

**MORRIS CENTRAL SCHOOL DISTRICT
RESPONSE TO AUDIT FINDINGS AND RECOMMENDATIONS
For the 2022-2023 School Year**

Prior-Year Findings

Significant Audit Findings

No significant findings found.

Material Control Weaknesses

No material control weaknesses were found.

Deficiencies in Internal Controls

No deficiencies found.

Current-Year Findings

Significant Audit Findings

No significant findings found.

Material Control Weaknesses

No material control weaknesses were found.

Deficiencies in Internal Controls

No deficiencies found.

Other Matters:

➤ Fund Balance

Recommendation: We recommend that the District formulate a plan to control or use the excess fund balance.

District Response: The District just spent \$1,000,000 out of its Capital Reserve as part of funding the 2024 Capital Project. Additionally, the Superintendent is working with the BOCES Shared Business Office on a plan to control our excess fund balance. MCS is aware that in the recent past, the governor's proposed budget included a reduction to transition aid, leaving a deficit that would have resulted in direct negative impacts to student programming. We will continue to monitor the fiscal climate and work to control the excess fund balance.

Completion Date: 7/1/2024

Person Responsible: Superintendent, SBO

➤ Reserves

Recommendation: We recommend that the Board review annually all reserve balances and determine if the amounts reserved are necessary, reasonable and in compliance with statutory requirements. To the extent that they are not, transfers should be made to the unassigned fund balance or to other reserves as established.

District Response: The reserve plan has been revised and will be posted on the website. We will continue to review all reserve balances.

Completion Date: 9/1/2024

Person Responsible: Superintendent, Board of Education

➤ Request for Funds- Special Aid Fund

Recommendation: During our audit, we noted the District did not request additional funding from New York State Education Department (NYSED) for most of the grants after the initial payment. As a result, the State/Federal Receivable went from \$443,018 in 2022 to \$1,260,303 in 2023. Also, the amounts due to other funds increased from \$186,481 in 2022 to \$1,107,732 in 2023. We recommend that the District, after receiving the initial payment for each, review at least quarterly to see if additional funding is needed.

District Response: As this is a function of our Shared Business Office through BOCES, we have set up monthly meetings to review tasks and ensure that requests for funds are submitted on a timely basis.

Completion Date: 1/30/2024

Person Responsible: Superintendent, SBO

➤ **Documentation of Invoice Processing**

Recommendation: We recommend that the District continue to monitor the procurement of goods and services closely and that an approved purchase order or claim form be used for all purchases.

District Response: The district treasurer has updated plans and procedures to ensure that proper procurement of goods and services are undertaken. Additionally, we have onboarded a retired professional in this area to ensure there is a system of checks and balances in place.

Completion Date: 10/1/2024

Person Responsible: District Treasurer

Jamie Maistros
Superintendent
Morris Central School