

HAWTHORNE CEDAR KNOLLS UNION FREE SCHOOL DISTRICT
226 Linda Avenue, Hawthorne, New York 10532-3795

BOARD OF EDUCATION

Daniel J. Leffell, President
Joan Weber, Ed.D, Vice President
David F. Everett
Herbert J. Friedman
Jeffrey Saber

SHAJI ZACHARIA

Asst. Supt. for Finance & Operations
(914) 749-2908 Fax (914) 749-2910
E-mail: szacharia@hcks.org

November 8, 2021

Scott Oling, CPA
PKF O'Connor Davies, LLP
500 Mamaroneck Avenue
Harrison, NY 10528

Dear Scott,

This letter serves to address the Control Deficiencies noted in the Audited Financials of Hawthorne Cedar Knolls UFSD for the year ended June 30, 2021 . The district acknowledges the notated deficiencies and recommendations; a Corrective Action Plan, as defined below, will be implemented to avoid future deficiencies and reinforce transparency in financial activities.

Special Purpose Fund

The Special Purpose fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Our audit indicated that the only activity in the current year was interest earnings and that the School District does not have the documentation to ascertain the permitted uses of these funds and, therefore, the amounts remain inactive.

Recommendation

We recommend that the School District continue to research the original purposes of these funds to ensure proper disposition. If the original source documentation cannot be obtained after all reasonable efforts have been made, the funds should be transferred to the General Fund with Board approval to be used for any lawful purpose.

Corrective action

The district awarded laptop computers to two salutatorians and gift cards to two other students on the graduation day in June 2021 from two of its scholarship accounts. However, these awards were purchased from the general fund and was required to be replenished by an internal transfer from the Special purpose fund. Unfortunately, the replenishment did not happen on or before June 30, 2021 resulting in the aforementioned inactivity in the special purpose fund in fiscal year 2020-21. The funds were subsequently transferred in October 2021. The district will continue to monitor its special purpose fund accounts and will initiate a transfer to general fund if the original purpose of these funds could not be ascertained by June 30, 2022.

The District appreciates the Auditors professionalism and shared knowledge in the support of financial transparency of activities conducted by the School District and the Business Office.

Best regards,



Shaji Zacharia
Asst. Supt. for Finance & Operations



Raymond Raefski
Superintendent of Schools