

## *Lancaster Central School District*

---

*Business Office  
177 Central Avenue  
Lancaster, NY 14086  
Phone: 716 686-3212  
jphillips@lancasterschools.org*

*Jamie L. Phillips  
Assistant Superintendent  
for Business and Support Services*

October 10, 2023

New York State Education Department  
Office of Audit Services  
89 Washington Avenue, Room 524 EB  
Albany, NY 12234

Dear Commissioner:

In connection with the financial statement findings and management letter issued relative to the fiscal year ending June 30, 2023 financial audit of the Lancaster Central School District, the District, “Management”, has the following corrective actions planned:

**Financial Statement Finding 2023-001—Unrestricted Fund Balance Calculation**

*Condition:* At June 30, 2023, available fund balance minus appropriated fund balance and amounts assigned for encumbrances is in excess of the 4 percent limitation. The district is not in compliance with NYS Real Property Tax Law 1318.

*Recommendation:* Consider the establishment of certain restricted fund balance or increasing current restrictions which would set aside these “one-time” revenues in a reserve to be utilized for future needs of the District. Consult with legal advisor to ascertain reserve options, including creating further reserves.

*Management Response:* Management acknowledges that the District has available fund balance in excess of the 4 percent allowed. After consultation with our partners in business, the district will complete a cash defeasance of two of the district’s outstanding bonds. The defeasance of the 2013 and 2018 bonds will return the district’s unappropriated fund balance to within the 4% limit after the payment is made. This action meets the NYS OSC recommendation of using excess funds by paying one-time expenditures and paying off debt.

*Implementation Date:* October 27, 2023

*Person Responsible for Implementation:* Board of Education, Assistant Superintendent for Business & Support Services

Respectfully Submitted,



Audit Committee Chairperson