



Encl. #09.15
September 29, 2016

Business Office
One Raider Lane • Horseheads, NY 14845
(607) 739-5601, x4260 • Fax (607) 795-2415
www.horseheadsdistrict.com

TO: Board of Education
FROM: Katy Buzzetti, School Business Administrator
DATE: September 29, 2016
RE: Corrective Action Plan – Financial Statements

Below is the Corrective Action Plan (CAP) for the Audited Financial Statements for the year ending June 30, 2016.

Financial Condition –

As of June 30, 2016, the District utilized various committed fund balances which resulted in the District exceeding the 4% maximum unassigned fund balance as required by Section 1318 of the real property law.

The District acknowledges the excess unreserved fund balance. The District has developed a reserve plan as part of a long range plan and will integrate the various committed fund balances into the appropriate reserves. The District took a step towards correcting this finding as of June 30, 2016 by using these committed funds to fully fund the capital reserve and retirement reserve, decreasing the committed balances from \$7,463,647 as of June 30, 2015 to \$2,683,377 as of June 30, 2016.

School Lunch –

As indicated in the financial statements, we noted the school lunch program had an operating loss totaling \$84,490. In addition, we noted the revenue budget was \$29,766 under budget (actual revenues were less than anticipated) and the expenditure budget exceeded the estimated budget by \$56,724.

The District will review the budget development procedures for the school lunch program. Due to a change in the District's organizational structure, the School Business Administrator directly oversees food service operations. The School Business Administrator will work with the School Lunch Director to improve budget development procedures.

Thank you.

C: Dr. Thomas J. Douglas, Superintendent of Schools
Tom Zuber, External Auditor
Linda Klievoneit, District Treasurer
Julie Kephart, Internal Auditor
Scott Arnold, CBO Controller
Ann Pirozzolo, CBO Accounting Manager

“Quality Education for All”

The Mission of the Horseheads Central School Community is to provide a quality education for all within a nurturing environment which promotes excellence, growth, and a sense of civic responsibility.