



ARDSLEY SCHOOL DISTRICT

August 27, 2024

Office of the State Comptroller
Local Government and School Accountability
110 State Street, 12th Floor
Albany, NY 12236

Re: Ardsley School District Corrective Action Plan

To Whom It May Concern:

This correspondence contains the Ardsley School District's (the "District") corrective action plan in response to the Comptroller's Audit Report 2024M-13.

While the District agrees with the Comptroller's view that the District should adopt realistic budgets and utilize surplus fund balance in a manner that benefits students and taxpayers, we disagree with the implication that our current approach to budgeting lacks transparency or has resulted in higher tax levies. During our public budget workshops held each spring, the District shares detailed information regarding actual and projected revenues and expenditures. Our public discussions also highlight the many variables and contingencies that can cause actual revenues and expenditures to depart from the budget in ways that are not easily predictable.

Nevertheless, the District has diligently protected the interests of students and taxpayers by consistently adopting budgets below the tax levy cap and closely managing discretionary spending throughout the year. We have done so while funding our most important educational priorities. We have also utilized reserves strategically to mitigate the burden on taxpayers – for example with the recently approved use of \$3.5 million from the capital reserve to defray a portion of costs from the District's upcoming capital project.

Notwithstanding our disagreement with some of the characterizations in the audit report, we are committed to ensuring that our budgeting practices align with legal requirements, Board of Education policy, and accounting best practices. Accordingly, we submit the corrective action plan described herein.

OSC Recommendation #1: The Board and District officials should 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: During the budget process, the District administration and the Board of Education will take a long-term view to prioritize the best interests of students and taxpayers. We will review the prior year's actual expenditures, the current year's budgeted and projected expenditures, and the following year's projected expenditures. The budget will include contingencies for foreseeable yet indeterminate fluctuations in revenues and expenses due to factors such as changes to state aid, increases in the number of special education students, spikes in utility and fuel prices, interest rate adjustments, insurance costs, and staffing changes.

Implementation Date: April 2025 for the 2025-26 budget

Person(s) Responsible for Implementation: Board of Education, District administration

OSC Recommendation #2: The Board and District officials should discontinue the practice of appropriating fund balance that is not needed or used to fund operations.

Implementation Plan of Action: The use of appropriated fund balance has allowed the District to account for such contingencies in the budget while consistently maintaining a tax levy below the cap for several consecutive years. Any unspent amounts are used to reduce the tax levy the following year or, as in the current year, utilized to fund designated priorities such as the District's upcoming capital project. As stated in #1 above, moving forward, the District administration and the Board of Education will attempt diligently to mitigate tax levy increases while budgeting responsibly, including accounting for fluctuations in revenues and expenses that may be foreseeable yet not precisely calculable.

Implementation Date: April 2025 for the 2025-26 budget

Person(s) Responsible for Implementation: Board of Education, District administration

OSC Recommendation #3: The Board and District officials should develop a plan to reduce surplus fund balance in a manner that benefits District taxpayers.

Implementation Plan of Action: The District agrees that the fund balance should be used in ways that benefit students and taxpayers. Our maintenance of reserves has enabled the District to fund priority programs for students while mitigating tax increases and also planning for foreseeable yet indeterminate contingencies. With respect to the recently approved capital project, we budgeted \$3.5 million from the capital reserve. Over the course of the coming year, we will review reserve levels and evaluate fiscally responsible options for using the fund balance to (1) fund one-time expenditures, (2) fund other reserves, (3) pay off debt, and/or (4) mitigate tax levy increases.

Implementation Date: May 2025 for the 2025-26 budget

Person(s) Responsible for Implementation: Board of Education, District administration

OSC Recommendation #4: The Board and District officials should adhere to the fund balance policy in conjunction with the annual budget process.

Implementation Plan of Action: The Board of Education will carefully review its fund balance policy during the budgeting process to ensure our approach is consistent with Board of Education policies and reflects the best interests of District students and taxpayers.

Implementation Date: April 2025 for the 2025-26 budget

Person(s) Responsible for Implementation: Board of Education, District administration

OSC Recommendation #5: The Board and District officials should review reserve fund balances and develop a plan to reduce balances to reasonable levels or use them to fund operations in accordance with applicable statutes.

Implementation Plan of Action: The District administration and the Board of Education will review current levels and historical activity with respect to each reserve account to determine whether such levels are reasonable in accordance with Board of Education policies and applicable statutes. To the extent the Board of Education and District administration determine that any such reserve level is unreasonably high, we will evaluate fiscally responsible options to use a portion of such reserves to (1) fund one-time expenditures, (2) fund other reserves, (3) pay off debt, and/or (4) mitigate tax levy increases. As noted above in #3, the District has already obtained voter approval to use \$3.5 million from the capital reserve to help finance the recently approved capital project.

Implementation Date: May 2025 for the 2025-26 budget

Person(s) Responsible for Implementation: Board of Education, District administration

OSC Recommendation #6: The Board and District officials should amend the District's reserve policy to include optimal or targeted funding levels and conditions under which each reserve will be used or replenished.

Implementation Plan of Action: As stated in #5, the District administration and Board of Education will review current levels and historical activity with respect to each reserve account to determine whether such levels are reasonable, and will make adjustments as needed. The Board of Education will also review the policies of neighboring districts to determine the level of specificity to include in the District's own reserve policy. The


Board of Education will consider amending its policies as needed to ensure that the format and substance of such policies are consistent with those of neighboring districts.

Implementation Date: June 2025

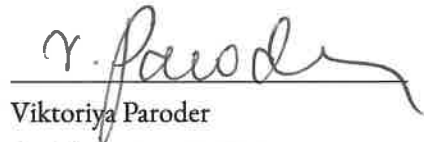
Person(s) Responsible for Implementation: Board of Education, District administration

Sincerely,

ARDSLEY SCHOOL DISTRICT



Dr. Matthew Block
Superintendent of Schools



Viktoriya Paroder
President, Board of Education