

# MARGARETVILLE CENTRAL SCHOOL

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November 2, 2021

## Margaretville CSD Audit Response

**Prior Year Issues: None**

**Current Year Issue(s):**

### *1-Compliance with New York State Real Property Tax Law*

#### *Fund Equity*

Section 1318 of Real Property Tax Law establishes the maximum unassigned fund balance that can be retained by a school district. The current law limits this amount to 4% of the ensuing year's budget. The District's financial statements for the year ended June 30, 2021 indicate that the unassigned fund balance is in excess of the legal limit.

#### **District Response:**

The District has used excess unassigned fund balance to reduce taxes in the 2021-22 fiscal year by going out with a 0% tax levy increase. In the 2020-21 fiscal year, the District reduced the property tax levy by 5%. The District is developing a plan to review unassigned fund balances to reduce it to the appropriated level by State law.

### *2-Best Practice*

#### **District Response:**

The District will be insuring we incorporate the best practice suggestions that were recommended by the auditing firm.