



Rate Setting Unit
89 Washington Avenue, Room 302 EB
Albany, New York 12234
Tel. 518-474-3227, Fax 518-486-3606
E-mail: ratweb@mail.nysed.gov
www.oms.nysed.gov/rsu

Harold Matott, Director

March 20, 2019

Dear Colleague,

Several months ago, the New York State Education Department (Department) issued a letter dated September 25, 2018 stating that effective with the 2017-18 school year financial reports, the Department will calculate tuition rates for Special Act School District (SASD) programs from data submitted in the New York State Consolidated Fiscal Report (CFR). Per existing regulations 8 NYCRR 200.9(e)(i)(a)(1). "Private providers and special act school districts shall submit the New York State Consolidated Fiscal Report certified by a licensed or certified public accountant independent of the program's operation."

Furthermore, the September 25, 2018 stated that as public school districts, Special Act School Districts will also be required to submit Annual Financial Report (ST3) Information which is required by 8 NYCRR 200.9(e)(i)(a)(3). Financial Statements, as required by 8 NYCRR 200.9(e)(ii) will continue to be submitted to support the CFR data but the supplemental schedules to the ST3 will no longer be required.

It has been brought to the Department's attention that independent accountants have concerns certifying the 2017-18 CFR for SASDs, as the CFR opinion statement contains language attesting to an accounting method (accrual) that differs from that prescribed by the School Districts Accounting and Reporting Manual for governmental funds (modified accrual).

As such, the Department is modifying the reporting requirement for SASDs for the 2017-18 school year to allow either of the following:

- 1) Submission of a complete and certified CFR with accompanying Financial Statements

OR

- 2) Submission of a complete and uncertified CFR, along with complete ST-3 Supplemental Schedules SS-20 through SS-27 and accompanying Financial Statements.

Also, if 2017-18 CFR certification expenses are incurred during the 2018-19 school year that may not be funded in the 2018-19 tuition rate due to cost screen parameters, the Department will consider a waiver to the 2018-19 tuition rate to accommodate the CFR certification expense, subject to Division of the Budget approval.

Please understand that for 2018-19 financial reporting, the Department will require the 2018-19 CFR to be completed and certified by an independently licensed or certified public accountant.

If you have any questions or concerns, please contact the Department's Rate Setting Unit at (518) 474-3227 or at rateweb@nysed.gov.

Sincerely,

A handwritten signature in black ink that reads "Harold Matott". The signature is written in a cursive style with a large, stylized initial 'H'.

Harold Matott