

CAMDEN

CENTRAL SCHOOLS

October 3, 2016

Mary Lynne Szczerba
Superintendent of Schools

Office of the State Comptroller
110 State Street
Albany, NY 12236

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

Reference: Corrective Action Plan
Report No 2016M-51
Released: June 30, 2016

The following Corrective Action Plan will be approved by the Camden Central School District Board of Education at the regular scheduled Board meeting on October 11, 2016.

Recommendation Implementation Plan

Recommendation #1 Adopt budgets with realistic estimates of expenditures.

The Camden Central School District has taken additional steps in 2016-2017 and will continue to focus on more closely defining expected expenditures in the larger expenditure areas of employee salaries, benefits, and facility expenses. The District expects salaries and benefits to stabilize with the completion of the transition from 4 to 3 elementary buildings. The District also estimates stabilization in facility operational costs with: cost of principle and interest associated with the completion of 12 years of construction, decreased cost in maintenance and required resources with newer facilities and the elimination of projected expenses now with the May 2016 sale of the one closed building. The District will review during budget workshops in March, historical trends of the percentage difference in expenditure accounts and will work towards a 4% differential down from the 7% in 2014-2015.

Recommendation #2 Develop a plan to use excess funds in a manner that benefits District residents. Such uses could include, but are not limited to:

- Paying off debt.
- Financing one-time expenditures.
- Funding legally established, necessary reserves.
- Reducing real property taxes.

The Camden Central School District is continuing our concerted effort and taking additional steps in the 2016-2017 budgets to address the District's year end fund balance. We expect the volatility of our fund balance to stabilize as a number of economic factors have been addressed by the Board and the administration. The Board of Education's priority has been on meeting the New York State constitutional responsibility, in concert with the State, of providing a sound basic meaningful education to the students in our care. In addition, our Board of Education and administration never takes our sight off of the financial impact of this responsibility, for our community of stakeholders. We will continue to hold tax obligations to 2% or less as we have done for a number of years (see below). We will continue to maximize the use of every dollar to the best of our ability. We will continue to recognize the uncertainty of State funding of which we rely on for nearly 80% of our revenue. We will continue to monitor our precarious local economics that is yielding minimum property value growth and transitional industry and manufacturing ownership.

Property Tax Date	k-12 & Full Time BOCES Enrollment		Year to Year Change Budget %	Local Property Tax share%	Local Property Tax Share	Year to Year Change		District Property Tax Amount	Year to Year Change in Taxes	District Average Tax Rate	Year to Year Change in Property Tax Rate	School District Taxable Full Value W/ PILOTS	Year to Year Change in Value
	Fall Beds	Budget				In Local Taxes	PILOT Revenue						
Sept. 1, 1996	N/A	N/A		N/A	\$6,654,614	N/A	\$162,000	\$6,462,614	N/A	\$15.94	N/A	\$409,332,255	N/A
Sept. 1, 1997	N/A	N/A		N/A	\$6,884,855	3.46%	\$165,000	\$6,719,855	3.50%	\$16.17	1.44%	\$411,562,808	0.54%
Sept. 1, 1998	N/A	N/A		N/A	\$7,033,695	2.16%	\$168,000	\$6,865,695	2.17%	\$16.33	0.99%	\$420,434,476	2.16%
Sept. 1, 1999	2959	N/A		N/A	\$8,791,820	-3.44%	\$172,000	\$6,619,820	-3.58%	\$16.49	0.98%	\$418,444,511	-0.47%
Sept. 1, 2000	2903	\$28,137,534		24.99%	\$7,030,348	3.51%	\$178,290	\$6,852,058	3.51%	\$16.29	-1.21%	\$420,588,854	0.51%
Sept. 1, 2001	2827	\$29,519,746	4.91%	24.82%	\$7,325,733	4.20%	\$180,273	\$7,145,460	4.28%	\$16.91	3.81%	\$422,516,359	0.46%
Sept. 1, 2002	2795	\$30,037,591	1.75%	26.21%	\$7,872,530	7.46%	\$216,472	\$7,656,058	7.15%	\$17.73	4.85%	\$431,516,359	2.13%
Sept. 1, 2003	2729	\$29,833,709	-0.68%	28.08%	\$8,376,370	6.40%	\$218,262	\$8,157,108	6.54%	\$17.99	1.47%	\$465,865,383	7.96%
Sept. 1, 2004	2706	\$30,993,698	3.89%	28.17%	\$8,731,167	4.24%	\$228,362	\$8,502,805	4.24%	\$17.68	-1.72%	\$463,872,450	6.01%
Sept. 1, 2005	2696	\$32,511,102	4.90%	28.61%	\$9,299,882	6.51%	\$232,731	\$9,067,150	6.64%	\$17.74	0.34%	\$524,330,751	6.17%
Sept. 1, 2006	2572	\$34,480,103	6.06%	26.97%	\$9,299,882	0.00%	\$226,624	\$9,073,258	0.07%	\$16.48	-6.72%	\$563,890,384	7.54%
Sept. 1, 2007	2514	\$38,889,885	12.79%	24.58%	\$9,557,779	2.77%	\$221,608	\$9,336,171	2.90%	\$15.12	-14.74%	\$631,931,308	12.07%
Sept. 1, 2008	2441	\$42,626,643	9.61%	23.31%	\$9,936,267	3.98%	\$239,235	\$9,697,032	3.87%	\$14.65	-11.15%	\$678,090,667	7.30%
Sept. 1, 2009	2416	\$42,678,922	0.12%	23.01%	\$9,620,445	-1.17%	\$100,077	\$9,720,368	0.24%	\$13.89	-8.16%	\$706,741,477	4.23%
Sept. 1, 2010	2327	\$44,351,935	3.92%	22.56%	\$10,014,889	1.98%	\$107,953	\$9,906,936	1.92%	\$14.53	-0.84%	\$688,999,813	-2.51%
Sept. 1, 2011	2288	\$43,893,200	-1.03%	23.26%	\$10,211,181	1.96%	\$0	\$10,211,181	3.07%	\$14.74	1.46%	\$692,682,786	0.53%
Sept. 1, 2012	2226	\$46,404,898	5.72%	22.42%	\$10,403,151	1.88%	\$0	\$10,403,151	1.88%	\$14.90	1.05%	\$698,385,645	0.82%
Sept. 1, 2013	2203	\$47,368,910	2.08%	22.40%	\$10,811,214	2.00%	\$1,378	\$10,609,836	1.99%	\$15.41	3.47%	\$688,493,039	-1.42%
Sept. 1, 2014	2197	\$50,827,891	6.88%	20.96%	\$10,811,214	0.00%	\$2,284	\$10,808,950	-0.01%	\$15.01	-2.60%	\$706,882,319	2.67%
Sept. 1, 2015	x	\$51,173,380	1.08%	20.35%	\$10,412,043	-1.88%	\$3,768	\$10,408,275	-1.89%	\$14.48	-3.54%	\$719,080,288	1.72%
****Sept. 1, 2016	x	\$51,735,400	1.10%	19.89%	\$10,291,702	-1.16%	\$3,724	\$10,287,978	-1.16%	\$14.10	-2.82%	\$728,846,192	1.50%
Actual Sept. 1, 2016	x	\$51,735,400	1.10%	19.89%	\$10,291,702	-1.16%	\$3,711	\$10,287,980	-1.15%	\$13.72	-5.25%	\$750,145,916	4.32%
****Projected 4/12/2016													

Our recently released 2015-2016 annual audit showed a Deficiency of Revenues over Expenditures of \$2,713,937 and our September 1, 2016, tax warrant was down 1.16%. Our 5 year financial plans demonstrate the use of reserve balances yet we will continue to look at that trend to preserve stability and steer clear of fiscal stress for our District and our school community of stakeholders.

Recommendation #3 Establish reserve fund policies that identify a clear intent or plan regarding the future purpose, use, and replenishment of funds when appropriate.

The District will review current reserve levels and estimate usage in the short and long-term and then will be formally adopting a plan at this November 8, 2016, Board meeting. This plan will be reviewed and approved on

an annual basis in November each year going forward. We expect that this plan will be definitive but also realize the uncertainty that future funding streams add to the evaluation and projections. The reserves that we will be addressing are Tax Certiorari, Unemployment, Compensated Absences, and the Capital Reserve.

Recommendation #4 Review all reserve balances and transfer excess funds to unrestricted fund balance, where allowed by law, or other reserves established and maintained in compliance with statutory directives.

The District will work toward the necessary adjustments for 100% compliance with a phase over a 5 year period starting in 2016-2017. Our phase in approach will provide the short-term and long-term financial stability that our auditors and lenders have recognized as strength in the market as it relates to collateral and bonding. We do however recognize the balance of fiscal strength with compliance of laws and regulation and will work with our auditors and fiscal advisors to better align the two going forward. The District has closed out the June 30, 2016, year with an unassigned fund balance of 4.06% down from 5.5% and the assigned fund balance has been reduced from \$4,234,013 down to \$2,229,890.

Recommendation #5 Ensure that money is expended from reserve funds only for the purposes for which the reserve funds were established or as otherwise provided by law.

Per your recommendation, the District will implement all of the steps provided by law to expend and properly debit the accounts that fund District obligations including a double check of the calculations used to allocate those necessary expenses.

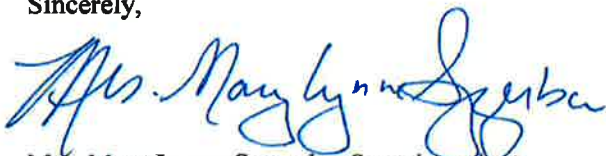
Recommendation #6 Determine the source of money in the debt service fund and return all money to the general fund that is not statutorily required to be restricted in the debt service fund.

The District has been reassigning this Debt Service Fund to the General Fund as shown in our 2014-2015 and our 2015-2016 year-end Independent Auditor's Report. The District's long-term plan is to continue to use this debt service fund to offset local share of principle and interest as a means to provide stability to our budget and our taxpayers. We expect to expend the non- statutory funds within 7 years.

This Corrective Action Plan is realistic and fiducially responsible and is a plan that will support the recommendations of the Office of State Comptroller. The overarching implementation of this plan will be governed by financial economic stability, predictability, and long-term planning for the support of a high-need population all while consistently working toward 100% compliance toward statutory requirements. The District will continue to maximize all available resources to that end including an excellent education staff, support staff, administrators along with an active Board of Education and community.

Thank you for you review, guidance and support.

Sincerely,



Mrs. Mary Lynne Szczerba, Superintendent
Camden Central School District

CAMDEN CENTRAL SCHOOLS
Camden, New York
Regular Board of Education Meeting
October 11, 2016

161. DELIBERATION TO APPROVE THE CORRECTIVE ACTION PLAN FOR THE OFFICE OF STATE COMPTROLLER AUDIT

BACKGROUND INFORMATION:

During the 2015-2016 school year the Office of State Comptroller completed their required audit at the Camden Central School District. Their Audit was released June 30, 2016. The Audit provided six recommendations to the District for future actions. The following action item approves the attached Corrective Action Plan to accommodate those recommendations that will be submitted to the Office of the Comptroller and the NYS Department of Education.

Mr. Keil, Assistant Superintendent for Business, prepared this action item and will answer any questions or respond to concerns regarding the same.

ALTERNATIVE ACTION:

None is recommended.

RECOMMENDATION:

The Superintendent recommends approval of the following resolution:

RESOLVED, that the Camden Central School District Board of Education approve the Corrective Action Plan that addresses the Office of State Comptroller Audit report #2016M-51 dated June 30, 2016. The Corrective Action Plan (is attached).