

Warwick

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

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

To Whom It May Concern:

Re: Fiscal Year-End Audit June 30, 2017 – Corrective Action Plan

I have attached the Management Letter from the external auditors for the Warwick Valley Central School District – Raymond G. Preusser, CPA, P.C. The following is the District's corrective action plan to their findings:

Due from and Due To Other Funds:

Interfund loans between funds are intended to be temporary in nature. These advances should be repaid, if possible, within one year.

We noted that the Special Aid Fund (\$1,347,276) and the School Lunch Fund (\$269,564) were indebted to the General Fund in the amount of \$1,616,840 at June 30, 2017 with cash balances which could have repaid some of the loan.

We recommend that the interfund loans be monitored closely by the Treasurer so as to repay them when funds are available.

With cash balances of \$527,561 in the Special Aid Fund and \$456,847 in the School Lunch Fund, these funds could have repaid a portion or the entire amount of the loan.

Response:

The District will comply with the auditor's recommendation and pay due to due from between funds before end of the fiscal year.

Special Aid Fund:

During our audit of the Special Aid Fund, we noted the following:

- 1) The Federal and State Aid Receivable decreased from \$1,032,849 at June 30, 2016 to \$821,615 at June 30, 2017.
- 2) The indebtedness to the General Fund increased from \$1,142,600 at June 30, 2016 to \$1,347,276 at June 30, 2017.
- 3) The District was not timely in requesting funds during the year. The District should be requesting funds on a monthly basis for all programs greater than \$100,000 and quarterly for programs less than \$100,000. We have noted improvement over the prior year.

The District can request up to 90% of the budgets during the year.

We recommend that the District resolve these issues as soon as possible so that the funds can be realized and the indebtedness reduced.

Response:

The District will comply with the auditor's recommendation to request funds on a monthly basis for programs greater than \$100,000 and quarterly for programs less than \$100,000.

Sincerely,



Timothy Holmes

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Enclosure