



Croton-Harmon Union Free School District  
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**Denise Harrington-Cohen**  
**Assistant Superintendent for Business**

October 18, 2020

NYS Education Department  
Office of Audit Services  
89 Washington Ave., Rm 524 EB  
Albany, NY 12234

Office of the NYS Comptroller  
Division of Local Gov't Srv. & Eco. Dev.  
Data Management Unit; 12th Floor  
110 State Street; Albany NY 12236

To Whom it May Concern,

This letter serves as the official Management Response and Corrective Action Plan for the Croton-Harmon Union Free School District in response to the Independent External Audit Report for the fiscal year ending June 30, 2020.

**Observation:** We found that reimbursements are being made to teachers who are paying for large class trips on their personal credit cards.

**Recommendation:** Any payments for school trips that need to be paid for by credit card should be paid for using the District's credit card and not those of individual teachers.

**Management Response:** The District agrees with the Auditor's recommendation and will inform Teachers, Club Advisors and Central Treasurers not to issue payments utilizing their own credit cards. Further, the District and Audit Committee will further investigate alternatives for funding large group trips to ensure the best value is achieved within the parameters of the generally accepted auditing standards. The district plans to correct this discrepancy by fiscal year ending June 30, 2021.

**Observation:** Our review of the results of operations of the school lunch fund for the year ending June 30, 2020 noted that expenditures exceeded revenues and other sources by \$230,924, due to a large part to the District's closure of schools in response to the COVID-19 pandemic this resulted in a negative fund balance of \$130,874 in the School Lunch Fund as of June 30, 2020.

**Recommendation:** The District should continue to monitor the results of operations of the School Lunch Fund and take any necessary corrective action deemed necessary to ensure that the School



### Agenda Item Details

Meeting	Jan 07, 2021 - Regular Meeting
Category	3. On-going Business
Subject	3.1 Independent Audit Report - Nugent & Haeussler, P.C Management Response Letter with corrective action completion dates
Type	Action
Recommended Action	That the Board of Education accepts the management response letter with corrective action plan completion dates for the independent audit report prepared by Nugent & Haeussler, P.C. for the year ending June 30, 2020, as presented.

[External\\_Indep Audit Response & Corr Action Plan 2019-20 CAP \(1\).pdf \(110 KB\)](#)

### Motion & Voting

That the Board of Education accepts the management response letter with corrective action plan completion dates for the independent audit report prepared by Nugent & Haeussler, P.C. for the year ending June 30, 2020, as presented.

Motion by Brian Loges, second by Iris Bugliosi.

Final Resolution: Motion Carried

Yes: Iris Bugliosi, Andrea Furey, Sarah Carrier, Joshua Diamond, Neal Haber, Brian Loges

Lunch Fund does not end the year with a negative fund balance in future years.

**Management Response:** The District agrees with the Auditor's recommendation and will work with our Food Service Management Company to create opportunities to encourage more daily participation for breakfast and lunch and continue to identify potential efficiencies. The district plans to correct this discrepancy by fiscal year ending June 30, 2022.

Further, with the first year implementation of the district-wide School Lunch Program occurring in 2019-2020, the District incorporated recommendations from our 2015-16 External Audit which stated that "all expenses related to the School Lunch Fund be reported in the School Lunch Fund. If a shortfall in operations is anticipated, we recommend that the General Fund budget include a transfer to the School Lunch Fund". This accounting adjustment of adding our lunch aides to the School Lunch Fund coupled with the contract terms with our Food Service Management Company and Covid-19, resulted in a deficit to the fund.

Lastly, the District intends to re-bid our Food Service Management services in the upcoming year to negotiate a lower meal rate now that the program is established.

Please feel free to contact me if you have any questions or concerns regarding this Management Response.

Sincerely,

Denise Harrington-Cohen  
Assistant Superintendent for Business