

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Bank Reconciliations

During our current audit, we noted the District was carrying old outstanding checks for more than one year on the monthly bank reconciliations for the general fund checking account. We recommend that all outstanding checks and reconciling items be reviewed on a regular basis and that older items be investigated and removed from the bank reconciliations and the accounting records be adjusted accordingly. It is noted that the District addressed these outstanding checks in July of 2020 once staff returned from the COVID-19 related closure.

District Response: The District had been working on this prior to the COVID-19 related closure, and completed the work after the staff was permitted to resume regular operations in the buildings. The staff will continue to monitor outstanding checks regularly to ensure they are managed properly and timely.

Anticipated Completion Date: July 2020

Person Responsible for Implementation: Carolyn Bonkowski, Principal Account Clerk

Due to Other Governments

During our current year audit, we noted the District is not properly monitoring payments made against the due to other governments liability account. Our year-end audit required multiple adjusting journal entries to properly apply certain payments during the year against the current due to other governments liability. We recommend that the District monitor this liability account throughout the year to ensure all associated payments are recorded against the outstanding liability.

District Response: The District will perform an in-depth review of the Due to Other Governments account to determine if liabilities that are currently listed can be removed. Once this review is complete, we will continue to review the account to ensure that payments are being charged to the outstanding liability.

Anticipated Completion Date: March 2021

Person Responsible for Implementation: Carolyn Bonkowski, Principal Account Clerk

School Lunch Fund Balance

During our current year audit, we noted the District did not transfer funds from the general fund to the school lunch fund to cover negative student balances at June 30, 2020, as per New York State Education Law 908, as added by Section 2 of Part B of Chapter 56 of the laws of 2018, *Prohibition Against Meal Shaming*. We noted a budgeted transfer of \$17,500 was included in the adopted budget. However, this transfer was a subsidy to cover general operating costs in the school lunch fund and was not specific to the negative student balances. We recommend the District review the school lunch fund operations to determine if a general fund subsidy is required to cover general

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operating costs and to ensure a separate transfer is recorded at June 30 of each fiscal year to cover the negative student balances.

District Response: The District will review the negative student balances from prior school years to determine an amount to include in the general fund budget for the annual transfer to cafeteria fund which will be specifically used to reimburse the cafeteria fund for negative student balances at year end.

Anticipated Completion Date: November 2020

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Business

Fund Balance Management

During our audit we noted that the District had a balance of \$12,400,808 in its workers' compensation reserve at June 30, 2020, which appears to be higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2020 is \$4,620,436 which includes incurred claims and claims incurred but not reported. We noted the District appropriated \$7,378 of the reserve for the current year claim payments. We recommend the District review the reserve balance for reasonableness and continue to utilize the reserve for future claim expenses in order to lower the balance to a reasonable level in relation to their estimated liability.

District Response: The District has reviewed the workers' compensation reserve and annual expenditures in the general fund budget based on our auditors' recommendation. We will seek to reduce the balance in this reserve by utilize more of the reserve to pay annual expenditures and will consider transferring funds from this reserve into another reserve to reduce the balance to a reasonable level.

Anticipated Completion Date: July 2021

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Business

Extraclassroom Accounts

The District had established extra classroom activity accounts to maintain student activities and funds. The New York Education Department had published guidelines governing the proper procedures and policies governing the extra classroom activity accounts and transactions.

During our current year audit of the District's extra classroom activity accounts, we noted the following:

- One out of twenty-five cash receipts tested contained insufficient supporting documentation to corroborate a large cash receipt. In addition, we noted an eighteen-day time lag from when cash was collected to when it was deposited.

We understand that the District provides annual District-wide training to all extra classroom treasurers and advisors. However, we recommend the District continue to provide these trainings and continue to monitor the extra classroom activities to ensure all treasurers and advisors are aware of and apply the proper procedures required by the State Education Department.

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District Response: The District contracts with an outside firm that reviews our extraclassroom accounts on an annual basis. We have shared this recommendation with them, and they agree with it. As such, we will work toward updating our procedures and training documentation provided to advisors to include that all deposits received by the central treasurer should have a copy of all checks submitted with the deposit. We will also reinforce the need to ensure that deposits are made timely.

Anticipated Completion Date: February 2021

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Business

STATUS OF PRIOR YEAR RECOMMENDATIONS

Bank Reconciliations

During our prior year audit, we noted the District was carrying old outstanding checks for more than one year on the monthly bank reconciliations for the general fund checking account, the capital fund checking account, and the trust and agency fund checking account. We recommend that all outstanding checks and reconciling items be reviewed on a regular basis and that older items be investigated and removed from the bank reconciliations and the accounting records be adjusted accordingly.

STATUS: Partially Implemented. See current year findings.

District Response: The staff will continue to monitor outstanding checks regularly to ensure they are managed properly and timely.

Anticipated Completion Date: July 2020

Person Responsible for Implementation: Carolyn Bonkowski, Principal Account Clerk

School Lunch Fund Balance

During our prior year audit, we noted the school lunch fund balance exceeded the three-month average expenditure level allowable by federal regulations 7CFR Part 210.14(b) by \$142,754. It is noted that the District did have an approved multi-year plan in place to utilize the excess fund balance which began in the 2018-19 year. We recommend the District continue to monitor this multi-year plan in order to take the necessary steps to utilize the excess portion of this fund balance in the school lunch operations.

STATUS: Implemented.

Fund Balance Management

During our prior year audit, we noted that the District had a balance of \$12,325,436 in its workers' compensation reserve at June 30, 2019, which appeared to be higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at

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June 30, 2019 was \$6,028,325 which includes incurred claims and claims incurred but not reported. We noted the District appropriated \$191,337 of the reserve for the current year claim payments. We recommend the District review the reserve balance for reasonableness and continue to utilize the reserve for future claim expenses in order to lower the balance to a reasonable level in relation to their estimated liability.

STATUS: Not Implemented.

District Response: The District has reviewed the workers' compensation reserve and annual expenditures in the general fund budget based on our auditors' recommendation. We will seek to reduce the balance in this reserve by utilize more of the reserve to pay annual expenditures and will consider transferring funds from this reserve into another reserve to reduce the balance to a reasonable level.

Anticipated Completion Date: July 2021

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Business

Due to Other Governments

During our prior year audit, we noted the District does not maintain a current up to date listing of all out of district tuition and health services payables by year and school district to assist in monitoring the amounts due to other districts for these services. We recommend that the District establish procedures to properly monitor outstanding invoice and amounts owed to other school districts on a detailed enough level to identify the district, year, and outstanding amount associated with each year's payables.

District Response: The District will perform an in-depth review of the Due to Other Governments account to determine if liabilities that are currently listed can be removed. Once this review is complete, we will continue to review the account to ensure that payments are being charged to the outstanding liability.

Anticipated Completion Date: March 2021

Person Responsible for Implementation: Carolyn Bonkowski, Principal Account Clerk

Extra Classroom

During our prior year audit of the District's extra classroom activity accounts, we noted the following:

- One out of ten disbursements at Woodmere Middle School, the invoice was not properly cancelled after payment.
- One out of ten disbursements at Hewlett Elementary School was missing the faculty advisor's signature on the payment form.

STATUS: Implemented.