New York State Comptroller
THOMAS P. DiNAPOLI

Beekmantown Central School District

Investment Program

September 2026 | 2026M-62

Prepared by the Division of Local Government and School Accountability

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Audit Results

Beekmantown Central School District

Audit Objective

Did Beekmantown Central School District (District) officials develop and manage a comprehensive investment program?

Audit Period

July 1, 2024 – February 28, 2026

Understanding the Audit Area

A comprehensive investment program helps ensure that officials operate within the statutory framework established for school districts and creates a clear structure for managing investments and improving oversight and accountability. A comprehensive investment program includes a written investment policy that provides officials with a tool to manage finances more effectively and helps ensure that funds are not only safe but also available when needed. This structured approach can help officials optimize how funds are managed, potentially leading to the availability of more resources for school district operations.

During the audit period, the District had approximately $24.9 million in available operating and reserve funds to invest each month. Operating and reserve funds were deposited in 13 accounts at a financial institution and one account in a cooperative municipal investment fund (investment fund).

Audit Summary

We determined that the District's investments were legal, safe and liquid. However, District officials did not develop and manage a comprehensive investment program. For example, during the audit period, officials did not prepare any cash flow forecasts to estimate funds available for investment or solicit interest rate quotes from financial institutions. As a result, officials missed an opportunity for the District to realize additional revenues which would benefit District operations and potentially reduce the financial burden on District taxpayers.

During the 20-month audit period, the District invested reserve funds averaging approximately $9 million each month, in eight savings accounts and one investment account, and earned $633,658 in investment earnings. However, during the audit period, the District earned $34,046 in investment earnings on the District's operating and reserve funds that were deposited in five checking accounts, despite having an average of $15.9 million available in these accounts to invest each month. Had officials considered investing these funds in the same savings or investment accounts already used by the District, which offered higher interest rates, the District may have earned more than $1 million in additional investment earnings.

This report includes two recommendations that, if implemented, will improve the District's investment practices. District officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the Office of the New York State Comptroller's (OSC's) authority as set forth in Article 3 of the New York State General Municipal Law (GML). The audit's methodology and standards are included in Appendix C.

The Board of Education (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 OSC within 90 days, pursuant to Section 35 of GML, Section 2116-a (3)(c) of the 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 the CAP, please refer to the OSC brochure, *Responding to an OSC Audit Report*, which was provided with the draft audit report. The CAP should be posted on the District's website for public review.

Investment Program: Finding and Recommendations

A comprehensive investment program serves four basic objectives: legality, safety, liquidity and yield. A comprehensive investment program establishes basic procedures, ensures investment assets are adequately safeguarded and evaluates investment results.

Investing involves opportunities and risks, and officials must ensure the safety of public funds and that investments meet the school district's needs while striving to achieve investment earnings. A sound investment and cash management system ensures sufficient liquidity is available to support operations and that investments follow the statutory framework established for school districts.

More details on the criteria used in this report, as well as resources OSC makes available to local officials that can help them improve operations, are included in Appendix A.

Finding 1 – Officials did not develop and manage a comprehensive investment program.

We determined the District's investments were legal, safe and liquid and the Board adopted and annually reviewed an investment policy as required by GML. However, officials did not develop and manage a comprehensive investment program. For example, during the audit period, officials did not prepare any cash flow forecasts to estimate funds available for investment or solicit interest rate quotes from financial institutions. As a result, officials did not determine the potential funds available for investment each month or ensure the monthly interest rates received on the District's accounts were competitive.

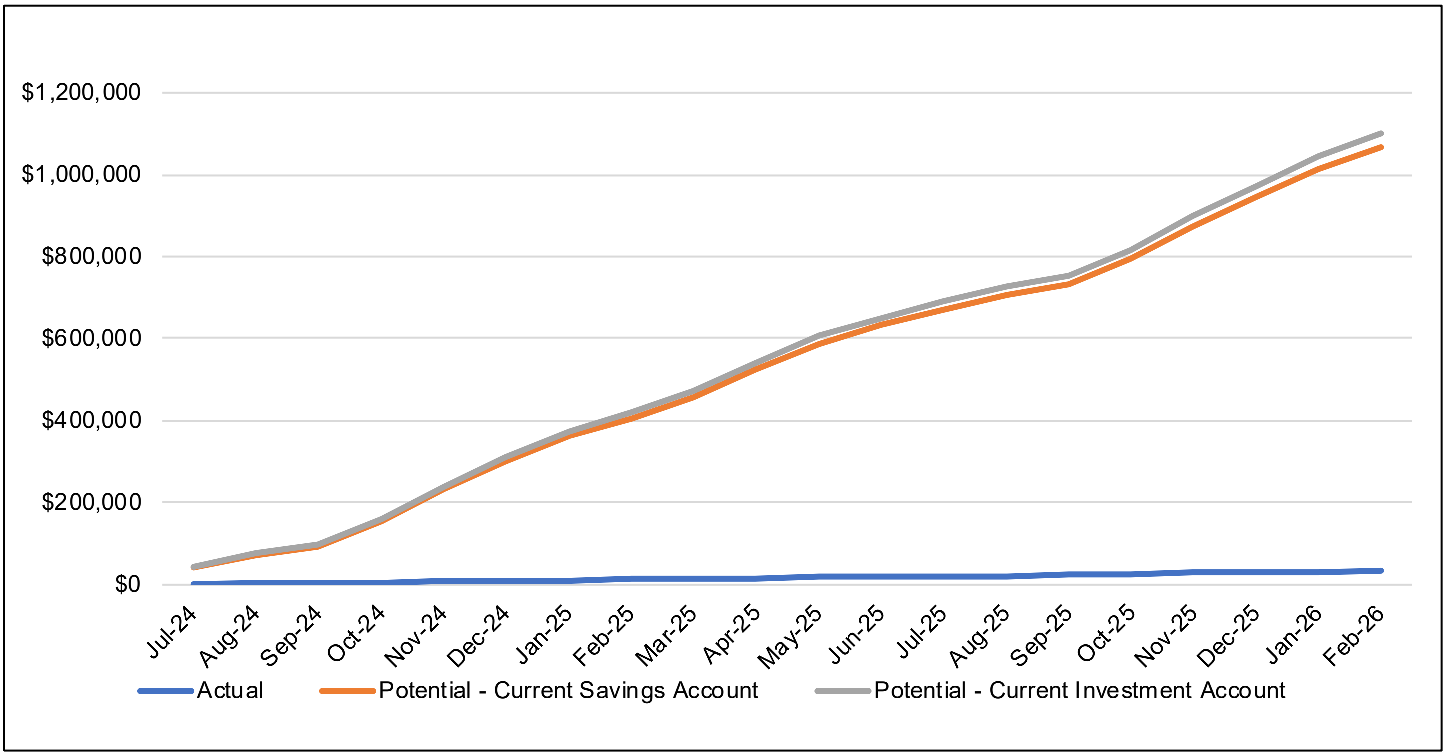
During the audit period, eight reserves' funds were deposited either at a financial institution in eight savings accounts that all received monthly interest rates between 3.4 percent and 5 percent or in an investment fund account that received average monthly interest rates between 3.6 percent and 5.2 percent.[1] During the audit period, the reserve funds on deposit averaged approximately $9 million each month and consisted of approximately $6.4 million in the eight savings accounts and $2.6 million in the investment account. The District realized investment earnings of $633,658 on these nine accounts during the audit period.

During the audit period, operating and debt reserve funds were deposited at the same financial institution as the District's savings accounts, in five interest-bearing checking accounts that all received monthly interest rates of .10 percent. The District realized investment earnings of $34,046 on these five accounts during the audit period.

While the District had available funds that were not needed for operations in the five checking accounts, averaging approximately $15.9 million each month during the audit period, officials did not consider investing the available funds in the same savings or investment accounts already used by the District, which offered higher interest rates. Had officials invested the available funds in these checking accounts during the audit period, in either of these investment options, the District may have earned more than $1 million in additional investment earnings (Figure 1).

1 The eight reserves consisted of the following: employee benefit accrued liability, unemployment insurance, New York State and Local Retirement System contributions, NYS Teachers' Retirement System contributions, tax certiorari, insurance, workers' compensation and capital. The reserve funds were deposited in separate savings accounts for each reserve, and a portion of the employee benefit accrued liability reserve funds were also deposited in the investment account.

Figure 1: Comparison of Actual to Potential Investment Earnings[2]



Because officials did not develop and manage a comprehensive investment program to provide specific actions to take – including guidance to determine how much of the available funds the District Treasurer (Treasurer) should invest – officials missed an opportunity for the District to realize additional revenues which would benefit District operations and potentially reduce the financial burden on District taxpayers.

Recommendations

District officials should:

1. Consider all four objectives of a comprehensive investment program – legality, safety, liquidity and yield – when investing available funds. This includes monitoring investments and periodically soliciting interest rate quotes and obtaining investment information from multiple financial institutions to ensure funds are invested to benefit District operations and taxpayers.
2. Prepare monthly cash flow forecasts that estimate the amount of funds available to invest.

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2 OSC's audit findings and discussions should not be considered an endorsement of any particular investment option, investment advice or an approval of specific investment decisions. While this figure includes a representation of the potential investment earnings associated with the District's potential investment options, it is incumbent on District officials, themselves, to determine which investment options are ultimately in the District's best interest and the interests of its taxpayers by balancing legality, liquidity, safety and yield.

Appendix A: Profile, Criteria and Resources

Profile

The District's boundaries include the Towns of Altona, Beekmantown, Chazy and Plattsburgh in Clinton County. The District's 2025-26 budgeted appropriations totaled $57.2 million.

The District is governed by the elected nine-member Board, which is responsible for managing and controlling the District's financial and educational affairs. The Superintendent of Schools is the chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction. The Business Manager is responsible for overseeing financial operations and the Treasurer is responsible for investing funds.

Criteria

A comprehensive investment program serves four basic objectives: legality, safety, liquidity and yield. A comprehensive investment program establishes basic procedures, ensures investment assets are adequately safeguarded and evaluates investment results.

Investing involves opportunities and risks, and officials must ensure the safety of public funds and that investments meet the school district's needs while striving to achieve investment earnings. A sound investment and cash management system ensures sufficient liquidity is available to support operations and that investments follow the statutory framework established for school districts.

School district officials should develop and manage a comprehensive investment program following guidance provided in the OSC's *Local Government Management Guide – Investing and Protecting Public Funds*.[3]

Prudent cash management and investment practices must include, among other things, the adoption of a formal investment policy, in accordance with GML Section 39, which details the school district's operative policy and instructions to officers and staff for investing, monitoring and reporting the school district's funds.

At a minimum, an investment policy must provide the following:

- Procedures for monitoring, controlling, depositing and retaining investments and collateral;
- Standards for security agreements and custodial agreements with banks or trust companies that are authorized to do business in the State;
- Permitted types of authorized investments;
- Standards for diversification of investments;
- Standards for any institution with which a school district transacts business, such as criteria covering creditworthiness, experience and other factors a school district board of education would want considered;
- Standards for written agreements in which investments are made; and
- Procedures and provisions to satisfactorily secure the school district's financial interest in investments.

In addition, procedures should include specific actions for officials to take to achieve investment earnings, such as preparing monthly cash flow forecasts to estimate funds available for investment, soliciting interest rate quotes from multiple financial institutions and investing available funds in legally permissible investments that offer competitive interest rates balanced with acceptable risk.

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3 Available at: https://www.osc.ny.gov/files/local-government/publications/pdf/investing-and-protecting-public-funds.pdf

When implemented, these types of policies and procedures can help lower investment risk while increasing the opportunities for investment earnings. The school district board of education must annually review the investment policy and should regularly monitor investments.

Additional Resources

OSC's *Local Government Management Guides,* and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- *Local Government Management Guide – Investing and Protecting Public Funds*: https://www.osc.ny.gov/files/local-government/publications/pdf/investing-and-protecting-public-funds.pdf
- *Revenue Enhancement Ideas: Cash Management for Local Governments and School Districts:* https://www.osc.ny.gov/local-government/publications/revenue-enhancement-ideas-cash-management-local-governments-and-school-districts

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: https://www.osc.ny.gov/local-government

Appendix B: Response From District Officials

The content below is a reproduced copy of the original response letter issued by District officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,[4] and may have included changes to spelling and grammar. The substance of the content was not changed.

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August 19, 2026

VIA EMAIL (Muni-GlensFalls@osc.ny.gov)

Gary Gifford
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RE: Beekmantown Central School District – Investment Program Audit (Report 2026M-62)

Dear Comptroller's Audit Team,

On behalf of the Beekmantown Central School District, I would like to extend our sincere appreciation to the Office of the State Comptroller for your thorough review and dedicated efforts during the audit of our district's investment program. We genuinely value the time, professionalism, and guidance your auditing team provided throughout this process.

The District acknowledges the findings outlined in the draft report. We appreciate the recommendations provided, as well as the acknowledgment that our investments were legal, safe, and liquid. Based on the valuable information and insights shared during the audit and exit meeting, the District has already taken proactive actions to further strengthen our investment framework, allowing us to realize additional revenues through optimized investment decisions.

Ultimately, every financial decision we make directly impacts our ability to serve our school community. Incorporating your recommendations further supports our efforts to meet our mission to educate every individual to be a quality contributor to society and self, while continuing to provide the students of our District with world-class educational opportunities.

Thank you once again for your dedicated service and support of our district.

Sincerely,

Dustin Relation
Superintendent of Schools

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4 https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule

Appendix C: Audit Methodology and Standards

OSC auditors obtained an understanding of internal controls that were deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of the work on internal controls, as well as the work performed in the audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed the District's investment policy and various financial records to gain an understanding of the District's cash management and investment procedures. This included inquiries regarding the Board's annual review of the investment policy, preparation of cash flow forecasts and solicitation of interest rate quotes from financial institutions.

- We reviewed the District's funds on deposit during the audit period to determine whether they were in legally authorized accounts and liquid to meet the District's operating requirements.

- We reviewed the District's funds on deposit as of February 28, 2026 to determine whether any amounts not insured under the Federal Deposit Insurance Act were properly secured.

- We reviewed all bank and investment statements for accounts with operating and/or reserve funds on deposit during the audit period and analyzed the corresponding cash balances to determine the funds that were available for investment each month during the audit period.

- We calculated the amount of investment earnings that the District may have realized had officials invested available funds each month during the audit period in the same savings or investment accounts already used by the District. We compared our calculated monthly investment earnings that the District may have realized for each of these investment options to the investment earnings that the District realized during the audit period.

OSC auditors conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Auditors believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

Questions?

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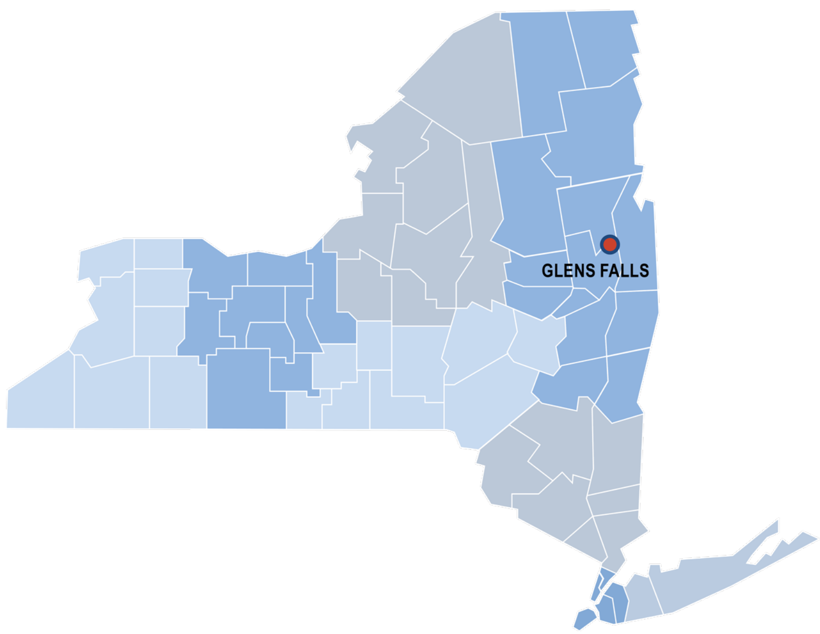

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