

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

BUDGET TRANSFERS

Finding: During our current year audit, we noted for two out of fifteen budget transfers tested, the District made transfers between non-contingent areas of the budget, which is prohibited under New York State Education Law. Per Education Law, budget transfers can only be made between contingent codes or from non-contingent to contingent codes. Budget transfers cannot be made from contingent to non-contingent areas of the budget, or between non-contingent areas of the budget, as non-contingent expenditure codes cannot be increased absent voter authorization. We recommend that the District review all proposed budget transfers during the year and ensure that all transfers are allowable under NYS Education Law.

District Response: The District acknowledges the finding provided by our auditors and will work toward implementing this immediately.

It is important to note that the District had three security vehicles that were unable to pass inspection and transferred funds to purchase two replacement vehicles. Going forward, the Director of Health, Safety & Security will create a vehicle replacement schedule to allow for proper budgeting and replacement of equipment items before they are past their useful life.

Anticipated Completion Date: July 2022

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Finance & Personnel

FUND BALANCE MANAGEMENT

Finding: During our current year audit, we noted the District had a balance of \$11,541,552 in its workers' compensation reserve at June 30, 2022, which is higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2022 was \$6,632,575, which includes incurred claims and claims incurred but not reported. We noted the District appropriated \$465,276 of the reserve for the current year claims 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 2023

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Finance & Personnel

STATUS OF PRIOR YEAR RECOMMENDATIONS

DUE TO OTHER GOVERNMENTS

FINDING: During our prior year audit, we noted the District was not properly monitoring payments and accruals recorded to accounts payable and due to other governments liability accounts. Our prior year audit required adjusting journal entries to properly reflect the prior year's balances in accounts payable and due to other governments, as well as the corresponding expenditure accounts. We recommended that the District monitor these accounts throughout the year to ensure all balances are accurately reflected.

STATUS: Implemented.

FUND BALANCE MANAGEMENT

FINDING: During our prior year audit, we noted 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 in the prior year for claims payments. We recommended 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 have continued to reduce the balance in this reserve by utilizing the reserve to pay annual expenditures and not funding this reserve.

Anticipated Completion Date: July 2023

Person Responsible for Implementation: Marie Donnelly, Assistant Superintendent for Finance & Personnel