

***CURRENT YEAR FINDINGS AND RECOMMENDATIONS***

**Due to Other Governments**

During our current year audit, we noted the District is not properly monitoring payments and accruals recorded to accounts payable and due to other governments liability accounts. Our year-end audit required adjusting journal entries to properly reflect the current year's balances in accounts payable and due to other governments, as well as the corresponding expenditure accounts. We recommend that the District monitor this liability account throughout the year to ensure all balances are accurately reflected.

**District Response:** The District will continue to review 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:** June 2022

**Person Responsible for Implementation:** Salvatore Perrotta, Assistant Business Manager & Carolyn Bonkowski, Principal Account Clerk

**Fund Balance Management**

During our current year audit, we noted that the District had a balance of \$11,994,704 in its workers' compensation reserve at June 30, 2021, which was higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2021 was \$7,020,888 which included incurred claims and claims incurred but not reported. We noted the District appropriated \$422,608 of the reserve for the year's 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 2022

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

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***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. We recommend that all outstanding checks and reconciling items be reviewed on a regular basis and that older items

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be investigated and removed from the bank reconciliations and the accounting records be adjusted accordingly.

**STATUS:** Implemented

**School Lunch Fund Balance**

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

**STATUS:** Implemented

**Fund Balance Management**

During our prior year 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.

**STATUS:** Partially 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 2022

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

**Due to Other Governments**

During our prior 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.

**STATUS:** Partially Implemented

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**District Response:** The District will continue to review 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:** June 2022

**Person Responsible for Implementation:** Salvatore Perrotta, Assistant Business Manager & Carolyn Bonkowski, Principal Account Clerk

**Extraclassroom Accounts**

During our prior 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.

**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.

**STATUS:** Implemented