



Lake Placid Central School District

Transportation State Aid

2023M-95 | October 2023

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Report Highlights

Lake Placid Central School District

Audit Objective

Determine whether the Lake Placid Central School District (District) officials applied for all applicable transportation State aid for new bus acquisitions.

Key Findings

District officials did not apply for all applicable transportation State aid for new bus acquisitions. As a result, District's taxpayers will not benefit from the \$18,842 in aid the District would have received upon State Education Department (SED) approval. In addition, if officials do not properly file the aid applications with SED, taxpayers will also not benefit from the remaining \$45,034 officials can claim.

Key Recommendations

- Ensure that transportation State aid is applied for and received.
- File the appropriate State aid applications for the buses identified in this report.

District officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

Background

The District serves the Towns of North Elba and Wilmington in Essex County. The elected seven-member Board of Education (Board) is responsible for the general management and control of financial and educational affairs.

The Superintendent of Schools is the chief executive officer and, along with other administrative staff, is responsible for day-to-day management under the Board's direction.

The Assistant Superintendent for Business, Finance and Support Services (Assistant Superintendent) oversees business operations, maintains financial records and is responsible for preparing and submitting the State aid forms for new bus acquisitions.

SED provides transportation capital aid to school districts for the assumed debt service expenditures associated with the approved costs of purchased and leased buses.

Quick Facts

District-Owned Buses	13
Transportation Costs Eligible for State Aid	\$1.2 million
Transportation Costs Submitted for State Aid	\$160,810

Audit Period

July 1, 2018 through April 30, 2023. We extended the scope back to May 16, 2017 to review Board minutes and voter approvals for bus acquisitions.

Transportation State Aid

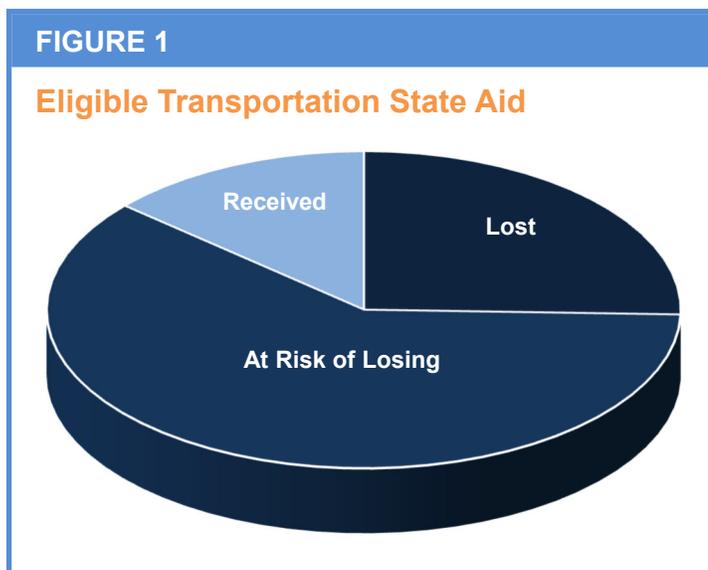
How Does A District Apply for Transportation State Aid?

To receive State aid, a school district must apply to SED, providing detailed information for each new bus purchased or leased within one year of the purchase or lease date, using the State Aid Management System website. A school district can help ensure it receives all transportation State aid it is entitled to receive by establishing and implementing procedures for preparing and filing transportation aid applications in a timely manner.

The Assistant Superintendent Did Not Apply for All Applicable Transportation Aid

The Assistant Superintendent did not apply for all the State aid to which the District was entitled for bus acquisitions. We reviewed all 13 of the District's bus acquisitions during our audit period and found the District submitted the proper applications to SED for two of the 13 buses in August of 2018. These two buses were acquired for a combined cost of \$160,810. The 11 buses that were not reported to SED were acquired for a combined cost of \$1,024,386.

In May 2023, SED representatives told the District they would approve State aid for the buses in question back to the date of first payment, but would only pay aid that would be received from current date forward. Therefore, by not submitting the proper applications for 11 buses, the District's taxpayers will not benefit from the \$18,842 in aid the District would have received upon approval with SED. In addition, if officials do not properly file the aid applications, taxpayers will also not benefit from the remaining \$45,034 officials can claim (Figure 1).



This total eligible transportation State aid consists of amounts that the District would have received between fiscal years 2019-20 and 2028-29 as shown in Figure 2:

Figure 2: Transportation State Aid for Bus Acquisitions

Fiscal Year	Total	Received ^a	Lost
2019-20	\$1,759	\$1,759	\$0
2020-21	\$5,445	\$2,067	\$3,378
2021-22	\$8,023	\$2,112	\$5,911
2022-23	\$11,661	\$2,108	\$9,553
Fiscal Year	Total	Will Receive	Potential Lost
2023-24 to 2028-29	\$47,046	\$2,012	\$45,034
Total	\$73,934	\$10,058	\$63,876

a) Amounts received are for the two buses with properly submitted applications to SED.

The Assistant Superintendent was not aware transportation aid was available and did not understand that transportation State aid forms were required to be filed with SED. Because he did not have a clear understanding of this process, he did not submit State aid applications for any of the new bus acquisitions since his appointment in September 2018. Furthermore, without having a clear understanding of the process, the Assistant Superintendent will continue to miss aid application deadlines. As a result, the District lost, and will continue to lose, transportation State aid until applications are submitted to SED.

What Do We Recommend?

District officials should:

1. Ensure that transportation State aid applications are prepared and submitted in a timely manner and the District receives all the aid to which it is entitled.
2. File the appropriate State aid applications for the buses identified in this report.

Appendix A: Calculation of Transportation Aid

To receive State aid, a school district must apply to SED, providing detailed information for each new bus purchased or leased within one year of the purchase or lease date, using the State Aid Management System website.

Transportation aid payments are made over a five-year period if the bus is acquired during the first six months of the fiscal year (July 1 through December 31) and over a six-year period if the bus is acquired during the last six months of the fiscal year (January 1 through June 30). SED estimates the assumed annual debt service cost for bus acquisitions based on assumed amortization schedules, using a statewide average interest rate. The assumed annual debt service cost, after making deductions for other purposes and non-allowable pupils, multiplied by a school district's annual State-share ratio for transportation aid determines the amount of State aid a school district is entitled to each year.

Appendix B: Response From District Officials

Board of Education

President
Daniel Cash
Vice President
Colleen Locke
Ronald Briggs
John Hopkinson
Douglas Lansing
Colleen Skufca
Ryan St. Louis

Lake Placid Central School

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Superintendent's Office Fax: 518-523-4971
Business Office Fax: 518-523-4901
www.lpcsd.org

Administration

Superintendent
Timothy Seymour, ext. 3002
Asst. Superintendent for Business
Finance and Support Services
Dana Wood, ext. 3004
District Clerk
Karen Angelopoulos, ext. 3001
Deputy Treasurer
Elizabeth Smith, ext. 3005
Tax Collector
Shelley Light, ext. 3003
Administrative Assistant
Tracey Ridenour, ext. 3010

Lake Placid Central School
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Audit Recommendations:

- 1. Ensure that transportation State aid applications are prepared and submitted in a timely manner and the District receives all the aid to which it is entitled.**

The district accepts this recommendation and this response also serves as the Corrective Action Plan.

Going forward the district will ensure all aid applications for bus leases will be submitted at the time of receiving each bus. The Bus Lease aid application for the one passenger bus received thus far in 2023 has been submitted to the state.

- 2. File the appropriate aid application for the buses identified in this report.**

The district accepts this recommendation and this response also serves as the Corrective Action Plan.

The district has submitted all past Bus Lease aid forms for our thirteen buses to the state. In addition, the state has accepted these applications.



Dana Wood
Assistant Superintendent for Business, Finance and Support Services

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and reviewed various transportation aid documents and SED regulations to gain an understanding of the transportation aid process for bus purchases and leases, and the District's procedures for applying for State aid for bus acquisitions.
- We reviewed purchase orders, lease agreements, invoices, insurance policies and a vehicle inventory list and observed buses at the District to determine the population.
- We reviewed Board minutes and vote tabulation results to determine whether bus acquisitions were voter approved.
- We interviewed District officials and SED representatives and reviewed all bus acquisition documentation and SED reports for our audit period to determine whether District officials submitted State aid applications to receive transportation aid for new bus acquisitions.
- We performed calculations to determine the amount of transportation aid lost or not received for buses not reported. We projected the amounts for fiscal years 2023-24 through 2028-29 using the District's average State-share ratio for transportation aid and deduction amounts for fiscal years 2019-20 through 2022-23.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix D: Resources and Services

Regional Office Directory

www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

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Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

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Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/local-government/required-reporting

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Contact

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