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April 22, 2013

Mr. Jason VanFossen, Superintendent
Members of the Board of Education
Maine Endwell Central School District
715 Farm to Market Road
Endwell, NY 13760

Report Number: B4-13-14

Dear Superintendent VanFossen and Members of the Board of Education (Board):

Our Office has recently completed a review of the Maine Endwell Central School District's (District) budget for the 2013-14 fiscal year. The objective of the review was to provide an independent evaluation of the proposed budget. Our review addressed the following question related to the District's budget for the 2013-14 fiscal year:

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

To accomplish our objectives in this review, we requested your proposed budget, salary schedules, debt payment schedules, and other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant and/or unrealistic increases or decreases. We analyzed, verified and/or corroborated trend data and estimates, where appropriate. We identified any significant new or unusually high revenue or expenditure estimates, made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimates were realistic and reasonable.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

The proposed budget package submitted for review for the fiscal year ending June 30, 2014, consisted of the following:

- 2013-14 Proposed budget
- Supplementary information

The proposed 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	\$44,958,604	\$22,883,768	\$0	\$22,074,836

Based on the results of our review, we found that the significant revenue and expenditure projections in the proposed budget are reasonable.

Tax Cap Compliance

The State Legislature enacted Chapter 97 of the Laws of 2011 that established a tax levy limit on all local governments and school districts, which was effective beginning in the 2012 fiscal year. The law precludes a school district from adopting a budget that requires a tax levy that exceeds the prior year's tax levy by more than 2 percent or the rate of inflation, whichever is less,¹ and certain exclusions permitted by law, unless 60 percent of school district voters approve a budget that requires a tax levy that exceeds the statutory limit.

The District's proposed budget complies with the tax levy limit because it includes a tax levy of \$22,074,836, which increases the 2013-14 tax levy within the limits established by law. In adopting the 2013-14 budget, the Board should be mindful of the legal requirement to maintain the tax levy increase to no more than the tax levy limit as permitted by law, unless it obtains the proper voter approval to override the tax levy limit.

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 H. Todd Eames, Chief Examiner of the Binghamton Regional Office, at (607) 721-8306.

Very truly yours,

Steven J. Hancox
Deputy Comptroller

cc: Jeffrey L'Amoreaux, Assistant Superintendent for Business
Cathie Daley, Clerk of the Board
James Conway, Director, Office of Audit Services, State Education Department
H. Todd Eames, Chief Examiner

¹ Our office has previously determined that the rate of inflation applicable to school districts with a fiscal year beginning July 1, 2013, is greater than 2 percent. Therefore, the property tax levy is capped at 2 percent.