in Slate Hill. A complete corrective action plan will be available to the public within the mandatory 90-day period following the publication of the state comptroller’s report.

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