

Matthew J. McDonald
Superintendent of Schools



James J. Rodems
Assistant Superintendent for
Management Services
29 East Oneida Street
Baldwinsville, NY 13027
315-638-6055(Office), 315-635-3970 (Fax)

Corrective Action Plan

In Response to Management Letter for June 30, 2020 Financials

Current Year Deficiency in Internal Control:

Section 1318 of the Real Property Tax Law –

In lieu of the State deferring aid as well as recent notifications of possible reductions to 2020-21 State aid, the District maintains \$775,606 over the 4% maximum limit.

We recommend the District continue to monitor fund balance as it relates to Section 1318 of the Real Property Tax Law. In addition, when anticipated State aid reductions occur, the District should identify their specific plan to react to the State aid cuts.

Section 1318 of the Real Property Tax Law – Management Response

With rising concerns of the Covid-19 pandemic and threatened state aid cuts, the District made the decision to carry over \$775,606 in excess of the 4% undesignated unreserved fund balance limit.

The District may be faced with 20% state aid cuts in the 2020-2021 school year which would amount to \$8 million and this excess would assist with closing the revenue gap.

Payroll Documentation -

During our examination of the payroll related documentation we noted two instances in which the signed salary notice was not on file to document the employee's acknowledgement of their salary/rate of pay. In addition, we noted one instance in which an employee's opt out form from the retirement system was not on file.

We recommend the district review their procedures over the payroll documentation to ensure that when information is not provided a second follow up will be completed.

Payroll Documentation - Management Response

The District will ensure that there is a second review of needed personnel documentation after initial requests. This second review will be completed throughout the school year and yearly starting October 2021 .

Other items:

The following items are not considered to be deficiencies in internal control, however, we consider them other items which we would like to communicate to you as follows:

Federal Programs –

As a result of recent federal program changes, the District documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirement.

Federal Programs – Management Response

The District will request the Program Managers of our larger Federal Programs review their procedures and document them in a manual which will allow others to follow them should they not be available and/or to provide consistency for each program.

GASB Statement No. 84 –

During this next fiscal year the District will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds.

This will require a review of the various accounts currently reported in the Agency Funds along with the extraclassroom activity policy and procedures in order to determine where to report the District's extraclassroom activity funds, scholarships, and other Agency activity.

GASB Statement No. 84 – Management Response

The District will review the various accounts in the Agency Funds and modify according to the New GASB Statement No. 84 in coordination with the expectation of our auditors and the needs of the District.

Prior Year Deficiency Pending Corrective Action:

Library –

During the course of our examination, we noted that the purchasing policy for the Library does not address quoting thresholds. In an effort to conform with General Municipal Law, we recommend the Administration review this policy and develop a regulation which establishes a range for obtaining quotations.

Library – Management Response

The district will review the current purchasing policy with the Library and develop a regulation that is similar to the district purchasing guidelines effective prior to 6/30/2021.