



Ichabod Crane Central School District

2910 Route 9, P.O. BOX 820, Valatie, New York 12184
(518) 758-7575
<http://www.ichabodcrane.org>

December 21, 2023

Simonia Brown, Assistant Comptroller
Office of the State Comptroller
110 State Street
Albany, NY 12236

Dear Ms. Brown:

On behalf of the The Kinderhook (Ichabod Crane) CSD, I would like to express my concerns and disagreement with the NYS Office of State Comptroller's (OSC) 2023 Fiscal Stress rating assigned to the district. The rating of Susceptible Fiscal Stress does not authentically reflect the district's past, present or future financial position. Not only is this the first year the district has received a score other than No Designation, but a closer examination of the ST3 and the district's year-end independently audited financial statements clearly and undoubtedly indicates that Ichabod Crane (IC) is not experiencing fiscal stress. The outcome of the district's 2023 fiscal stress as conducted by OSC is the direct result of outstanding Federal and State grant reimbursements, outstanding State Aid and a fiscal stress measuring tool without the capacity to recognize government owed funding as a component of cash position.

The overall financial stability of IC is demonstrated on Line AT051 of Exhibit A on the 2022-23 ST3 with an increase of assets from \$7,176,629 to \$7,747,508. Additionally, the aforementioned 2022-23 assets far exceeded the liabilities of \$2,922,808 on Line AT065. This benchmark alone demonstrates that the district is not susceptible to financial stress. However, there are three Indicators (#4, #5, #6) on the Fiscal Stress Tool artificially producing results that are contrary to the genuine fiscal strength of the district. Specifically, the indicators for Cash Position (#4, #5) do not include the Due From Other Funds, Line A391 (Special Aid and Capital) or State and Federal Aid on Line A410. The total of the two (Line AT044) on the ST3 designates that IC is owed \$4,048,832 from government entities. The amount owed (\$4,048,832) to the district by the Government when added to the total of Unrestricted Cash on Line AT021 of \$1,164,469 is the true measure of cash available to IC. All State and Federal grants require districts to pay for the goods, services, etc. upfront and then go through an extensive and often slow reimbursement process. Unfortunately, IC was left in a position of being owed over four million dollars as of June 30, 2023 because we appropriately and responsibly used our cash to purchase said goods and services to benefit the students of our district during a time of great need and crisis. By not recognizing monies owed to districts from government entities, OSC is inadvertently casting a negative light on our financial health.

The final indicator (#6), the fiscal monitoring tool addresses the use of Short Term Debt. Once again, this indicator also does not correctly highlight the district's financial stability. The short term debt indicator does not take into account the recent factor of extensive grant funding. Our district took a short term Revenue Anticipation Note (RAN) for \$1,500,000 in order to ensure sufficient cash flow and timely debt payments between 7/1/22 and 9/1/22. The district is not accustomed to having the need for short term debt because we routinely maintain the maximum allowed 4% unassigned fund balance, which pre-covid grant funding provided excellent cash flow. However, IC initiated a RAN this year because we were impacted by the slow reimbursement process of the government grants.



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One can easily see that the amount of the RAN is nearly identical to the amount owed to the district in grants (\$1,631,355 of Special Aid & Capital) as detailed in our Financial Statements on the Balance Sheet - Governmental Funds (p.16). [ICC 22-23 Financial Statements](#) Therefore, it's factually evident that the sole reason for our decreased rating is due to money owed to the district by the government and an objective universally applied measurement tool that lacks the flexibility to accurately project the actual fiscal stress of the district.

Although the district is deeply disappointed in the outcome of this rating, IC will continue the practice of fiscally responsible budgeting and accounting to meet the educational needs of our students and community. IC encourages OSC to review and update as necessary the components of this important monitoring tool.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads 'Marie Digirolamo'. The signature is written in a cursive, flowing style.

Marie Digirolamo