

**Corrective Action Plan to Address
the Matters Cited in the Management
Letter in the Independent Auditor's Report
for Fiscal Year Ending June 30, 2021**



From the Office of the Deputy Superintendent

January 2022



Cold Spring Harbor Central School District
The Francis Roberts Community Center
75 Goose Hill Road
Cold Spring Harbor, NY 11724-9813

James J. Stucchio
Deputy Superintendent

(631) 367-5928
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January 11, 2022

Dear Superintendent and Members of the Board of Education:

Enclosed please find a Corrective Action Plan designed to address the matters cited in the management letter contained within the independent auditor's report from the firm of Nawrocki Smith, LLP, for the fiscal year ending June 30, 2021. After Board of Education adoption, a copy of this report will be sent to the following:

- New York State Education Department
- Nawrocki Smith, LLP
- R.S. Abrams & Co., LLP
- Federal Audit Clearinghouse (if required)

I am pleased to once again report there are no current year findings and the noted prior year recommendation is being implemented. Periodically, the business office will provide the audit committee, Board of Education, and internal auditor with status updates, specifying what management action plans have been implemented, along with copies of any new written procedures, reports, forms, or guidelines (if applicable).

It is my sincere hope that these new systems and procedures will further strengthen the internal controls and financial operations of the Cold Spring Harbor Central School District.

Thank You.

Best Regards,

James J. Stucchio

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None Reported

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Debt Service Fund

During the current year's audit, we noted the District does not have a formal plan to utilize accumulated cash balances currently available in the Debt Service Fund/Reserve for Debt Service. In accordance with General Municipal Law §6-1, accumulated cash reserves in the Reserve for Debt Service accounted for in the Debt Service Fund may be used for expenditures for debt service for the purpose of retiring the District's outstanding obligations.

We recommend that the District establish a plan to utilize the cash reserve in the Debt Service Fund/Reserve for Debt Service. In this manner, the use of accumulated cash balance in the Debt Service Fund/Reserve for Debt Service may be utilized to offset the cost of future debt service payments.

Management Action Plan:

The Board of Education's capital projects committee is currently assessing the District's need for a future long-term borrowing to finance school improvements. As a part of this process, a multi-year plan will be developed to utilize the accumulated cash remaining in the Debt Service Fund/Reserve for Debt Service to offset General Fund payments for outstanding debt obligations. Careful consideration will be made for the gradual use of this money to avoid any possible large increase or decrease in the property tax levy.

Status: This recommendation is being implemented. These funds will be used to pay outstanding debt obligations, beginning in 2022/23 to offset the additional costs associated with the capital project referendum approved on November 19, 2019.