

South Orangetown Central School District

160 Van Wyck Road • Blauvelt, NY 10913 • (845) 680-1008

Steven Finn, President
David Sansone, Vice President
Katie Gravino
Dawn Kitz
Diana Korabel

October 1, 2024

PKF O'Connor Davis
500 Mamaroneck Avenue, Suite 301
Harrison, NY 10528

Attn: Melissa Szot, CPA, CGMA

Dear Ms. Szot:

In review of your audit of the financial statements of South Orangetown Central School District for fiscal year end June 30, 2024, there no material weaknesses and significant deficiencies noted. However, in response to the control deficiencies noted, which are the least severe of the three deficiency categories, please see our corrective action. Please note that some of these have already been implemented.

Control Deficiencies

Special Purpose Fund

Inactive Accounts:

Finding:

The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust or scholarship agreement. Our review of the Special Purpose Fund indicated that, for several of these accounts, there was no activity during fiscal year ended June 30, 2024. These accounts aggregate to approximately \$3,746.

Corrective Action:

The District has reduced the aggregate amount from \$14,085 to \$3,746 during the fiscal year ended June 30, 2024 by use of the restricted purpose. The District will continue to research the remaining balance and ensure that the funds are applied to the intended purpose or close the accounts by June 30, 2025. This will be the responsibility of the Supervisor of Fiscal Services and the District Treasurer.

Extraclassroom Activity Funds

Clubs with No Financial Activity:

Finding:

We noted that three clubs in the High School with a balance of \$1,350 (Spanish Club, Science Honor Society, Social Justice Club) and three clubs in the Middle School with a balance of \$2,091 (Digital Media Club, Italian Club, Science Olympiad), had no financial activity during the current fiscal year. State Education Regulations provide that the funds of a discontinued activity shall

automatically revert to the account of the general student organization, or the student council land shall be expended in accordance with that organization's constitution.

Corrective Action:

The District, in accordance with State Education Regulations, will make a determination of the status of the clubs and determine the proper disposition of funds. The clubs that have ceased operations will have the balances transferred to the general student organization and expended in accordance with that organization's constitution by June 30, 2025. This will be the responsibility of the District Treasurer.

Cash Receipts:

Finding:

It was noted that during our testing of Extraclassroom receipts that one out of ten selections for the High School was not deposited in a timely manner, within 72 hours of receipt.

Corrective Action:

The District Treasurer will provide training for Extraclassroom advisors on the State Education Regulations and best practices for cash management. This will be the responsibility of the Extraclassroom Treasurers.

Capital Fund

Inactive Capital Projects:

Finding:

The Capital Projects Fund is used to account for, and report resources restricted to expenditures for capital outlays. Our analysis of the ending fund balance for the 2018-19 Minor Capital Project indicated that there was no activity for the fiscal year ended June 30, 2024. Furthermore, two capital projects reflect fund deficits at June 30, 2024: 2021-22 Minor Capital Project (\$507,413) and Smart School Bond (\$853,979).

Corrective Action:

The District will analyze the capital projects to determine if any of the noted projects have been completed. The District has taken action for additional funding, as approved during the May 2024 budget vote, for the completion of specific projects within the 2021-22 Minor Capital Project scope. Such monies are included in the 2024-25 budget. The deficit noted in the Smart School Bond is due to the nature of the funding stream. While expenditures have occurred, the District has submitted the claim to NYSED for reimbursement. Receipts will be received upon approval of the claim by SED. This is the responsibility of the Assistant Superintendent for Business and Operations.

General Fund

Tax Certiorari Reserve:

Finding:

New York State Consolidated Laws, Education Law § 3651 limits monies held in such reserve fund shall not exceed the total tax certiorari claims. Our audit of the General Fund disclosed that the School District's tax certiorari reserve was in excess of this amount by approximately \$247,000.

Corrective Action:

This District will monitor the tax certiorari reserve so that the reserve is within the legal limit at year-end. This will be the responsibility of the Assistant Superintendent for Business and Operations.

Please advise if you have any questions.

Sincerely,



Steven Finn