

Lancaster Central School District

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

October 7, 2024

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, 2024 financial audit of the Lancaster Central School District, the District, "Management", has the following corrective actions planned:

Financial Statement Finding 2024-001—Unrestricted Fund Balance Calculation

Condition: At June 30, 2024, available fund balance in the District's General Fund exceeded 4 percent of the subsequent year's budgeted appropriations. The District's unrestricted General Fund 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.

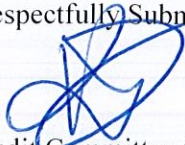
Recommendation: Consider the establishment of certain restricted fund balance or increasing current restrictions which would set aside these "one-time" revenues in a reserve to be utilized for future needs of the District. Consult with legal advisor to ascertain reserve options, including creating further 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 allocate funds to pay down existing Bond Anticipation Notes at the time of their renewal. This action meets the NYS OSC recommendation of using excess funds by paying one-time expenditures and paying off debt.

Implementation Date: June 1, 2025.

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

Respectfully Submitted,



Audit Committee Chairperson