

Plainedge Union Free School District

Internal Audit Report

On

Food Service Operations

Plainedge Union Free School District
Internal Audit Report on Food Service Operations

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Board of Education
Plainedge Union Free School District
241 Wyngate Drive
North Massapequa, NY 11758

We have been engaged by the Board of Education (the “Board”) of the Plainedge Union Free School District (the “District”) to provide internal audit services with respect to the District’s internal controls related to the food service operations for the period July 1, 2020 through March 31, 2021.

The objectives of the engagement were to evaluate and report on the District’s internal controls pertaining to the food service operations and to test for compliance with laws, regulations, and the District’s Board policies and procedures.

In connection with the following procedures, we have provided findings and recommendations for the internal controls related to the food service operations. Our procedures were as follows:

- Interviewed key District employees involved in the operations of the food service program;
- Reviewed the District’s policies and procedures related to the food service operations;
- Reviewed the District’s procedures and internal controls for inventory;
- Reviewed the District’s procedures and internal controls for cash collections;
- Reviewed the District’s procedures and internal controls for vending machines;
- Tested the District’s compliance with the USDA requirement of performing an income verification on three percent of applications received;
- Tested, on a sample basis, the daily cash receipts and meal counts for a selected month to the point of sales system reports, deposit slips, and monthly reimbursement claim form for state and federal reimbursements and reviewed the overages/underage of the cash registers for a selected month;
- Observed cash handling procedures at the Plainedge High School, Plainedge Middle School, and Schwarting Elementary School, including the entering of

sales at the cash register, counting of cash, close out procedures, and end of day procedures;

- Performed an analytical review of the fund balance, revenues and expenditures for the fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020 for reasonableness (refer to Appendix A).
- Performed an analytical review of the District's revenues and expenditures compared to four school districts, with comparable annual budgets, operating an in-house food service program (refer to Appendix B).

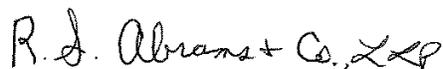
The results of our procedures are presented on the following pages.

Our procedures were not designed to express an opinion on the internal controls related to the food service operations, and we do not express such an opinion. As you know, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of any evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. We are available to discuss this report with the Board or others within the District at your convenience.

This report is intended solely for the information and use of the Board, the Audit Committee and the management of the District and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "R.S. Abrams & Co., LLP".

R.S. Abrams & Co., LLP
April 12, 2021

FOOD SERVICE OPERATIONS OVERVIEW

The District operates an in-house food service program at all District locations. All District locations have operating kitchens. Meals are served and prepared on site at each building. The District utilizes *Heartland Payment Systems – School Solutions* to support all aspects of the District’s food service nutrition program. The District has designated the School Lunch Director who is responsible for the hiring and purchasing of goods and services for the food service program. Currently, the District has approximately nineteen employees including the School Lunch Director, which consist of head cooks, assistant cooks, and food service workers who perform various duties such as preparing food, serving meals, and cashier duties.

The School Lunch Director and the Assistant Superintendent for Business are responsible for the staffing of the food service program. The Human Resource Department assists in the hiring process. A substitute list is maintained for when employees call out sick or if additional help is needed.

The District is also responsible for the purchasing of food inventory and supplies and for the purchasing of equipment utilized by the food service program. The School Lunch Director evaluates the District’s needs for new food service equipment. If equipment is to be purchased, the School Lunch Director will budget for the purchase unless there is an emergency purchase. All equipment purchases are processed through the business office following the District’s purchasing policy and procedures. This will be further discussed in the section titled “Inventory Procedures”.

The District participates in the National School Lunch Program which allows qualifying students to receive meals for free or at a reduced price, and provides the District with federal and state reimbursements for the number of meals served and governmental commodities and surplus foods.

Heartland Payment Systems – School Solutions

The District utilizes *Heartland Payment Systems – School Solutions* to assist with the operations of the food service program. *Heartland Payment Systems – School Solutions* provides the District with three separate modules that integrate with each other. The following is a brief description of the three modules provided by *Heartland Payment Systems – School Solutions*:

- *Nutrition Solutions - NUTRIKIDS Point of Sales System (“NUTRIKIDS”)* – this solution is utilized at the school building locations to process meal sales. *NUTRIKIDS* assists the District in maintaining student confidentiality and tracks meals by type of sale: free, reduced, full price, ala carte and other sales. *NUTRIKIDS* also assists the District in maintaining accurate meal counts for submission of federal and state reimbursements. This solution also assists the District in processing free and reduced meal applications, and allows the District to easily and efficiently retrieve information, print reports, and complete verification requirements. *NUTRIKIDS* automatically approves applications based on the most current federal guidelines and allows for easy verification reporting.
- *Payment Solutions - mySchoolBucks.com* – this is an online solution which gives parents a secure way to add funds to their children’s school meal account (using a credit card, debit card or checking account), check their children’s current school meal account balance, and monitor what items their children have been purchasing at school.

GOVERNANCE

During our review of the Board of Education policy manual, we noted the District has adopted the following policies that relate to the food service operations:

Wellness Policy

In accordance with section 204 of the Child Nutrition and WIC Reauthorization Act of 2004, (Public Law 108-265), which applies to local education agencies participating in a program authorized by the Richard B. Russell National School Lunch Act (42 U.S.C 1751 et seq) or the Child Nutrition Act of 1966 (42 U.S.C 1771 et seq), the District has developed and adopted a *Wellness* policy, No. 5410. The policy meets the requirements established by section 204 of the Child Nutrition and WIC Reauthorization Act of 2004, which includes, but is not limited to, the following:

- Goals for District-wide nutrition, physical activity policies that are designed to promote student wellness in a manner that the local educational agency determines is appropriate;
- Foods and beverages available on each school campus during the school day will meet the nutrition objectives of promoting student health and reducing childhood obesity as recommended by the *U.S Dietary Guidelines for Americans*;
- Designation of a qualified child nutrition professional to provide students with affordable, nutritious and appealing foods to mirror their health and nutrition needs; and
- Ongoing monitoring by the Superintendent or a designee charged with operational responsibility for ensuring that each school fulfills the District's local wellness policy and will report to the Superintendent on a respective school's compliance with such wellness policies. Additionally, a summary report of each school's compliance with the District wellness policy will be reviewed periodically and will be reported to the Board, the school Health Council, parent/teacher organizations, Principals and school health services personnel within the District.

Meal Charge and Prohibition Against Shaming Policy

The District adopted a "*Charging*" *School Meals and Prohibition Against Shaming* policy, No. 8505, to allow students who forget meal money to "charge" the cost of meals to be paid back at a later date. The District has also incorporated into this Policy, procedures for complying with the newly enacted legislation from the State regarding the prohibition of meal shaming. To comply with these State guidelines and maintain a system for accounting for charged meals the District performs the following:

1. Allows regular (reimbursable) meals to be charged, excluding extras, ala carte items and snacks, with no limit on the number of meals that a student can charge during the year.
2. No student shall be denied a reimbursable meal under any circumstances. In addition, no student with unpaid charges will be prohibited from purchasing food if they have money that day.
3. Notifies parents on a timely basis of any outstanding meal charges or if the student's account regularly has insufficient funds.
4. Uses a computer-generated point of sale system which identifies and records all meals as well as collects repayments.

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Free and Reduced Price Food Services

The District adopted a *Free and Reduced Price Food Services* policy, No. 8520, describing the District's role in the National and State School Lunch Program and other food programs that may become available to assure that all children in the District receive proper nourishment. The Superintendent has developed administrative procedures to implement the Free and Reduced-Priced Lunch Program, including that the written application is available in each building Principal's office, the most recent family income scales are used to determine the eligibility of the pupils, and the amount charged for a reduced price lunch is established by formal action of the Board and within the guidelines of the price reduction established by the NYSED. The policy also states no child will be discriminated against due to race, creed, national origin, sex, age, or handicapping condition. A family also has the right to appeal to the Superintendent if its written request for free lunch or reduced-priced lunch is denied. A letter is distributed to parents of children attending the District in the beginning of each school year concerning eligibility standards for free lunch or reduced price lunch, the application procedures and appeal procedures.

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INVENTORY PROCEDURES

Based upon our inquiries and observations, we noted the inventory procedures to be as follows:

Food and Paper Goods Inventory

Inventory is centralized at the High School and delivered to each building as requested. On a weekly basis, the head cook at each building puts together an order list which is based on the upcoming week's menu. The lists are then forwarded to the School Lunch Director who reviews and approves each order request for delivery.

When inventory orders are needed, the School Lunch Director creates a requisition to submit the order request through the business office. On a monthly basis, the head cooks at each building put together a manual inventory spreadsheet which is provided to the School Lunch Director who consolidates each list into one monthly inventory spreadsheet. At the end of the fiscal year this inventory spreadsheet is provided to the Business Office for accounting purposes.

The District is a member of the Long Island School Nutrition Directors Association (LISNDA) and participates in the Long Island School Nutrition Cooperative Bid (the "Cooperative"). The Cooperative prepares and processes the bid on behalf of the participating school districts for items including, but not limited to, ice cream, bread, groceries, paper and frozen foods. Utilizing the vendors that were awarded the bid, the School Lunch Director creates a requisition for the food and/or paper goods then forwards the documents to the purchasing agent. The purchasing agent reviews the requisition and the Cooperative bid documentation, which can be also be viewed on-line, then creates an open purchase order that will be utilized for the entire school year.

Governmental Commodities and Surplus Foods

In addition to reimbursement from the federal and state government, the District is also entitled by law to receive USDA foods ("governmental commodities and surplus food"), called "entitlement" foods, at a value of \$0.37 for each meal served in the fiscal year. The District can also get "bonus" USDA foods as they are available from surplus agricultural stocks. New York State Office of General Services ("OGS") selects and offers the entitlement foods for which New York State school districts are entitled to receive from a list of various foods purchased by the USDA. The variety of both entitlement and bonus USDA foods that the District can receive from the USDA depends on quantities available and market value.

The list of governmental commodities and surplus food is automatically generated based on the information entered and the number of meals served. The District receives governmental commodities and surplus food from September to May and some of the governmental commodities and surplus food are diverted to approved OGS processing centers.

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VENDING MACHINES

Based upon our inquires and observations, we noted the procedures for vending machines to be as follows:

The District has a total of two (2) snack vending machines and two (2) ice cream vending machines with one of each located at the Middle School and High School. In addition, the District has a drink machine located at the High School. The majority of the vending machines are not District owned, but are owned by *Deer Hills Vending* and *Snapple*, which the District contracts with to handle all of their vending machine activities. *Deer Hill Vending* owns both ice cream machines and the snack machine located at the High School. *Snapple* owns the drink machine located at the High School however, the District maintains the machine and stocks all merchandise so no commission check is received. The District also owns the snack machine located at the Middle School. The respective vendor fills the applicable vending machine(s), collects the cash from the vending machines and obtains the total sales from an itemized list of sales made during the period showing sales price, commission % and amount due the district.

On a monthly basis the School Lunch Director receives a 26% commission check with the meter readings for the respective vending machines noting the beginning and ending date as well as total sales from *Deer Hills Vending*. However, the commission statement does not list beginning and ending meter readings, but simply states the total dollar value of sales for each machine. It is also noted that the District did not have a formal executed contract on file with *Snapple*.

When a vending commission check is received, the School Lunch Director reconciles the meter readings to the commission check to ensure accuracy. The check is then forwarded to the Business Office, where it is logged into the log of incoming receipts. Subsequently, the check is provided to the District Treasurer to record the amount in the accounting software, as well as to prepare the bank deposit. Commission checks resulting from sales from vending machines are deposited into the school lunch fund and are recorded to a vending income revenue account code.

FREE AND REDUCED MEAL APPLICATIONS

The District participates in the federally assisted National School Lunch Program (“NSLP”) at all of their buildings. At each participating building, the District is required to offer all of the benefits under the NSLP program to all eligible children. In addition, the District is required to be in compliance with all the rules and regulations under these programs. The New York State Education Department (“NYSED”) makes available to all Districts an annual policy booklet which outlines the requirements that school districts must follow. The policy booklet also provides the following:

- ***Policy Statement:*** This statement sets forth the conditions that must be followed for the District to maintain participation in the Breakfast, Lunch, and Special Milk Programs and must be officially adopted each year. Completion and signing the Certification of Acceptance acknowledges the District’s adoption of this policy statement.
- ***Direct Certification:*** This process enables children from families receiving food stamps or Temporary Assistance to Needy Families (“TANF”) to receive free meals or free milk at schools participating in the Child Nutrition Programs without having to complete an application.
- ***Public Release, Parent Letter, and Free and Reduced Price Meal Application:*** Contains sample letters for public notification of income eligibility guidelines, free and reduced meal application, and income verification letters. The letters are in sample form so that the District can personalize them. However, any changes in the content of the release, parent letter, or application form require prior approval from NYSED.
- ***Income Eligibility Guidelines:*** as issued by the USDA.
- ***Other Sample Letters:*** sample parent letters regarding school meals, food substitutions for children with disabilities, and temporary approvals.

As required by the USDA rules and regulations, the District is required to verify three percent of the free and reduced meal applications received for accuracy of the income level reported on the application by November 15th of each year. The annual income verification process is performed by the School Lunch Director and is integrated into the District’s point of sale system.

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FEDERAL AND STATE REIMBURSEMENT PROCEDURES

The NSLP is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost lunches to children each school day. The NSLP was established under the Richard B. Russell National School Lunch Act of 1946. The District receives cash reimbursements based on meals served and governmental commodities and surplus food. The District’s procedures relating to governmental commodities and surplus food are described under the section titled “Inventory Procedures”.

NYSED publishes to all Districts the reimbursement rates for reimbursable meals by type (free, reduced, or full price). The reimbursement rates for “higher payment level” or “lower payment level” lunches are based on the number of free and reduced lunches served at the building location in the second preceding school year. If the number of free and reduced meals served exceeds sixty percent of the total number of meals served then the District is eligible to receive reimbursement based on the “higher payment level”. Based on the preceding criteria, for the 2020-2021 school year, the District was eligible for “under 60% + 7 cent” rates for lunch which are as follows:

<u>Meal Type</u>	<u>Federal Rate</u>	<u>State Rate</u>	<u>Total Rate</u>
Free Lunch	\$3.5800	\$0.0599	\$3.6399
Reduced Lunch	\$3.1800	\$0.4481	\$3.6281
Full Price Lunch	\$0.4000	\$0.0599	\$0.4599

NYSED also publishes to all school districts a deadline for submission of the monthly reimbursement claim form. As required by the USDA, the monthly reimbursement claim form must be submitted within 60 days subsequent to month end. As published by the NYSED, the monthly reimbursement claim forms must be submitted no later than the dates noted below:

<u>Claim Month</u>	<u>60 Day Deadline</u>
July	September 29th
August	October 30th
September	November 29th
October	December 30th
November	January 29th
December	March 1st (Leap Year, February 29th)
January	April 1st (Leap Year, March 31st)
February	April 29th
March	May 30th
April	June 29th
May	July 30th
June	August 29th

The District receives reimbursement from the federal and state governments based on the number of meals served as reported on a monthly reimbursement claim form which is submitted utilizing the Child Nutrition Management System website.

CASH RECEIPTS PROCEDURES

Based upon our inquiries and observations, we noted the procedures for cash receipts at the High School, Middle School, Charles E. Schwarting Elementary School, Eastplain Elementary School and John H. West Elementary School, be as follows:

Overview

There are three POS cash registers at the High School, two at both the Middle School and Charles Schwarting Elementary School, and one at the Eastplain Elementary School and John H West Elementary School. At the High School and the three elementary schools there are four lunch periods during which students and District staff may purchase meals or food items. At the Middle School there are three lunch periods. All students have an account in the POS system, which maintains records of the student's status and tracks any prepayments for purchases of meals and other food items such as a la carte and milk. An a la carte sale involves any food or beverage that students purchase in addition to or in place of the USDA reimbursable school lunch. Adult lunches are sold on a per item basis and are \$4.62 plus sales tax. As required by the USDA rules and regulations, the District's adult meal price must exceed the price value of the reimbursement for a free meal to an eligible child, which for the 2020-2021 school year is \$3.64. This is to ensure that the District is not subsidizing adult meals with federal and state funds.

Cash Receipts Procedures

Students are required to enter a personal identification number in a key pad located next to the cash register. The POS displays the free, reduced or paid meal status of the student with the price appearing next to the student's name. This ensures that the privacy of the student's status is maintained as only the cashier can see their status at the time of the sale. If the student has funds available in their account, the student can utilize the account to purchase their meal and/or a la carte items. The student's account is charged upon the cashier selecting the particular item and/or selected a la carte items requested by the student. Students without cash or available funds in their account are always permitted to charge the reimbursable meal of the day regardless of their account status. However, they are not permitted to charge any additional a la carte or snack items. Adults utilize an account to pay for the respective meal and sales tax is applied to their purchase.

Cashier Balancing Procedures

Cashiers close out their respective cash registers after lunch and snacks are finished being served. At the end of the day, the cashier begins their cashier balancing procedures. The cashiers close out their POS register and count the beginning drawer cash balances, which are set at \$155 for all buildings. Any checks received are stamped with the District's restrictive endorsement stamp and entered in the POS. The cashier counts out the change and cash and enters the information into the POS system. All bundles of \$50 are required to be wrapped and initialed by the cashier and head cook. The head cook then recounts the cash collections of the cashier for accuracy and signs off on the deposit slip completed by the cashier. The cashier's box containing the beginning cash for the next day is locked up overnight in the freezer. Only the School Lunch Director and Head Cooks have access to the freezer.

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Collected Funds Deposit Procedures

On a daily basis, the cashiers at each building prepares the triplicate copy bank deposit slip and the head cook seals the money and deposit slip (white and pink copies) into a pre-numbered bank bag. The daily bank bags are locked up on site in the main office safe overnight. The next morning the District courier picks them up and takes them to the bank to be deposited.

After all the cashiers have completed their end of the day procedures, the School Lunch Director views a *Cash Counter* report from the POS system, which notes how much each cashier sold for the day and compares the cashier's end of day count to the actual amount the drawer should be at based on the day's sales. Any significant overages or shortages are investigated further by the School Lunch Director.

On a daily basis, the cooks at the various building locations forward the the pink copy of the bank deposit slip, and sealed bank bag identification numbers to the School Lunch Director, who reviews the daily deposit forms and compares them to the POS system reports to ensure accuracy. Once reconciled, the School Lunch Director then enters the deposit information into *Wincap*.

On a monthly basis, the District Treasurer reconciles the weekly deposits to the bank statements, to ensure accuracy. The District Treasurer also records the incoming wire transfers from the Office of the State Comptroller relating to federal and state reimbursements within *Wincap*, via journal entries. The District Treasurer also prepares the monthly bank reconciliations for the food service bank account, which are reviewed by the Assistant Superintendent for Business. All documents are attached to the bank reconciliation and maintained in the business office.

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FINDINGS AND RECOMMENDATIONS

Based on our inquires, observations and detailed testing, we provide our findings and recommendations to further strengthen the District's internal controls as they pertain to the food service operations outlined above.

It should be noted that these recommendations are provided to assist management in improving the accounting and internal controls and procedures as they relate to the District's food service operations. It is important to note that our findings and recommendations are directed toward improvement of the system of internal controls and should not be considered a criticism of, or reflection on, any employee of the District.

Based on our inquires, observations and detailed testing, our findings and recommendations are as follows:

Board Policies

Procedure Performed: We reviewed the District's policies and procedures related to the food service operations.

Finding: We noted the District did not have a formal Board policy surrounding their vending machine operations.

Recommendation: We note that although the District contracts with outside vending companies to handle their vending machine operations, we still recommend the District adopt a formal vending machine usage policy stating that vending machines will be allowed on school grounds, what types of food and/or drink will be permitted, and where the proceeds from vending machine sales will go (for example: school lunch program, faculty association, student council).

Inventory & Commodities

Procedure Performed: We reviewed the District's procedures and internal controls for the tracking, monitoring, and recording of inventory, including food, paper goods, and government commodities/surplus foods.

Findings: No exceptions were found as a result of applying these procedures.

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School Lunch Fund – Fund Balance

Procedure Performed: We reviewed the District’s fund balance levels within the school lunch fund for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020 to ensure compliance with Federal regulation 7CFR Part 210.14(b), which limits school food authorities (SFA) to having a fund balance which does not exceed 3 months average expenditures for its nonprofit school food service program. We noted that although the District’s fund balance in the school lunch fund exceeded the allowable threshold by \$71,704 as of June 30, 2018 and \$39,680 as of June 30, 2019, it fell within the allowable threshold as of June 30, 2020.

Findings: No exceptions were found as a result of applying these procedures.

Cash Collections

Procedure Performed: We reviewed the District’s procedures and internal controls for cash collections.

Findings: No exceptions were found as a result of applying these procedures.

Vending Machines

Procedure Performed: We reviewed the District’s procedures and internal controls for vending machines.

Findings: In addition to the District not having a formal Board policy on their usage of vending machines, as previously discussed, we also noted that the District did not have a formal executed contract on file with *Snapple*, who owns one vending machine.

Recommendation: We recommend that the District adopt a formal Board policy on vending machine usage (as previously discussed), as well as obtain a formal executed contract from each vending machine vendor the District contracts with.

Free and Reduced Meal Applications

Procedures Performed: We tested 15 free and reduced meal applications for compliance with the USDA income eligibility guidelines for 2020-2021, noting completeness, proper status determination of the free and reduced meal applications and reviewer’s signature. In addition, we tested the District’s compliance with the USDA requirement of publishing the free and reduced meal application income eligibility guidelines.

Finding: No exceptions were found as a result of applying this procedure.

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Free and Reduced Meal Applications Income Verification

Procedures Performed: We tested the District's compliance with the USDA requirement of performing an income verification on three percent of applications received.

Finding: No exceptions were found as a result of applying these procedures.

Cash Receipts and Meal Counts

Procedures Performed: We compared the daily cash receipts and meal counts for the month of October 2020 listed on the *NUTRIKIDS* reports, deposit slips, and monthly reimbursement claim form for state and federal reimbursement to verify that the amounts per *NUTRIKIDS* agreed to the daily cash receipts and the monthly reimbursement claim form.

Finding: No exceptions were found as a result of applying these procedures.

Cash Collections – Building Level

Procedure Performed: We observed the cash handling procedures at the High School, Middle School and Schwarting Elementary Schools, including the entering of sales at the cash register, counting of cash, drawer close out procedures, and end of day procedures. Additionally, we reviewed the *NUTRIKIDS* reports detailing the overage/underage totals for each cashier for the day.

Finding: No exceptions were found as a result of applying these procedures.

School Lunch Analytical Review

Procedures Performed: Performed an analytical review of the fund balance, revenues and expenditures for the fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020 for reasonableness.

Results: Refer to Appendix A for summary of results.

Procedures Performed: Performed an analytical review of the District's revenues and expenditures compared to three school districts, with comparable annual budgets, operating an in-house food service program.

Results: Refer to Appendix B for summary of results.

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CORRECTIVE ACTION PLAN

The District is required to prepare a corrective action plan in response to any findings contained in the internal audit reports. As per Commissioner's Regulations §170.12, a corrective action plan, which has been approved by the Board, should be submitted to the State Education Department within 90 days of the receipt of a final internal audit report.

The approved corrective action plan and a copy of the respective internal audit report should be submitted using the NYSED Business Portal.

**Plainedge Union Free School District
School Lunch Fund Three Year Analysis**

	2018	% of Revenue	2019	% of Revenue	2020	% of Revenue
Revenues:						
Sales	\$ 628,992	75.58%	\$ 640,514	75.01%	\$ 432,222	55.57%
Interfund Transfer	3,312	0.40%	4,238	0.50%	191,069	24.56%
Federal/State Aid/Surplus Foods	199,885	24.02%	209,146	24.49%	154,538	19.87%
Total Revenues:	<u>832,189</u>		<u>853,898</u>		<u>777,829</u>	
Expenditures:						
Salaries	\$ 381,522	45.8%	\$ 381,514	44.7%	\$ 421,784	54.2%
Equipment	2,145	0.3%	54,504	6.4%	26,771	3.4%
Food	243,202	29.2%	269,942	31.6%	196,104	25.2%
Supplies	12,424	1.5%	12,767	1.5%	10,488	1.3%
Contractual/Miscellaneous	57,802	6.9%	62,968	7.4%	15,680	2.0%
Benefits/Insurance	98,227	11.8%	83,321	9.8%	107,002	13.8%
Total Expenditures:	<u>795,322</u>		<u>865,016</u>		<u>777,829</u>	
Profit / (Loss)	<u>\$ 36,867</u>		<u>\$ (11,118)</u>		<u>\$ -</u>	
Gross Profit %	4.64%		-1.29%		0.00%	

Summary

- Due to the COVID-19 pandemic, school closures caused a decrease in school lunch sales during the 2019-2020 school year.
- Due to the COVID-19 pandemic, the District was required to complete a larger interfund transfer to account for the loss of revenue from school closures and remote learning.
- In 2019, the District had a spike in equipment expenses as a result of the District purchasing various cafeteria related equipment items in an effort to utilize excess school lunch fund balance.

**Plainedge Union Free School District
School Lunch Fund District Comparison
Fiscal Year Ended June 30, 2020**

	In-House Programs								
	Plainedge Union Free School District	% of Revenue	District A	% of Revenue	District B	% of Revenue	District C	% of Revenue	
Revenues:									
Sales	\$ 432,222	55.57%	\$ 384,427	37.73%	\$ 835,862	72.58%	\$ 886,181	57.10%	
Interest and Miscellaneous	-	0.00%	1,924	0.19%	1,771	0.15%	17,444	1.12%	
Federal/State Aid/Surplus Food	154,538	19.87%	366,729	35.99%	282,768	24.55%	331,559	21.36%	
Interfund Transfers	191,069	24.56%	265,923	26.10%	31,310	2.72%	316,807	20.41%	
Total Revenues:	<u>777,829</u>		<u>1,019,003</u>		<u>1,151,711</u>		<u>1,551,991</u>		
Expenditures:									
Salaries	\$ 421,784	54.23%	\$ 620,033	60.85%	\$ 706,397	61.33%	\$ 765,642	49.33%	
Equipment	26,771	3.44%	24,334	2.39%	16,782	1.46%	33,492	2.16%	
Food	196,104	25.21%	307,596	30.19%	419,097	36.39%	437,381	28.18%	
Supplies	10,488	1.35%	14,448	1.42%	38,486	3.34%	29,216	1.88%	
Contractual/Misc.	15,680	2.02%	6,729	0.66%	32,536	2.83%	21,337	1.37%	
Benefits/Insurance	107,002	13.76%	45,863	4.50%	122,217	10.61%	270,048	17.40%	
Total Expenditures:	<u>777,829</u>		<u>1,019,003</u>		<u>1,335,515</u>		<u>1,557,116</u>		
Profit / (Loss)	<u>\$ -</u>		<u>\$ -</u>		<u>\$ (183,804)</u>		<u>\$ (5,125)</u>		
Gross Profit %	0.00%		0.00%		-13.76%		-0.33%		

SUMMARY

The comparison above shows the following major difference between similar school districts and Plainedge Union Free School District.

- The District's gross profit percentage of 0.0% is one of the highest compared to similar districts.
- The District had the lowest food costs as a percentage of total expenditures compared to similar districts.
- The District had the second to lowest salaries expense as a percentage of total expenditures compared to similar districts.