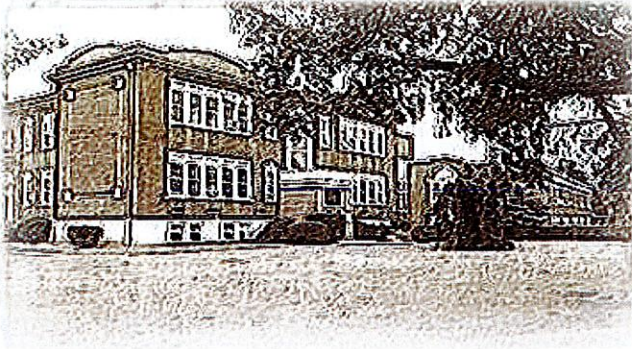


SHELTER ISLAND UNION FREE SCHOOL DISTRICT



SUPERINTENDENT/PRINCIPAL, *Brian Doelger, Ed.D.*

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DIRECTOR OF ATHLETICS, PHYSICAL EDUCATION,

HEALTH, WELLNESS & PERSONNEL, *Todd Gulluscio*

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November 23, 2021

Nawrocki Smith LLP
290 Broad Hollow Road, Suite 115E
Melville, NY 11747

To Whom It May Concern:

In response to your June 30, 2021 memo outlining recommendations for accounting procedures and internal controls in the Shelter Island UFSD, below please see the District's Corrective Action Plan (CAP). This CAP has been prepared to correspond with the items listed in the same order of your firm's (NS) management letter, a copy of which is attached to this CAP for your reference.

As has been the case in previous years, we very much enjoyed working with your firm and we thank you for your thoughtful review and comments.

First, we note that there are no current year recommendations as a result of your audit.

Turning to the status of prior year recommendations, you noted that:

1. Fund Balance:

- a. NS Comment: "We recommended that the District develop a plan to comply with fund balance limitations. We noted that this recommendation was in the process of being implemented."
- b. SIUFSD CAP: The District has taken this suggestion seriously and has implemented a gradual drawdown of the excess unappropriated fund balance over the past few years. For example, the Board has taken steps to create and subsequently fund the Repair Reserve using excess fund balance.

2. Vendor Database:

- a. NS Comment: "We recommended that the District perform the following procedures: a) Ensuring all vendors are appropriately screened and approved before being added to the system. b) Requiring all appropriate vendor information to be captured and approved before payments may be made. c) Performing periodic reviews of the vendor database to ensure consistency and appropriateness of stored data. d) Periodically reviewing any changes or deletions to vendor data listed in the existing vendor master file. e) Limiting the amount of time a vendor can remain in an 'Active' status but not be used."
- b. SIUFSD CAP: The District will undertake steps to remediate this problem over the coming fiscal year by working within the Business Office to correct the issues. The District notes that limitations on staff time are among the reasons for the delays in implementing this change.
- c. SIUFSD CAP: On July 22, 2020, the vendor database was purged of old, outdated or discontinued vendors. All vendors remaining in the database were instructed by letter to return new W9 forms. These forms were uploaded upon return. The District plans to repeat this process in Summer 2022 to ensure continued vendor database accuracy.

(continued)

3. Accounting Policies and Procedures Manual:
 - a. NS Comment: "We recommended that a Manual be developed for current accounting policies and procedures."
 - b. SIUFSD CAP: The District's staff will work with counterparts in other districts to obtain a sample manual and adapt it for internal use during the coming fiscal year.
4. Disaster Recovery Plan:
 - a. NS Comment: "We recommended that management develop a disaster recovery plan for the District's physical records."
 - b. SIUFSD CAP: The District's staff will work with counterparts in other districts to obtain a sample plan and adapt it for internal use during the coming fiscal year.
5. School Lunch Fund Profitability:
 - a. NS Comment: "It was recommended that the District monitor the profitability of the School Lunch Fund and take measures to eliminate large yearly transfers from the General Fund. We noted that this recommendation was in the process of being implemented."
 - b. SIUFSD CAP: The District notes that given the size of the student body, operating the Cafeteria at a profit is next to impossible. Nevertheless, the District has explored alternate funding possibilities for the program, including measuring student poverty levels to determine if the State's Community Eligibility Provision, which provides breakfast and lunch to all students each day regardless of a family's ability to pay, is feasible in the District. While the CEP is not appropriate for the District at this time, the District will continue to look for ways to support the Cafeteria program outside the methodology of transferring funds from the General Fund.
6. User Permissions:
 - a. NS Comment: "It was recommended that the District review user permissions of the District's employees and update them on a frequent basis."
 - b. SIUFSD CAP: The District's staff will work on this matter during the coming fiscal year.

I remain available to discuss this CAP with your firm should you have any questions or concerns.

Yours sincerely,



Brian Doelger, Ed.D.
Superintendent