Middleburgh
CENTRAL SCHOOL DISTRICT
291 Main Street, Middleburgh, NY 12122

CORRECTIVE ACTION PLAN FOR INDEPENDENT (EXTERNAL) AUDIT YEAR ENDING JUNE 30, 2025

Below is the District's Corrective Action Plan (CAP) for findings noted in the audit report:

SECTION II: FINANCIAL STATEMENT FINDINGS

Noncompliance Material to the Financial Statements

2025-001 Compliance with the New York State Real Property Tax Law

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 2025/2026 general fund budget by $614,472.

Criteria: NYS Property Tax Law 1318 limits the amount of unassigned fund balance a District can have to no more than 4% of the general fund budget for the ensuring fiscal year.

Cause: The cumulative effect of expenditures being significantly under budget.

Effect of Condition: The District was not in compliance with the Real Property Tax Law.

Context: As part of audit procedures the compliance the NYS Real Property Tax Law 1318 limit is reviewed.

Recommendation: The District should develop a plan regarding how to address and use the excess in future years.

Views of Responsible officials and planned corrective actions: The District reviews fund balance projections quarterly to ensure excess fund balance is considered when preparing the subsequent year's budget and in reviewing reserve balances. The District anticipates using a portion of fund balance to balance the budget and keep the tax levy increase minimal or at 0%.

District Response: The District plans to review the fund balance projection by the end of the 2025/2026 school year and update the Reserve plan in place to consider establishing new reserves or fund current reserves with the excess fund balance. In addition, the District will consider using excess fund balance when preparing the subsequent year's budget. A plan to use the excess fund balance will be shared with the Board of Education and completed by Robyn Bhend, School Business Administrator by June 30, 2026.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2024-001 Compliance with the New York State Real Property Tax Law.
Condition: Unassigned fund equity of the general fund exceeds 4% of the 2024/2025 general fund budget by $993,971.

Current Status: This item is repeated as finding 2025-001.

District Response: See item 2025-001.

MCS KNIGHTS SUCCEED