

HADLEY – LUZERNE CENTRAL SCHOOL

27 HYLAND DRIVE
PO BOX 200
LAKE LUZERNE, NEW YORK 12846-0200

Michelle D'Angelico Taylor
School Business Manager

Telephone (518) 696-2378, Ext. 1138
Fax (518) 696-5884
Email taylorm@hlcs.org

October 25, 2021

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

RE: Hadley-Luzerne CSD 2020 - 2021 External Audit Corrective Action Plan

Independent Public Auditing Firm:
Jenkins, Beecher & Bethel, LLP
Route 9, P.O. Box 1246
South Glens Falls, NY 12803

Dear Sir/Madam,

Please see the district's response and corrective action plan regarding the 2020 - 2021 Audit Finding.

- 1) Finding: As shown in Supplemental Schedule #3, the fund balance (undesignated) at the fiscal year ended June 30, 2021 was \$3,182,253. Section 1318 of the Real Property Tax Law allows only 4% of current year's budget to be retained as undesignated fund balance. For the Hadley-Luzerne Central School, this amount would be \$870,811 (4% of \$21,770,281). The Hadley-Luzerne Central School is in violation of Section 1318 of the Real Property Tax Law.

Corrective Action Plan: The district is aware that the fund balance is in excess of the 4%. Administration along with the Board of Education will continue to review the policies pertaining to fund balance and reserves to ascertain better compliance with Section 1318 of the Real Property Tax Law. To assist with this issue currently, the district will fund other reserves with the additional money that the Board of Education will approve (with a resolution) at our December Board Meeting. We as a district will also establish a Capital Reserve, May 2022.

Respectfully,



Michelle D'Angelico Taylor
School Business Manager



May Vischer
District Clerk