



PUBLIC SCHOOLS

300 Harbor Hill, Roslyn, NY 11576 516-801-5000 www.roslynschools.org

January 21, 2022

Office of the NYS Comptroller

Office of Audit Services, NYS Education Department

We herewith provide our response to the management letter presented to us by our independent auditor, Cullen and Danowski for fiscal year ending June 30, 2021. Our Citizens Audit Advisory Committee was given the opportunity to review and comment on this corrective action plan. This response was submitted to our Board of Education for approval at their January 20, 2022 meeting. For your convenience, we reproduce below the pertinent recommendations made in that letter.

Comment:

Extraclassroom Activity Funds

- The extraclassroom activity funds are the depository of student money. The New York State Education Department publishes the Safeguarding Accounting and Auditing of Extraclassroom Activity Funds. These guidelines recommend procedures for organizing these activities, controlling receipts and disbursements, as well as recording and reporting transactions.
- During our prior year audit and our current year audit, we noted that the same District staff persons are involved in depositing funds, recording cash receipts and reconciling the bank account.
- We recommend that the District consider separating the functions of handling the financial transactions, recording the financial transactions and reconciling bank accounts among more than one staff person.

Response:

The position of Central Treasurer for each of the two Extraclassroom Activity Funds (High School and Middle School) is established through the collective bargaining agreement with the Roslyn Teachers Association. The compensation for that position is established with the understanding that the Central Treasurer has the responsibility to account for all financial transactions and to reconcile bank accounts with the books maintained by the Central Treasurer. As the District was partially remote for a good portion of the 2020-21 school year, the activity level in the Extraclassroom Activity Fund decreased and the newly established 2020-21 procedures could not be fully implemented remotely. The District will start to spot check a sampling of club activities in January 2022 and will continue to do so on a monthly basis

in order to independently verify the accuracy of the transactions recorded by the Central Treasurer with the records of the Club Treasurers.

Comment:

School Food Service Fund Balance-

The District's food service program serves breakfast, lunch and snacks to students and District employees. Except for free and reduced price meals that are served to eligible students, meals are sold at a set price and are subsidized in part by federal and student revenues at reimbursement amounts determined by the type of meal sold: free, reduced or paid in full.

During our prior year audit we noted that the food service program operated at a loss for the year. Reduced meal sales as a result of the COVID-19 pandemic was the primary reason for the loss. The operating loss which approximated \$632,000 was offset by a budgetary transfer of \$450,000. At June 30, 2020, the fund balance deficit approximated \$181,000.

During our current year audit, we noted that the food service program operated at a loss for the year. Reduced meal sales as a result of the COVID-19 pandemic continued to be the primary reason for the loss. The operating loss which approximated \$844,000 was offset by a budgetary transfer which approximated \$454,000. At June 30 2021 the fund balance deficit approximates \$569,000.

We note that the District continues to resolve the operating deficit and fund balance deficit at June 30, 2021.

Response:

Due to the COVID-19 pandemic and as set forth in our previous corrective action plan, many students attended school remotely during the 2020-21 school year thereby causing sales to markedly decrease. In addition, in the 20-21 school year a mandate was imposed on the District to serve free meals to ALL students regardless of economic status. Another contributing factor to the deficit in the School Lunch Fund was that during the height of COVID-19, students were restricted to eat at their desks in their classrooms rather than in the cafeteria. This impeded the ability for students and adults alike to purchase snacks and other a la carte items, which are normally a good source of revenue. For all of these reasons, the School Lunch Fund suffered a larger than normal loss. We will be working towards reducing that deficit by funding more money from the General Fund to the School Lunch Fund.

Comment:

Reconciliation of Accounting Balances:

The Accountant maintains the accounting records using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are reported in the governmental funds to the extent they are available. Expenditures are recorded when the related fund liability is incurred except for compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured.

During our prior year audit and our current year audit, a number of entries were prepared and proposed by the auditor and accepted by the auditee so that the books, records, and financial statements would be reflective of these accounting transactions and account balances for fair presentation in accordance with accounting principles and standards. Additionally, expenditure information reported on a grant final expenditure report did not agree with the actual expenditures in the accounting records for that year's grant. Also the capital asset inventory records maintained by the capital asset management company did not include all capital asset additions through the report period date.

Response:

Reconciliation of Accounting Balances:

The Accountant will review Wincap General Ledger, Revenue and Expenditure postings on a monthly basis to ensure that the postings agree to the correct coding for NYSED beginning in January 2022.

Grants Reconciliation:

The Accounting Department along with the Business Office will perform an additional review of the final grant expenditure reports to ensure the revenue and expenditure amounts reported to the NYSED Grants Finance Website agree to the underlying accounting records on a monthly basis beginning in January 2022.

Asset Management:

The District is implementing a process to review the additions and deletions in Asset Works on a monthly basis and will reconcile Wincap expenditure amounts to the Asset Works report to properly reflect the assets held by the District beginning in January 2022.

Responsible Contact Person:

Susan Warren, Assistant Superintendent for Business and Administration
Roslyn Union Free School District
300 Harbor Hill Road
Roslyn, New York 11576

Anticipated Completion Date: June 30, 2022

Sincerely,

A handwritten signature in cursive script that reads "Meryl Waxman Ben-Levy".

Meryl Waxman Ben-Levy, President
Board of Education