

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, 2022 Corrective Action Plan

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

CAPITAL FUND

As a result of our audit, we found that several Capital Projects which appear to be complete have small unspent/overspent balances at year-end.

We recommend that management review the status of these Capital Projects and consider the need for Board action to close these projects authorizing the transfer of unspent balances.

Response:

The District closed the completed Capital Projects and transferred any unspent balances to the General Fund at the November 3, 2022 board meeting.

OTHER

As a result of our procedures, we noted that some funds had "due to other funds" balances at the end of the fiscal year. While we understand that it may be necessary for some funds to make temporary loans to other funds, it should be noted that General Municipal Law, Article 2, Section 9-a states that all interfund advances need to be repaid as soon as funds are available, but in no event later than the close of the fiscal year in which the advance was made.

We recommend that management repay those temporary loans as soon as possible. Furthermore, we recommend that management closely monitor future temporary loans to other funds and take steps necessary to repay such loans prior to the end of the fiscal year.

Response:

The District will make every effort to comply with the auditor's recommendation and pay "due to due from" between funds before the end of the fiscal year. It is unlikely that there will never be any "due to due from" balances at the end of the fiscal year. This is because some of the Federal Grants end in August, which is after the close of the June 30th fiscal year end, and the District is waiting on the reimbursement from the State. The District reconciles the "due to due from" on a quarterly basis, December, March and June. Even still, the District had balances. The District will continue to monitor these balances and continue to repay the temporary loans.

EXTRACLASSROOM ACTIVITY FUND

We found that several extra classroom activity clubs had limited or no financial activity during the year.

We recommend that management review the status of all such clubs. If a club is found to be non-operational and there will be no further activity, the club's remaining funds should be transferred in accordance with Board policy.

Response:

The District transferred remaining balances of several inactive clubs in September and October 2022, to the Student Senate as per Board Policy.

Sincerely,



Timothy Holmes