

Fiscal Stress Monitoring Report

A recent report by state Comptroller Thomas P. DiNapoli indicated the Southern Cayuga Central School District was experiencing fiscal stress at the end of the 2012-13 school year. Eighty seven districts across the state were designated as being at some level of fiscal stress, which includes significant, moderate or susceptible categories. Southern Cayuga received a susceptible rating, which is the lowest of the three.

The 2012-13 fiscal stress report for Southern Cayuga indicated a decrease in cash flow which was directly related to capital project payments made during the 2012-13 school year that were reimbursed during the 2013-14 school year. In essence, cash was loaned from the general fund to the capital fund and then reimbursed after July 1, 2013. As the district's fiscal year runs from July 1 to June 30, the report does not take this into account and the cash flow concern was resolved as of July 1, 2013. We anticipate the district's cash flow rating to improve.

The report also noted that the district's expenses exceeded revenues during the past two fiscal years. The Board of Education has been making difficult decisions to balance the budget due to declining state aid and increasing retirement benefit costs. The BOE is mindful of the community's ability to manage tax increases and has been making fiscally responsible decisions such as the reduction of staff while utilizing the fund balance. During the past two years, the district has allocated fund balance to meet expenses. In preparing the 2014-15 school budget, the district is realigning the projected state aid versus the amount of state aid actually received. In the prior years the actual state aid received was less than projected and the district will build the 2014-15 budget taking this into consideration.