



# Letchworth Central School District

5550 School Road ~ Gainesville, NY 14066

**Todd Campbell**  
Superintendent  
[585] 493-5450

**John Novak**  
Business Admin  
[585] 493-5150

**Rae Lynn Helman**  
Pupil Personnel Dir  
[585] 493-3512

**Julie Pernesky**  
Curriculum & Inst Dir  
[585] 493-3513

**William Bean IV**  
PK-4 Principal  
[585] 493-2581

**Amy Leone**  
5-8 Principal  
[585] 493-2592

**Paul Rogers**  
9-12 Principal  
[585] 493-2571

**Kevin Murray**  
Asst Principal 5-12  
[585] 493-2571

**Directory**  
Auto Attendant  
[585] 493-5999

April 9, 2019

Jeff Mazzula  
295 Main Street, Suite 1032  
Buffalo, New York 12236

Dear Mr. Mazzula,

Enclosed you will find our corrective action plan in response to the state comptroller's audit for Letchworth Central School District in January 2019.

The CAP was approved by the Letchworth Board of Education on Monday, April 8, 2019.

The CAP will be available for public review in the District Clerk's office.

If you have any further questions, please feel free to contact my office at 585-493-5450.

Respectfully,

D. Todd Campbell  
Superintendent

## Corrective Action Plan (CAP)

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|---|---|
| <b>Agency:</b>  | Letchworth Central School District  |
| <b>Audit Period:</b>  | July 1, 2014- July 30, 2018   |
| <b>Audit Finding Title:</b><br><i>(Copy and Paste this from the audit finding)</i>  | Finding #1:<br>The written reserve fund policy does not adequately address funding levels resulting in overfunded reserves that are not used.   |
| <b>Specific steps to be taken to correct the situation</b> <i>(including a timetable for performance of the CAP) or the reason why corrective action is not necessary</i> <i>(including disagreement with the finding):</i> | <p>The Board of Education adopted an updated/comprehensive written Reserve Policy in July 2017.</p> <p>In October 2018 the Board of Education, upon recommendation of the administration, further revised the District Reserve Plan to include optimal funding levels, probable term and funding methods.</p> <p>The Board and administration will continue to examine the Reserve Policy and Reserve Plan yearly in October to look at projected future needs, use and necessity for reserves.</p> |
| <b>Anticipated completion date:</b>   | Annually; in October  |
| <b>Name(s) and Title(s) of contact person(s) responsible for corrective action:</b>   | Board of Education President - Pete Broughton<br>Superintendent - D. Todd Campbell<br>Business Administrator- John Novak  |

## Corrective Action Plan (CAP)

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|---|---|
| <b>Agency:</b>  | Letchworth Central School District  |
| <b>Audit Period:</b>  | July 1, 2014- July 30, 2018   |
| <b>Audit Finding Title:</b><br><i>(Copy and Paste this from the audit finding)</i>  | Finding #2<br>Five reserve funds totaling \$3.5 million are overfunded.   |
| <b>Specific steps to be taken to correct the situation</b> <i>(including a timetable for performance of the CAP) or the reason why corrective action is not necessary</i> <i>(including disagreement with the finding):</i> | <p>In October of 2018 the Board of Education reviewed all Reserve funds to determine whether the amounts reserved are necessary and reasonable based upon projected needs. The Board will continue to do so annually during public session.</p> <p>Additionally, the Board and administration will continue to consult with its financial planner and auditor, as appropriate, regarding the designated use of all reserve funds in light of projected needs. In instances in which the amount of a reserve fund is in excess of the District's projected future needs over a five-year period, the Board and administration, in consultation with its auditor and attorney, will consider legally authorized methods to reduce the reserve while maintaining an appropriate balance for the financial protection of the District.</p> <p>Specifically with regard to the District's Debt Reserve, over the next five year period, we will continue efforts that started in 2014 to use the remaining funds for principal and interest payments on the debt from past capital projects. This plan will continue to have a positive impact on District taxpayers by lowering the amount of the levy needed to support the debt payments.</p> <p>This is a responsible way to distribute the money without a large fluctuation in tax levy.</p> |
| <b>Anticipated completion date:</b>   | Annually; in October<br>Remaining Debt Reserve funds anticipated to end in July 2023.   |
| <b>Name(s) and Title(s) of contact person(s) responsible for corrective action:</b>   | Board of Education President - Pete Broughton<br>Superintendent - D. Todd Campbell<br>Business Administrator- John Novak  |