



Charlotte Valley Central School

"Empowering Students Today to Conquer the Challenges of Tomorrow"

Mr. Eric C. Whipple, Superintendent

15611 State Hwy 23; Davenport NY, 13750

Mrs. Christine Davis, Principal

Phone (607)278-5511 Fax (607)278-5900

November 27, 2023

Charlotte Valley Board of Education:

In response to the Financial Statements and Supplementary Information Audit Report conducted by Raymond G. Preusser, the following outlines the Financial Statement Findings and the District's Corrective Action Plan.

Fund Balance

Criteria

Section 1318 of Real Property Tax Law establishes the maximum unassigned fund balance that can be retained by a school district. The current law limits this amount to 4% of the ensuing year's budget.

Condition

General fund unrestricted fund balance exceeded 4% of the subsequent year's budget.

Corrective Action Plan

School District Management will ensure that the excess fund balance is considered when funding reserves and preparing next year's budget.

Completion Date

June 30, 2024

School Lunch Fund

Criteria

The school lunch fund is permitted to hold three months of operating expenses in fund balance reserve.

Condition

School lunch fund unrestricted fund balance exceeded three months of expenses.

District Position

The district's lunch program is in a healthy position due to high student meal participation, state and federal grant revenues, and careful budgeting. The

district has not had to supplement revenue from the general fund to support the lunch program. The district continues to be concerned with high inflation and rising food costs, which could place increased financial burden on the district if not managed. During the 2023 fiscal year the district reduced its lunch fund balance by nearly half by allocating money toward new equipment, custodial maintenance and monitoring, and by the increased cost of purchased food and paper. The district has also reserved funds to cover the cost of potential employee benefits

Corrective Action Plan

School District Management will ensure that the school lunch fund is being allocated appropriately toward necessary purchases as well as to prepare for the increased costs of goods brought on by inflation.

Completion Date

June 30, 2024

Request for Funds-Special Aid Fund

Criteria

The district did not request additional funding from NYSED for grants after the initial payment.

Condition

The State/Federal receivables went from \$567,470 in 2022 to \$1,263,210 in 2023.

District Position

The district's use of state and federal grant allocations increased in the 2023 fiscal year, which accounts for a portion of this amount. In addition, the district supports the recommendation of regularly requesting additional funds from NYSED. The district began the practice of regularly requesting additional funds during fiscal year 2023, which accounts for the increased receivables.

Corrective Action Plan

School District Management will continue to request additional funding from NYSED on a quarterly basis.

Completion Date

Achieved and currently in practice.

Budget Transfers

Criteria

Section 170.2(I) of Commissioner's Regulations provides the authority for budgetary transfers within specified functions to maintain fiscal balance.

Condition

It was noted that some budget transfers were not made in a timely basis.

District Position

The district works with the BOCES Shared Business Office on its budgetary and accounting tasks. Due to a high rate of turnover between the SBO and School District, protocols and procedures were in need of review. The communication between both parties have been updated, reviewed, and implemented.

Corrective Action Plan

The school business offices will work with the school superintendent on a monthly basis to review all budget codes to identify those in need of budget transfers. Any transaction over expending a budgeted code will not be authorized prior to a necessary budget transfer.

Completion Date

June 30, 2024

Sincerely,



Eric C. Whipple
Superintendent