



Please find Boquet Valley Central School District's response to the Financial Statement Findings from our independent audit for fiscal year ending June 30, 2025.

Type of Finding – Compliance and Other Matters

2025-001 Excess Unassigned Fund Balance

Criteria: New York State Real Property Tax Law requires school districts to maintain their unrestricted fund balance at or below 4% of the ensuing year's appropriations.

Condition: The portion of the district's fund balance subject to New York State Real Property Tax Law limit was 15.4% of next year's general fund budget.

Context: This is a repeat finding for the past several years. According to New York State Real Property Tax Law Section 1318, a district's unassigned fund balance may not exceed an amount equal to 4% of new year's budget.

Potential Effect: Funds were not used in a manner that benefited taxpayers such as increasing legally adopted reserves, paying off debt, and reducing property taxes.

Cause: The district adopted budgets with appropriations which exceeded the actual amounts needed.

Recommendation: We recommend the district keep in mind this property tax law when preparing future budget.

Management's Response: The district acknowledges being above the 4% threshold. Given the current state of foundation aid in the state and unknowns with future IDEA and ESSA funding from the Federal Government, the district has taken a conservative approach to spending and moving money into assigned reserves. In the 2025-2026 fiscal year, the district plans to update and adopt a reserve plan to move excess funds into NYSED approved reserves. The district is taking immediate steps to decrease unassigned fund balance.

Responsible Party: Business Official and Superintendent

Date of Expected BOE Adoption: February 2026

Expected Completion Date: June 30, 2026