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New York State Education Department
Office of Audit Services
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Office of the State Comptroller
Division of Local Government Services and Economic Development
Data Management Unit
Sent via Email: AFRFILE@osc.state.ny.us

To Whom This May Concern:

The following is the Corrective Action Plan to the Audit for the Year Ending June 30, 2019 for the Tuckahoe Union Free School District addressing the comments in our Management Letter.

Tuckahoe Union Free School District, New York

Control Deficiencies

- **School Lunch Fund**

Excess Fund Balance

The New York State Education Regulations has suggested that the assigned fund balance in the School Lunch Fund be no more than three months' worth of operating average expenditures which is approximately \$100,812. The School Lunch Fund has a total assigned fund balance of \$271,360 at June 30, 2019, which appears to be excessive.

Recommendation

We recommend that the School District take all steps necessary to utilize the excess portion of this fund balance in the upcoming fiscal year.

Tuckahoe UFSD Response: The District plans to utilize the excess portion of this fund balance for a future capital project that will modernize and enhance the food service program at both cafeterias.

- **Capital Fund**

Capital Project Deficit

During the audit of the Capital Projects Fund, it was noted that the Smart School Bond Act project is in a deficit of \$27,250.

Recommendation

We recommend that the School District closely monitor the fund balance of each project in order to ensure timely submissions for reimbursements from New York State.

Tuckahoe UFSD Response: The remaining invoices were submitted for reimbursement.

- **Interfund Balances**

General Municipal Law Section 9-a provides in part that monies advanced from one fund to another shall be repaid to the fund from which they were advanced as soon as available but in no event later than the close of the fiscal year in which the advance was made. Such advances are reported in the School District's financial statements as "due to/due from other funds" on the balance sheets of the District's various funds. During our audit, we noted that these "interfund" balances have been in excess of \$1 million in the General Fund at the fiscal year-end.

Recommendation

We recommend that these accounts be reviewed on a quarterly basis and transactions netted to the extent feasible. Any interfund loans should be repaid prior to the end of the year.

Tuckahoe UFSD Response: At June 30, 2019, the bulk of the interfund balance represented expenditures in the Capital Projects Fund which had been paid for by the General Fund in advance of the District obtaining financing. The District obtained financing in August and repaid the sum in full.

- **Extraclassroom Activity**

Extraclassroom activity funds are defined as funds raised other than by taxation in the name of a school student body. These funds are operated by and for the students and are an integral part of the educational program of the School District. As part of our audit, we have reviewed, evaluated and tested the Extraclassroom Activity Funds of the School District. The results of our tests disclosed the following:

Inactive Accounts

We noted the Class of 2018 account at the High School had no financial activity during the current year. State Education Department regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization or to the student council and shall be expended in accordance with that organization's constitution.

Recommendation

We suggest the account be reviewed to determine if the balance should be transferred to the general student organization per State Education Department guidelines.

Tuckahoe UFSD Response: The School District will transfer the funds to the General Organization for their use in accordance with State Education Guidelines.

- **Capital Assets**

During our audit of the capital assets, it was noted that the School District has not had an inventory valuation performed in several years.

Recommendation

We recommend that the School District conduct the periodic inventory counts so as to make sure that capital assets are properly accounted for and valued.

Tuckahoe UFSD Response: The School District intends to have an inventory valuation during the 2019-20 school year upon completion of the Capital Project.

Sincerely,

Lindsay Rose
District Treasurer