



Northeastern Clinton Central School District

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February 3rd, 2021

To Whom It May Concern:

Northeastern Clinton Central School District's Response and Corrective Action Plan for the Financial Report and Management Letter for the 2019-2020 school year is as follows:

SECTION II – FINANCIAL STATEMENTS

20-001 Excess Fund Balance

Condition: The Districts Unassigned General Fund Balance is 5.24% of next year's budget.

Effect: The District's Unassigned General Fund Balance was 1.24% or \$393,974 over the amount allowable by law.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed and amount equal to 4% of next year's budget.

Recommendation: We recommend the District keep in mind this law when preparing next year's budget.

Corrective Action: The District recognizes its Fund Balance exceeds the 4% allowable amount; however, the District has reduced that amount from 11.27% in 2017-2018 to 7.73% in 2018-2019 and to 1.24% in 2019-20. The District will continue to work towards being conscientious of the 4% limit while planning for and/or limiting taxpayer exposure to high and/or spikes in the tax levy increases due to the rapidly increasing costs supported by stagnant and limited revenue streams.

The Board of Education President, Steve Southwick, and the additional 6 School Board Members, as part of their budget development and adoption responsibilities, will work towards the goal of a 4% Fund Balance by the close of each Fiscal Year, including June 30th, 2021, letting this Correction Action Plan reflect the Board of Education recognition of this audit finding.

Sincerely,

Steve Southwick

BOE President/Audit Committee Member

Amended Version dated February 3rd, 2021/Original Version dated November 4th, 2020