

LAURENS CENTRAL SCHOOL

"WHERE COMMUNITY AND SCHOOL CREATE SUCCESS."

P.O. BOX 301

LAURENS, NEW YORK 13796

TELEPHONE (607) 432-2050

FAX (607) 432-4388

WILLIAM F. DORRITIE
Superintendent

JOHN MUSHTARE
Building Principal

February 16, 2024

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-23.01)

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 2022-2023 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 87 and Accounting for Leases (LCSD-23.02)

The Auditor recommends District management revise financial closing procedures to include identifying all leases with a term of greater than one year and follow accounting procedures in accordance with the GASB Statement No. 87.

District Response:

School District management will create a mechanism for monitoring all leases with a term of greater than one year. The district will update the closing procedures to include the closing entry for Long term leases. This district will implement this procedure on 3/01/2024.

Comment #3: Supporting Documentation for Journal Entries (LCSD-23.03)

The District should retain memos or internal correspondence with journal entries in cases where third party documents are not available.

District Response:

School District management has taken steps to update the procedure to require that additional documentation is attached to every journal entry and that it is then signed off on by the Superintendent. Implementation was effective 8/01/2023.

Status of Prior Year Comments:

Comment #1: Implementation of GASB 84 (LCSD-22.02)

The auditor recommends that management revise 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 updated the accounting procedures and properly included extraclassroom activities in the governmental funds in the current year. Steps have been taken to require that inflows and outflows are recorded to ensure that custodial funds are reported in accordance with GASB 84. Estimated timeline for implementation is 6/30/2024.

Comment #2: 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 attended courses that have assisted with the understanding of government accounting practices. Subsequently, corresponding revenue entries are now being made. Implementation was effective immediately.

Comment #3: 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 continues to review this process and will make necessary adjustments in the upcoming year. Reconciliations will be performed and accounting balances will be adjusted accordingly. Implementation will be immediate.

Comment #4: Documentation of Appropriated Fund Balance (LCSD-21.01)

The Auditor recommends that the District in its yearend 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 2024 fiscal year to address this comment.

Comment #5: Documentation for Extracurricular Fundraising (LCSD-19.06)

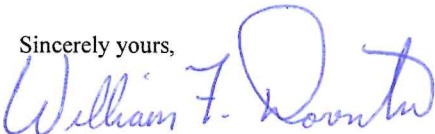
The Auditor recommends that cash collection reports should be accompanied by a source of revenues report. This could include a list of funds collected by name, ticket sales, fundraising profit and loss reports, etc.

District Response:

The district's Extracurricular Treasurer now requires that greater detail for revenues accompany deposits. This includes documentation of quantities sold, prices, rates, and number of attendees. This procedure was implemented immediately by the Extracurricular Treasurer on January 18, 2024.

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