



**Great Expectations for  
Achievement, Respect, and Caring**

## Lyncourt Union Free School District

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James J. Austin  
Superintendent

Kimberly A. Davis  
Principal

Cathryn L. Marchese  
Business Administrator

November 1, 2022

New York State Dept. of Education  
Office of Audit Services  
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Dear Office of Audit Services,

The Lyncourt Union Free School District Annual Financial Statement for year ending June 30, 2022 was presented to our Board of Education and accepted by board resolution at their regular meeting on Tuesday, October 11, 2022. The independent audit was conducted by Port, Kashdin & McSherry, CPA firm. The Board of Education received the Financial Statement, Management Letter, and Significant Audit Findings Report for the 2021-2022 school year from Port, Kashdin & McSherry.

***Per The Schedule of Findings and Recommendations the following Significant Audit Findings were noted. These findings will be addressed in the district by the corrective action plan outlined below:***

***Significant Deficiencies:***

***Fund Balance, Long-Range Budgeting, and Reserve Planning:***

***New York State Real Property Tax Law allows district to retain any unreserved, undesignated fund balance of up to 4% of the next year's budget. At June 30, 2022, the District's undesignated and unreserved General Fund balance was \$1,386,184., which is 10.38% of the budget adopted for the 2022-2023 fiscal year.***

***A multi-year financial plan was developed and implemented. We recommend the Board of Education monitors its progress with this plan to ensure financial stability of the District.***

Corrective Action Plan:

The Board of Education is diligent in its efforts to maintain a responsible level of fund balance. In recent years the District had reduced its fund balance from 14.19% to 8.38%. Last year the district was able to reduce the use of fund balance as a budget appropriation, returning \$375,000 back to undesignated fund balance. The result increased undesignated fund balance to 11.57%. This year the district was able to eliminate the use of fund balance as a budget appropriation, returning another \$100,000 back to undesignated fund balance. The Board of Education approved the funding of reserves at the end of the 2022 school year in an effort to reduce the unassigned fund balance. The result reduced the fund balance slightly to 10.38%. The fund balance will be monitored closely at the end of the coming year. The historical situation of withheld and frozen state aid funding supports the need to maintain reserves and undesignated fund balance levels in excess of the 4% permitted by law in order to have sufficient funds to operate our school district during trying times. In addition to maintaining the district in the environment where expenditures are continually in excess of anticipated aid and property tax increases, the ability to fund available programs without having to borrow money to front the startup costs is imperative. The promise to fully fund state aid and maintain it going forward is considered in future financial planning with both optimism and caution. It is this feeling of uncertainty for our small school district that prove the necessity to maintain a responsible level of fund balance.

The Board of Education is proud and determined to keep Lyncourt UFSD fiscally sound and sustainable. The Lyncourt Union Free School District Board of Education supports that 4% fund balance is not reasonable nor responsible toward sustaining the fiscal health of the school district. With that being said, the Administration and Board of Education will continue to put fund balance management practices into place in an effort to be in compliance to the extent that is fiscally responsible for the district and community that supports our public school.

- The district will continue to review and determine appropriate funding levels for reserve accounts annually.
- The district will update the Multi-year Financial Plan and use it as a tool to monitor fiscal needs and planning.
- The district will continue to review reserves and both short and long-term planning during the annual budget process to determine appropriate funding to support the General Fund budget.

Please let me know if I may be of further assistance. I can be reached at 315-455-7571, extension 2005. Thank you!

Sincerely,

*Cathryn L. Marchese*

Cathryn L. Marchese, SDBL  
School Business Administrator