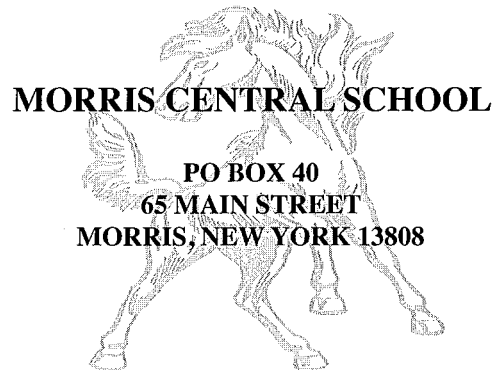


**BOARD OF EDUCATION**  
WENDY MOORE  
President  
MARY DUGAN  
Vice President  
EMILY BOSS  
RUSSELL TILLEY  
MICHAEL WALLING



**ADMINISTRATION**  
MATTHEW SHELDON  
Superintendent  
KATHARINE SMITH  
Principal  
KIMBERLY MURRAY  
Director of Pupil Personnel

## **MORRIS CENTRAL SCHOOL DISTRICT RESPONSE TO AUDIT FINDINGS AND RECOMMENDATIONS For the 2018-2019 School Year**

### **Prior –Year Findings**

#### **➤ 18.01 School Lunch Fund Balance**

**Prior Condition:** District school lunch fund balance is not in compliance with federal regulation 7 CFR Part 210.

**Status:** The district spent down the excess balance and is no longer an issue.

#### **➤ 18.01- Interfund Balance**

**Prior Condition:** Interfund balances are not paid in a timely fashion.

**Status:** This has been rectified and is no longer an issue.

#### **➤ 18.02 Extra-Classroom Supporting Documents**

**Prior Condition:** Instances were identified where written supporting documents were lacking for selected cash receipts and disbursements.

**Status:** This was listed again this year under control improvements

**District Response:** The Central Treasurer continues to work with club advisors and club treasurers on proper protocol, needed paperwork and signatures.

#### **➤ 18.03 Fixed Asset Record**

**Prior Condition:** Individual fixed asset records are maintained for each piece of fixed asset. The schedule is updated annually in preparation for the year end. While this procedure is in place, the assets are not always in sync with the general ledger records.

**Status:** The district continues to update the fixed asset schedule on an annual basis and was not red flagged by the auditor.

## **Current-Year Findings**

### **Material Control Weaknesses**

No material control weaknesses were identified.

### **Significant Control Deficiencies**

#### ➤ **19.01 Accounting Discipline**

**Condition:** While conducting the audit, the auditor noted that obtaining a complete and accurate final general ledger was problematic, as well as the production of certain supporting schedules for balances in the general ledger. All of the above factors may contribute to the significant delays in the ability to finalize the year-end financial statements.

**Recommendation:** The recommendation is that certain personnel need to improve and/or acquire different skills concerning the preparation of supporting schedules for balances recorded in the general ledger and a routine for closing the year end.

**District Response-** This delay was through the ONC BOCES Shared Business Office and the district agrees. It is hoped that in future years the Shared Business Office will be able to close out the books in a more timely fashion as it has in the past.

**Completion Date:** July 30, 2020

**Person Responsible:** ONC BOCES Shared Business Office Business Manager

### **Control Improvements**

#### ➤ **19.02 Capital Project Budget Needed**

**Condition:** It was noted during the audit that budget was not entered into the account software for a major capital project.

**Recommendation:** It is recommended that the budget tracking be implemented. The format of the budget should closely match that of the project phase activity.

**District Response:** The district superintendent and treasurer both were tracking the project budget, but future projects will be entered into the account software.

**Completion Date:** Next project

**Person Responsible:** Superintendent, Treasurer

#### ➤ **19.03 Maintenance of Compensated Absences Documentation**

**Condition:** The current method of maintaining and calculating the compensated absences liability is done by using a printout that contains a mixture of manual calculations to account for different rates and quantities per agreements or contracts.

**Recommendation:** It is recommended that automating the process to a worksheet by using formulated calculations on all lines segregated by contract type will reduce the potential for errors and aid in helping users understand the calculation.

**District Response:** The district will follow the recommendations made by the auditor.

**Completion Date-** November 1, 2019

**Person Responsible:** Superintendent

➤ **19.04 Extra-Classroom Supporting Documents**

**Condition:** Instances were identified where written supporting documents were lacking for selected cash receipts and disbursements.

**Recommendation:** In those instances where a vendor payment is made without a receipt or invoice, a copy of the club meeting minutes should be attached to show approval of the payment by the club. Deposit reconciliations for fundraisers should be reconciled to revenue drivers such as tickets or items sold.

**District Response:** The district will follow the recommendations made by the auditor.

**Completion Date:** November 1, 2019

**Person Responsible:** Central Treasurer

**Compliance Matter**

➤ **19.05- Excess Fund Balance**

**Condition:** The unassigned balance of the District's General Fund exceeds 4% of the subsequent year's budget. It is 4.828% of the subsequent year's budget.

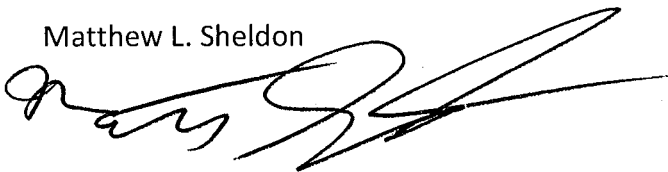
**Recommendation:** It is recommended that the district examine future budgets and budgeting procedures as well as investigate making use of various reservations of fund balance allowed under New York State Law.

**District Response:** The district is in agreement and will better track the unassigned fund balance.

**Completion Date:** September 1, 2020

**Person Responsible:** Superintendent, Treasurer

Matthew L. Sheldon



Superintendent  
Morris Central School