

LAURENS CENTRAL SCHOOL

"WHERE COMMUNITY AND SCHOOL CREATE SUCCESS."

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WILLIAM F. DORRITIE

Superintendent

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Building Principal

January 5, 2023

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

Dear Sir or Madam:

The purpose of this correspondence is to provide your office with the Laurens Central School District's response to the management letter as written by district auditors, Cwynar and Company.

Comment #1: Fund Balance Management (LCSD-22.01)

The Auditor recommends that the District take the excess fund balance into consideration when preparing future budgets.

District Response:

School District management will ensure the excess fund balance is considered when preparing next year's budget. Additionally, the School District plans to be proactive and use excess fund balance to help provide additional funding to reserves as well as mitigate the increase in net debt service payments that will be coming in future years. The District reviews fund balance annually and makes every effort to stay within the fund balance limit. For the 2021-2022 school year the district made the decision to keep excess fund balance. This decision was due to the financial effects of the Corona virus pandemic. The anticipated loss of revenue and additional expenses incurred due to the pandemic will have lasting financial effects on the district. The excess fund balance will help the District's future budgets.

Comment #2: GASB 84 and Extracurricular Fund Accounting (LCSD-22.02)

The Auditor recommends District management revise financial closing procedures to include recording revenues and expenditures from extraclassroom activities in governmental funds. Balances should be reported as restricted fund balance.

District Response:

School District management has changed and the District Treasurer has registered for courses that will assist with understanding of government accounting practices. Estimated timeline for implementation is 6/30/2023.

Comment #3: BAN Accounting (LCSD-22.03)

The Auditor recommends that management scrutinize BAN and bond accounting more closely and reference accounting resources for proper recording of transactions. These transactions are infrequent and accounting treatment should be re-visited prior to recording.

District Response:

School District management has changed and the District Treasurer has registered for courses that will assist with understanding of government accounting practices. Estimated timeline for implementation is 6/30/2023.

Comment #4: Presentation of Overdraft of Cash Account Balances (LCSD-22.04)

The Auditor recommends that District management avoid overdrawing accounts by making transfers prior to issuing payments. If an account is overdrawn at year-end, it should be reclassified as Other Liabilities – Overdraft.

District Response:

School District management will ensure that in the event that an account is overdrawn at year-end it will be reclassified as Other Liabilities-Overdraft. Implementation will be immediate.

Comment #5: Reconciliations of All Material Balance Sheet Accounts (LCSD-22.05)

The Auditor recommends that management continue to perform reconciliations and follow up by investigating differences and making adjustments in the accounting records.

District Response:

School District management will review current processes and make necessary adjustments in the upcoming year. Reconciliations will be performed and accounting balances will be adjusted accordingly. Implementation will be immediate.

Comment #6: Documentation of Appropriated Fund Balance (LCSD-21.01)

The Auditor recommends that the District in its year-end procedures include a reconciliation of appropriated fund balance to the voter approved budget for the upcoming year.

District Response:

The Auditor recorded reclassification entries of fund balance at year-end to properly reflect non-spendable, assigned appropriated, assigned unappropriated and unassigned fund balance. The District will implement year-end financial closing procedures during the 2023 fiscal year to address this comment.

Comment #8: Documentation for Extracurricular Fundraising (LCSD-19.06)

The Auditor recommends that cash collection reports should be accompanied by a source of revenues report. This could include a list of funds collected by name, ticket sales, fundraising profit and loss reports, etc.

District Response:

The district continues to require clubs to submit source of funds. We review this procedure every year with our club advisors. This procedure was reiterated with all extracurricular advisors and implemented by the Extracurricular Treasurer on August 30, 2022.

Please contact my office at (607) 432-2050 Ext. 1120 or 1141 should you have any questions about the information provided.

Sincerely yours,

William F. Dorritie
Superintendent