

*Oneonta City School District
Finance/Audit Committee Meeting Minutes
July 19, 2022*

The meeting began at 3:40pm.

Members Present: Lisa Weeks, Business Manager; Sue Kurkowski, Board of Education; Tom Brindley, Superintendent

Members Absent: Amy Burnsworth, Board of Education; Shawn Beckerink, Board of Education

Review of Finance/Audit Committee & Schedule-With new members joining the committee, we reviewed the types of things covered by this committee, the structure and schedule. This particular committee is open to the public as well.

Insurance Items-The district increased the deductible on our liability insurance from \$2,500 to \$5,000 resulting in a savings of over \$6,000 in premium. Mang reviewed our history and we really haven't had claims over the past few years so we felt it was safe to increase that. Even if we did have a claim, the premium savings is greater than the deductible.

A Request for Proposals was issued for our student accident insurance resulting in a new provider. The district will be using The Philadelphia Company effective July 1, 2022. We do not have many claims as the families insurance is primary.

Tax Levy and Rates-A comparison was provided with tax information for 2021-22 and 2022-23 if the tax levy is set at what we projected at the budget vote time. A spreadsheet showing the calculation was also included. This highlights the many factors that go into an individual tax calculation. The district just sets the total levy amount.

PILOTS-A projected Payment in Lieu of Taxes was provided assuming that the tax levy is set at the amount listed in the budget. Total estimated is \$592,780. This includes a new PILOT that we recently received information on (Ford Block, LLC). When developing the budget, we projected PILOTS in the amount of \$564,765 as the Ford Block was not yet included. This will be the final year of the Plains PILOT. The Plains is about half of our total PILOT amount and will affect our tax cap calculation when this goes on the tax role.

Grey Barn Project-There will be a public meeting to discuss the grey barn project on Wednesday, July 27th at the High School. Project vote will be held on August 23rd. Brochures with project details will be going out to our registered voters this week.

Audit Items-

Internal Controls/Cash Receipts-NYSED has rejected our response to the Risk Assessment Audit for 2019-20. A revised response will need to be approved by the board explaining why we are not setting up the Extended Day Personnel in our accounting software.

RFP for Risk Assessment & Internal Controls Audit-The district issued a request for Proposals resulting in one firm responding. The committee recommends rejecting this response and reaching out again to other firms due to the cost. Currently we are paying between \$6,500 and \$12,000 per year for this required audit. The proposal that we received is at a cost of \$35,000 for the first year and \$150,000 per year thereafter. Our district is required to have this audit because our enrollment is greater than 1,500.

Food Service Budget-A proposed Food Service budget for the 2022-23 school year was presented. We discussed additional revenues that were received in the 2021-22 year resulting in a large fund balance. We will use some of this fund balance to update cafeteria equipment and possibly furniture. The district is also in the process of applying for Community Eligibility Provision which means that every student regardless of income would receive free meals for the next 5 years. We will also be participating in NY Thursday using grant money that we received this year. Once a month on a Thursday, the food service staff will be preparing meals using locally grown fresh fruits and vegetables. Projected revenues for 2022-23 are likely lower than what we will actually receive. Funding received in 2021-22 will be used to offset any deficit in 2022-23.

Our meeting ended at 4:14pm.
Next meeting: August 23, 2022, 3:30pm
Location: DL Room, Center Street

Respectfully submitted,

Lisa J. Weeks

Business Manager

**Oneonta City School District
Finance/Audit Committee Meeting
July 19, 2022; 3:30pm
District Office DL Room**

AGENDA

Review of Finance/Audit Committee & Schedule

Insurance Items

Tax Levy and Rates

PILOTS

Grey Barn Project

Audit Items-

Internal Controls/Cash Receipts

RFP for Risk Assessment & Internal Audit Services

Food Service Budget



Oneonta City School District

31 Center Street, Oneonta, New York 13820 - (607)433-8200, ext. 1303

2022-2023

Finance Committee Meeting Schedule

31 Center Street-DL Room, 1st Floor

Month	Date	Time
July	19	3:30
August	23	3:30
September	20	3:30
October	25	3:30
November	15	3:30
December	13	3:30
January	24	3:30
February	7	3:30
March	14	3:30
* April	25	7:00
May	16	3:30
June	13	3:30

Lisa Weeks

From: Parsons, Timothy <Timothy.Parsons@nbtinsurance.com>
Sent: Thursday, June 23, 2022 10:16 AM
To: Lisa Weeks
Cc: McCall, Lisa
Subject: Renewal - Last question
Attachments: Attachment.pdf; Scan_TX03610@nbtad.nbtbci.com_09_54_22-23_06_2022.pdf

[EXTERNAL]This email has been received from an external source. Please use extra caution before opening attachments or following links.

Hi Lisa,

One last item. The renewal premium has increased at the amount that was previously indicated, right around 5%. Almost all of the increase is in the Property insurance line.

NYSIR has offered a substantial credit if you increase the deductible from \$2,500 per claim to \$5,000 per claim (attached). The savings would be 6,014.00 per year. So you would risk an increase out of pocket expense of \$2500 on a claim but you are saving 6,014.00, which would actually offset the increased out of pocket cost for two claims. I did check back through your claims and the last property insurance claim that you had was in 2018. You do not have many of them.

Please let me know what you think so we can get this processed. It does seem attractive.

I do need the attached form signed, indicating whether you accept or decline the offer.

Thanks.

Timothy D. Parsons

Account Executive

607.432.4104 | **tf** 800.965.6264 | **cell** 607.437.9858

One Wall St.

Oneonta, NY 13820[

timothy.parsons@nbtinsurance.com





Leadership • Innovation • Commitment

Oneonta City SD

NYSIR Optional Property Deductible Quotation

Date: 06/22/2022

Quotation for Alternate Property Deductible

Property:

Current Deductible: **\$2,500**
Current Annual Property Premium: **\$79,011**

Alternate Property Deductibles:

- \$5,000 Deductible
Annual Property Premium **\$72,997**

The premium quoted is for the annual policy term. Any premium bearing policy change will be charged on a pro-rata basis from the date the policy change becomes effective until the policy expiration date.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy issued by NYSIR. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy provisions, and any applicable law(s).

A written request for the addition of any of the optional quotations provided here must be sent to, and acknowledged and accepted by, NYSIR prior to any additional coverage or limit(s) being added to any policy.

NEW YORK SCHOOLS INSURANCE RECIPROCAL
900 STEWART AVENUE | SUITE 600 | GARDEN CITY, NEW YORK 11530-4869
1.800.476.9747 | FAX 516.227.2352 | WWW.NYSIR.ORG

Premium Summary

Line of Business	Carrier	Expiring Premium	Renewal Premium
Property	NYSIR	\$72,775.00	\$79,011.00
Boiler & Machinery	NYSIR	\$6,362.00	\$6,557.00
Inland Marine	NYSIR	\$2,916.00	\$2,916.00
General Liability	NYSIR	\$27,101.00	\$27,837.00
Automobile	NYSIR	\$22,780.22	\$23,875.00
School Board Legal	NYSIR	\$11,249.00	\$11,147.00
Excess Liability	NYSIR	\$15,572.00	\$15,526.00
Crime	Travelers	\$2,867.00	\$3,315.00
NYS Motor Vehicle Fees	NYSIR	\$380.00	\$370.00
Total Estimated Premium:		\$162,002.22	\$170,554.00

Optional Quote	Premium
Excess Liability- Additional \$1,000,000	Additional Premium of \$761.00
Property Deductible @ \$5,000	Savings of \$6,014.00

ONEONTA CITY SCHOOL DISTRICT TAX RATE AND TAX LEVY

	2021-2022	2022-2023	
TAX LEVY	2022-2023	\$22,294,864	% Increase 0.53%

	ASSESSED VALUES		FINAL EQUALIZATION RATES	
	2021-2022	2022-2023	2021-2022	2022-2023
CITY OF ONEONTA	499,340,211	501,589,103	100.00%	92.00%
TOWN OF ONEONTA	475,265,469	476,520,574	94.00%	88.00%
TOWN OF LAURENS	7,373,534	7,384,699	90.00%	100.00%
TOWN OF MARYLAND	762	762	100.00%	97.00%
TOWN OF MILFORD	62,951,004	61,021,091	97.00%	87.00%
TOWN OF DAVENPORT	34,461,342	34,950,991	71.60%	60.58%
	<u>1,079,392,322</u>	<u>1,081,467,220</u>		

	TRUE	VALUE
	2021-2022	2022-2023
CITY OF ONEONTA	499,340,211	545,205,547
TOWN OF ONEONTA	505,601,563	541,500,652
TOWN OF LAURENS	8,192,816	7,384,699
TOWN OF MARYLAND	762	786
TOWN OF MILFORD	64,897,942	70,139,185
TOWN OF DAVENPORT	48,130,366	57,693,944
	<u>1,126,163,660</u>	<u>1,221,924,813</u>

	PERCENT OF LEVY		LEVY IN DOLLARS	
	2021-2022	2022-2023	2021-2022	2022-2023
CITY OF ONEONTA	44.339933%	44.618584%	\$9,833,206	\$9,947,654
TOWN OF ONEONTA	44.895922%	44.315382%	\$9,956,506	\$9,880,054
TOWN OF LAURENS	0.727498%	0.604350%	\$161,336	\$134,739
TOWN OF MARYLAND	0.000068%	0.000064%	\$15	\$14
TOWN OF MILFORD	5.762745%	5.740057%	\$1,277,996	\$1,279,738
TOWN OF DAVENPORT	4.273834%	4.721562%	\$947,802	\$1,052,666
	<u>100.000000%</u>	<u>100.000000%</u>	<u>\$22,176,861</u>	<u>\$22,294,864</u>

	TAX RATE		TAX RATE INC/DEC \$/%	
	2021-2022	2022-2023	2021-2022	2022-2023
CITY OF ONEONTA	\$19.69	\$19.83	\$0.14	0.71%
TOWN OF ONEONTA	\$20.95	\$20.73	(\$0.22)	-1.03%
TOWN OF LAURENS	\$21.88	\$18.25	(\$3.63)	-16.57%
TOWN OF MARYLAND	\$19.69	\$18.81	(\$0.88)	-4.48%
TOWN OF MILFORD	\$20.30	\$20.97	\$0.67	3.30%
TOWN OF DAVENPORT	\$27.50	\$30.12	\$2.61	9.51%

Tax Rate on True Value	\$	19.69	\$	18.25	(\$1.45)	-7.35%
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Upon motion made by _____ and seconded by _____ the following resolution was adopted:

Whereas the Board of Education of Oneonta City School authorizes that a sum of \$22,294,864 for school taxes to be raised in Real Property Taxes.

THEREFORE, BE IT RESOLVED, That the Board of Education fix the equalized tax rates by town and confirm the extension of the taxes as they appear on the following described tax rolls:

2022-2023 Oneonta City School Tax Levy

School Tax Levy	\$ 18,245,692	Tax on True Value
	\$22,294,864	

Muni Code	Town	Assessed Value		Apportionment March 2022	Equalization Rate	Full Value	Percent of Tax Levy	Tax Levy Dollars	2022-2023 Tax Rate/\$1,000	2021-2022 Tax Rate/\$1,000	Increase Per \$1,000
		July 2021	Assessed Value								
122600	Davenport	34,950,991	34,950,991	34,950,991	60.58	57,693,944	4.721562%	1,052,665.94	30.118343	27.503347	2.61
361200	Oneonta (City)	501,586,103	501,589,103	501,589,103	92.00	545,205,547	44.618584%	9,947,652.58	19.832393	19.692515	0.14
363400	Laurens	7,384,699	7,384,699	7,384,699	100.00	7,384,699	0.604350%	134,738.94	18.245692	21.88044	(3.63)
363600	Maryland	762	762	762	97.00	786	0.000064%	14.33	18.810194	19.692296	(0.88)
364000	Milford	61,019,591	61,021,091	61,021,091	87.00	70,139,185	5.740057%	1,279,737.98	20.972576	20.301923	0.67
364600	Oneonta (Town)	476,520,574	476,520,574	476,520,574	88.00	541,500,652	44.315382%	9,880,054.22	20.733741	20.949358	(0.22)
Total		1,081,462,720	1,081,467,220	1,081,467,220		1,221,924,812	100.00%	22,294,864			

at 0.53%

In Lieu of Taxes
PILOT PAYMENTS

Status	Received in 2021-2022	Projected 2022-2023	Assessed Value	2022-23 rate/1000	Tax calculation estimate	% Payable	Final Year
Plains, LLC	296,170 \$	300,639	14,500,000	20.73	300,639.24	100%/100%	2022-2023
Centrome, Inc.	Pd. Tax bill \$	31,459	1,500,000	20.97		100%/25%	2038
Klugo-Breesee Building	16,177 \$	17,849	1,000,000	19.83	19,832	Improvements 75%	
Hillside Commons	125,662 \$	129,432				90%	
Northern Eagle Beverages	21326.27	29,526.92	284,100	Land	5,890.46	Land payable at 100%	2026-2027
Coming (299.15-1-10)	52047.32	52,060.03	1,900,000	Improvements	23,636.46	Improvements payable at 60%	
			375,000	Land	7,437.15	100%/100%/25%	
			2,125,000	Existing Facili	42,143.84		
			500,000	Improvements	2,479.05		

Ford Block, LLC New PILOT 06/01/2022 (notification received 07/13, 2022) 31814.08

511,382 \$

592,780

- 2022-2023
- Oneonta (City) 19,832,393
- Oneonta (Town) 20,733,741
- Laurens 18,245,692
- Maryland 18,810,194
- Milford 20,972,576
- Davenport 30,118,343

ONEONTA CITY SCHOOL DISTRICT
Office of the Business Manager
31 Center Street
Oneonta, NY 13820
Phone: (607)433-8200 ext. 1303 Fax: (607)433-8290

M E M O R A N D U M

TO: Thomas F. Brindley, Superintendent of Schools
Board of Education, Oneonta City School District

FROM: LISA J. WEEKS
BUSINESS MANAGER

DATE: JULY 19, 2022

RE: AUDIT RESPONSE FOLLOW UP-CASH RECEIPTS, FYE 06/30/2020

Below is a follow up to our Risk Assessment/Internal Controls Audit for the fiscal year ended June 30, 2020. This was originally accepted by the Board of Education on March 23, 2022. Auditor observations, auditor recommendations as well as school district response were noted in the management letter submitted by our auditors, Cwynar, Farrow & Locke. Please note additional school district response below which includes implementation dates or reasons that the district is not choosing to implement the auditor recommendation.

OBSERVATION #1-Deposit record for Auxillary Programs lack receivable documentation.

The Extended Day Program has a number of checks and balances including manual record of enrollment, attendance and payment at the building level by the site coordinator. Fees are collected only by the site coordinator and each payment received is also recorded on a triplicate prenumbered receipt. Fees collected are then turned over to the Program Director, who records it on a spreadsheet. Following this second recording of fees collected, the funds are turned over to the accounts receivable clerk who records the receipt in the accounting software and scans in all documentation.

The site coordinators are monitoring and working with children and do not have access to a computer during the time that the program is running. Therefore adding them to the districts accounting software would not be effective. Additionally, each site coordinator would need to have a computer, as well as the accounting software loaded on their machine and then trained to use the accounting software, all while supervising students. For this reason, the district has opted not to have the site coordinators utilizing the accounting software for payments. Our system has several levels of checks and balances and works well for this program.

All other observations and recommendations have been implemented or explained.

Cwynar Farrow & Locke

43 South Broad Street
Norwich, New York 13815

Certified Public Accountants
A Professional Limited Liability Company

(607) 334-3838 voice
(607) 441-1101 fax
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March 6, 2022

Board of Education and Management
Oneonta City School District
Oneonta New York State

We conducted an audit of the Oneonta School District cash receipts functions as part of our financial system cycle reviews. Our audit focused on the period from July 1, 2019 through June 30, 2020.

The purpose of this audit was to evaluate the adequacy of the internal control structure and cash receipting procedures of the School District. The cash receipting system for the School District was decentralized and payments were accepted by several different departments. To accomplish our audit objectives, we reviewed district policies and procedures and conducted interviews with management. The audit included obtaining an understanding of the internal control structure for cash receipts operations and recording of revenue as well as testing transactions to determine whether policies and procedures were being followed.

We observed stronger internal controls and segregation of duties in place for certain types of deposits than others. The limited staffing in the district makes it difficult to separate duties. The internal controls over cash receipts were not adequate in some areas. The major transaction types tested had adequate internal controls in place. Accordingly, we concluded that reasonable assurance exists that School District resources were appropriately safeguarded.

We identified several observations related to segregation of duties and internal controls. We have listed our recommendations in the attached report. School District Management has been provided the details on the issues with this report.

We would like to thank the district staff for their time and help in completing this audit.

As always, feel free to contact me if you have any questions.

Sincerely,



Cwynar Farrow & Locke, CPAs, PLLC

PURPOSE

We performed an audit of the School District's Cash Receipts functions. The purpose of this was to evaluate the adequacy of the internal control environment related to cash receipts and determine that School District resources were adequately safeguarded. We also evaluated whether collections were being processed accurately.

SCOPE

The scope of the audit included reviewing the processes used in posting, and depositing payments by cash, check, and credit card. Our audit focused on the period from July 1, 2019 through June 30, 2020.

Our methodology included an examination of cash receipt records and supporting documents retained with those records. To accomplish our audit objectives, we reviewed policies and procedures as well as obtained an understanding of the internal control structure for each type of cash receipt.

We performed a risk assessment to determine which areas to test. Our selections included high dollar low volume amounts, and higher-volume low dollar amounts. Based on our selections, we conducted a test of cash receipts for state aid, federal awards, cafeteria sales, student extended day programs, adult driver education program, and retiree health insurance premiums.

We interviewed management. We reviewed procedures in place for documentation of collecting, handling, recording, and depositing cash receipts. We tested each type of transaction to determine whether the transaction followed the deposit procedures.

BACKGROUND

The School District's cash receipt activities are centralized for State and Federal Aid and decentralized for auxiliary programs. Auxiliary programs' cash collection is more convenient for parents of students, retirees and the district residents to interact with the School District staff to pay amounts due. However, this approach increases the risk of loss by the School District since District Staff may have the opportunity to collect payment for services without recording the revenues in the district financial records.

Designing and implementing the internal control processes and structure is the responsibility of School District management. As management establishes internal controls (the checks and balances), various risks should be considered and weighed against the cost of alternatives to address those risks.

School District's Finance Office staff properly record payments received as direct deposits from New York State and the Federal Government. Those direct deposits, and the occasional paper check, are routinely reconciled to State and Federal Aid reports.

School District's cafeteria staff deposit cash and check payments in the Food Service software system. The program generates a deposit report details that the School District Finance Office use for reconciliation. Non-sufficient fund (NSF) processing and processing of unpaid student accounts are

processed in the School District Finance Office. Any past due accounts are contacted for collection by the Finance Office Staff, but none are sent to a collection agency. Generally, they are carried over then written off with board approval.

School District has a Student Extended Day program that is basically daycare for a couple of hours until parents can pick up the student. The family makes a payment to the program staff person on duty. The district only accepts checks, these checks are given to the Extended Day program coordinator. The coordinator who records the payment on a spreadsheet, saves the checks in a deposit bag and then periodically makes a bank deposit with a listing of the names of the students that paid. At calendar year end, the coordinator provides each family with a document listing what was paid. This document is examined by the family, any discrepancies are investigated, the printout is used for tax purposes. In addition, letters are sent on a regular basis for anyone who is delinquent

School District has an Adult Driver Education program for residents. The payments are collected by the Driver's Ed staff who provides a receipt for the payment made. Usually checks and some cash is collected, and this deposited periodically with a copy of the cash receipt slip.

School District provides Retiree Health Insurance which is paid for monthly. The retiree makes a payment to the Finance Office Staff who provides a receipt for the payment made to the retiree. Usually, checks are collected and deposited periodically with a listing of who paid and the amount

GENERAL CASH CONTROLS EXPLAINED

Cash Receipt Controls in an effective internal control system will have written documentation explaining how that cash should be handled when it is received, as well as separation of duties. Separation of duties means to separate one big job into several smaller jobs, with a different individual performing each.

In a good cash control system, there would be one person that collects money, one person that enters the transaction into the accounting system and one person who makes the bank deposit. Each activity should have a paper trail that matches. For example, the daily sales report should match the amount of cash received for the day. The audit report and the transactions entered for the daily sales should match. The bank deposit receipts should match the daily transaction report. In a nutshell, everything should cross balance. It is a good rule of thumb to never ever give free rein to one single employee to collect and report the cash account activities. Any employee can fall victim to temptation and reason goes right out the window. Having an effective internal control system would deter such behavior.

CONCLUSION

State Aid, Federal Aid, and Tax collection transactions tested had adequate internal controls in place, we conclude reasonable assurance exists that School District resources were appropriately safeguarded.

We noted that smaller deposits for the auxiliary programs have less evidence of any internal control. This is because limited staff make it difficult to always have two district individuals accept a payment for services, resulting in some level of risk that receipts would not be recorded.

The items we noted were related to segregation of duties with respect to the auxiliary transactions. School District Management has been provided the details on the specific issues identified and will be working to address the items.

Their response to each observation is included in this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

OBSERVATION 1- Deposit record for Auxiliary Programs lack receivable documentation

As part of our audit, we examined the documentation retained for deposits. Cash receipt documentation for the Extended Day Program, Adult Drivers Education, and AP Exam fees are basically a list of who paid. Each cash receipt deposit total consists of a list of names with corresponding dollar amounts. However, the listing does not include any indication of attendance or who accepted the payment. It is uncertain if the deposit agrees to the actual services rendered, that is, all who used the service. It is only certain that the individuals listed paid for the services.

Extended Day Program- The money collected by program staff is given to the Extended Day program coordinator who records it on a spreadsheet. At calendar year end, the coordinator provides each family with a document listing what was paid. This document is examined by the family, any discrepancies are investigated, the printout is used for tax purposes. In addition, letters are sent on a regular basis for anyone who is delinquent.

Adult Driver Education- Payments received are collected by the instructor. The cash and checks are saved and deposited periodically with a list of who paid.

A/P Exam fees- Payment for the exam is collected by the Exam program coordinator in turn, pays the AP Exam issuer the exact same fee for the exam materials and grading services. Anyone who did not take the exam after payment is issued a refund. Any discrepancies are easily determined any variance investigated.

AUDITOR'S RECOMMENDATION

We recommend that a listing of expected payments be maintained for each program. Spreadsheets are used routinely as the accounting record. Consider using an accounting software that allows the district to record deposits and maintain a receivable listing.

Alternately, if the use of spreadsheets is more economical, include with the periodic deposit a listing of payment received and the customer payments to date and any remaining balance due. This would allow management to improve the efficiency of any investigation into any discrepancy.

Another alternate is to have the program coordinator fill out a prenumbered two-part cash receipt form giving one copy to the customer and retaining the other copy in the cash receipt book. The bank cash deposit would then list the payees and include a reference to the cash receipt document.

The deposit slip documentation should be complete, dated, with a list of all who attended. Consider having the participant or parent sign the document.

SCHOOL DISTRICT'S RESPONSE

Extended Day Program-The money collected goes from the person collecting to the Extended Day program coordinator who records it on a spreadsheet. At each year end, she provides each family with a document (for tax purposes) listing what they paid. If a family saw a discrepancy, they would reach out to us. Additionally, letters are sent on a regular basis for anyone who is delinquent. If someone had paid but got a delinquent letter, that would raise a flag, so I believe this program has adequate controls. Additionally, the cash receipts are entered by a different individual. The building secretaries do not collect payments for this program. Payments are handled only by program staff.

Adult Driver Education-This program cash collection was a disaster due to the nature of the program and the overly nice instructor who accepted cash on the spot and turned it in when he had time with receipts. He was just a super nice guy who went out of his way to help anyone he could without regard to internal controls. This program has since been discontinued.

A/P Exam fees-A corresponding payment is made for those who paid, which would verify who had paid and who we in turn, paid the AP Exam issuer for. Anyone who did not take the exam after payment was issued a refund so this is a money in/money out transaction that zeros itself out so I believe the controls are in place and we would be able to easily determine any variance.

OBSERVATION 2- Delay of Deposit for Cafeteria Sales

We noted that a deposit for Cafeteria sales is made roughly every two weeks, this is reconciled to the cash register by the Finance Office Staff monthly.

AUDITOR'S RECOMMENDATION

We recommend Management require Cafeteria cash deposits be made at least every week. The deposit slip documentation should be accompanied by the corresponding cash up sheet from the register. We recommend that this document be signed by someone other than the individual making the deposit.

SCHOOL DISTRICT'S RESPONSE

Delay of Deposit for Cafeteria Sales-Money is held in a building safe. I don't have an answer regarding why money is held other than they are traditionally short staffed, and it is probably the last priority to go to the bank. A daily report can be run to match the cash. Business office has access to that software although we only run the report monthly and reconcile to the deposit. A Treasurers receipt is done monthly mostly because it would be a lot of work and paper for a VERY small amount of money collected daily. If the cash is more than a couple of dollars off at the end of the month, I question the cafeteria staff. In all the time that I have been here, that has only happened once where it has been more than a couple dollars. We do not perform a daily reconciliation.

OBSERVATION 3 - Retiree Health Insurance payments lack reconciliation to receivable

We also noticed that retiree health insurance reimbursements are only recorded on a cash receipt slip periodically. The documentation is vague, it lacks the detail of how much is charged and the balance owed by each individual retiree.

AUDITOR'S RECOMMENDATION

We recommend that the retiree health insurance be accounted for in an accounting software program, to track the charges to the retirees, collections, and eventual deposit. If a spreadsheet is used, the deposit documentation should include a printout of the related receivable listing showing the activity and balances owed to the district before and after the deposit.

SCHOOL DISTRICT'S RESPONSE

Retiree health insurance payments lack reconciliation to receivable. Your observation is correct for that time period. We recognized that this was an issue and shortly after the period audited, we implemented a receivable module in our software, where retiree health insurance is billed and collected using a receivable module in our accounting software. This module bills, tracks payments and can generate statements that are sent for past due amounts. I suppose we would accept cash but I'm not aware of any instance where that has happened. All payments have been by check.

9. Fee

The fee should be a flat annual rate and should include any necessary expenses. It should also cover follow-up work and provide for advice and counsel throughout the term of the contract.

We continually strive to provide clients competitive, transparent fees without compromising quality. The District will not incur fees for routine communication that does not require extensive research or report generation. Throughout the engagement, you will have regularly scheduled meetings with members of the engagement management team, at no additional cost.

Your fees also include a 5% technology and administrative fee in addition to the fee quote above to cover the cost of technology, processing, and other administrative expenses. This fee is in lieu of separate, individual charges to support file maintenance, software licensing, supplies, postage, and other similar expenses.

Our estimated all-inclusive fees for the District's risk assessment and internal audit services is outlined below.

Services	All-Inclusive Fee
Year One - Phase I: Risk Assessment	\$35,000
Year Two - Phase II: Internal Audit	\$150,000
Year Three - Phase II: Internal Audit	\$150,000



We do not believe in surprises. Our pricing reflects both what is explicitly spelled out in your request as well as additional needs that we believe are necessary to complete your project. We encourage you to do an apples-to-apples comparison in evaluating the pricing and scope of services.

This proposal is provided for informational purposes only and shall not constitute an offer. The parties will not be bound to any agreement unless and until they review, approve, and execute a final engagement letter.

10. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the agreement. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld pending delivery of the firm's final reports.

CBIZ understands and agrees with the above manner of payment details.

Oneonta City School District
 Food Service Budget
 Fiscal Year Ended June 30, 2023

Account Fund Code	Description	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-2023	Explanation
Revenues										
C 1440	Sale of Reimbursable Meals	83,413	83,338	75,005	91,810	59,390	-	-	-	
C 1445	Other Cafeteria Sales	49,700	47,399	48,246	45,567	26,313	(112)	1,801	2,000	
C 2401	Interest	3	5	6	7	6	3	7	20	
C 2770	Miscellaneous Revenues	68	4,027	3,386	14,412	85	2	2,448	-	
C 3103	BOCES Aid	38,252	35,017	34,446	35,867	38,318	40,432	43,886	45,000	
C 3190.01	State Aid-Breakfast	3,777	3,475	4,015	3,983	5,221	4,549	6,668	4,500	
C 3190.02	State Aid-Lunch	8,322	7,982	8,506	8,263	7,111	3,101	7,841	7,800	
C 4190	Surplus Food Commodities	43,864	44,915	35,244	40,431	42,127	33,367	65,145	40,000	
C 4190.01	Federal Aid-Breakfast	72,266	68,431	80,675	84,900	114,073	101,470	156,900	122,000	
C 4190.02	Federal Aid-Lunch	266,243	265,222	288,835	294,981	249,528	186,413	590,144	506,000	
C 4190.03	Food Chain Assistance/Emergency Operational Grant/P-EBT							41,446		
C 5031	Transfer from General Fund	565,908	584,812	603,363	640,221	552,172	379,224	926,286	727,320	
Expenditures										
C 2860.20	Cafeteria Equipment	600	324	9,273	17,014	960	-	1,970	34,645	Steamer, can opener, oven, furniture
C 2860.40	Cafeteria-Management Company	445,106	427,864	454,099	500,588	431,717	256,143	560,053	595,336	6.3% increase; Guaranteed Rate of Return.\$30K
C 2860.40-2	Cafeteria Contractual Expense	1,798	1,842	2,215	2,272	2,331	5,400	4,125	4,924	Mosaic Caf Software
C 2860.41	Cafeteria-Cost of Food Used	41,631	40,179	30,778	47,379	42,868	33,804	20,846	40,000	Surplus foods and shipping costs
C 2860.41	NY Thursdays Fruits/Vegetables								29,404	
C 2860.43	Cafeteria Repairs	3,858	2,417	3,588	6,124	3,962	2,683	5,576	5,000	Equipment repairs/pest control/line cleaning
C 2860.45	Cafeteria Materials & Supplies	270	-	-	6,648	-	(1,294)	(1,154)	2,000	Miscellaneous serving utensils
C 2860.49	BOCES Services	72,734	72,378	73,649	73,474	74,173	78,152	82,615	78,297	BOCES Food Service Manager
		565,998	545,004	573,601	653,499	556,011	374,889	674,030	789,606	
		(89)	39,807	29,762	(13,277)	(3,839)	4,336	252,255	(62,286)	
Fund Balance										
C821	Reserve for Encumbrances	-	-	-	2,840	-	-	-	-	
C845	Reserved for Inventory	8,239	12,975	17,442	10,494	9,753	11,327	8,147		
C909	Unreserved	(14,544)	20,527	45,823	36,653	36,395	39,157	246,678		
C911	Unappropriated	(6,305)	33,502	63,265	49,987	46,149	50,484	254,825		
	Change from Prior Year	(89)	39,807	29,762	(13,277)	(3,839)	4,336	204,341		
	Revenues	565,908	584,812	603,363	640,221	552,172	379,224	926,286		
	Expenditures	565,998	545,004	573,601	653,499	556,011	374,889	674,030		
	Adjustments	(89)	39,807	29,762	(13,277)	(3,839)	4,336	252,255		