



HAMPTON BAYS

Union Free School District

Administrative Offices: 86 Argonne Road East, Hampton Bays, NY 11946 • Tel: (631) 723-2100 • Fax: (631) 723-2109

LARS CLEMENSEN
SUPERINTENDENT OF SCHOOLS

December 7, 2011

New York State Education Department
Office of Audit Services
89 Washington Avenue, Room 524 EB
Albany, New York 12234

RE: Hampton Bays UFSD Management Response to Audit Findings 2011 and Corrective Action Plan

This letter is in response to the findings of the Independent Audit for the Hampton Bays Union Free School District, for the year ending June 30, 2011.

The Hampton Bays School District strives to implement and stay current with industry "Best Practices". We intend to take the following actions toward improvement.

PRIOR YEAR COMMENT

1. Summer Handicapped Program

The Auditors recommended that the district monitor the summer handicapped receivables and the STAC filing process. The District had been and continues to be diligent monitoring receivables and filing STAC paperwork. The state's admitted backlog of processing the STAC paperwork has not yet rectified this audit comment, which refers to the 2007-08 school year. Our current procedures moving forward have greatly improved and operationalized our STAC process. Upon NYSED's completion of their STAC backlog from 2007-08, this audit finding should be fully addressed.

CURRENT YEAR COMMENTS

1. Compensated Absences

The Auditors recommend the District establish a procedure to reasonably estimate the liability for compensated absences based upon historical information regarding employees who have separated from the District and their terminal payout amounts.

This is the first time it was suggested to change the way the District calculates compensated absences. Until recently, the Comptroller's Office guidance instructed the use of *actual* accrued unused days times the current daily salary rate. With this new suggestion, the District will change its method of calculation to one based upon historical information and trends. This will be done during the 2011-12 school year.

2. Fixed Assets

The Auditors recommended that the District implement procedures for the annual update of fixed asset appraisal reports.

The District will contract with a separate firm to audit the fixed assets and provide a fixed asset inventory by the end of June 2012.

In closing, the Hampton Bays Union Free School District is pleased to have implemented several recommendations from last year's audit and we will continue to work with our auditors to establish and refine strong business office practices. We appreciate any guidance and assistance available through the State Education Department in meeting this objective.

Sincerely,

A handwritten signature in cursive script that reads "Lars Clemensen". The signature is written in black ink and is positioned above the printed name.

Lars Clemensen
Superintendent of Schools

cc: Lawrence Luce, School Business Administrator
Board of Education, Hampton Bays UFSD
Cullen & Danowski, LLP