

FORESTVILLE CENTRAL SCHOOL DISTRICT

12 Water Street
Forestville, New York 14062

ADMINISTRATION

RENEE A. GARRETT
Superintendent of Schools
DANIEL J. GRANDE
Middle/High School Principal
LINDSAY S. MARCINELLI
Elementary School Principal
JENNIFER A. FITZGERALD
District Treasurer



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District Clerk

October 31, 2019

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

Office of the New York State Comptroller
Division of Local Government Services & Economic Development
Data Management Unit 12th Floor
11 O State Street
Albany NY 12236

To Whom It May Concern;

The following information is the Forestville Central School District's formal response to the 2018-2019 external audit management letter. You will find the area of improvement as written by the auditor, followed by the District's Corrective Action Plan (CAP).

INTERNAL CONTROL

In connection with our study and evaluation of the Forestville Central School District's (the "District") internal control systems in place for the year ended June 30, 201, we noted certain matters which are not considered to be significant deficiencies to the design or operation of the internal control structure, but which warrant improvement. In addition to describing these matters, we also provide our recommendations for improvement.

Due To/From Balances

Audit procedures noted while Due To/From balances were in balance and in total agreed to the general ledger, amounts recorded for individual fund activity were not in agreement. An audit entry was made to reconcile the amounts between individual funds so that all balances would be properly reflected.

District's Corrective Action Plan: The Business office personnel should maintain a schedule to ensure that all Due To/From amounts are in balance between individual funds, and in total, at all times and that they match the general ledger accounts.

Treasurer's Reports

It was noted that there were two months in the beginning of the fiscal year where no Treasurer's report was presented to the Board of Education, and consequently, the first two months of the new fiscal year were not presented and approved until November, 2018. This led to a ripple effect, and several of the reports were not presented until two or three months after the month end. By the end of the year, the reports were being presented on a timelier basis.

District's Corrective Action Plan: In order for the Business Office to maintain the effectiveness of internal controls, we have put a schedule together of imperative due dates to make sure that the Treasurer's reports be presented to the Board for review and approval on a timely basis.

Journal Entries

Our testing of the general journal entries posted during the year ended June 30, 2019 noted that several journal entries were not approved by an individual other than the person posting them. All journal entries should be approved by an individual independent of the general ledger process.

District's Corrective Action Plan: The District understands the importance of proper supporting documentation when journal entries are needed, and will be sure that all journal entries have it included prior to the entries being processed. In addition, the individual who is independent of the general ledger system will ensure proper documentation is included before approval.

Accounts Payable

During the audit it was noted that several open invoices, including the amount remaining on the BOCES contract had not been recorded as accounts payable at year-end. Prior to the auditors arriving on-site, the District should review all invoices received subsequent to year end to determine if they should be recorded as accounts payable for the fiscal year-end being audited, and record them accordingly. It is important that the District monitor and maintain proper cutoff for such transactions.

District's Corrective Action Plan: The District will research and review the status of open purchase orders at years' end and properly determine if the order was received and processed prior to the proper cutoff timeframe to include it or not, as an accounts payable.

Fixed Asset Additions/Deletions

During the audit it was noted that all fixed asset additions were not provided to the contractor that has been retained by the District to update fixed asset schedules and calculate depreciation. In order to ensure proper accounting for Fixed Assets, it is imperative that fixed asset additions be tracked by the District and be reported to the contractor accurately and in accordance with the District's capitalization policy.

District's Corrective Action Plan: The Business Office will be retaining a new contractor to increase the accuracy and timely completion.

Grant Programs

During the audit it noted that the Request for Funds for a Federal or State Project (Form FS-25) were not submitted until April, 2019 for each of the grant programs administered by the District. Therefore, the District received its initial payment on its grant programs as calculated and remitted by the State Education Department, however, did not receive any other payments until after the FS-25 Forms were filed in April, 2019.

District's Corrective Action Plan: The Business office personnel will be completing and filing all FS-25's on a quarterly basis to track the grant activity and maintain adequate cash flow.

Outstanding Check

During our cash testing, it was noted that a check that had been written prior to June 30, 2019 and was still outstanding at the time of audit fieldwork in August, 2019. Our inquiry regarding this check revealed that the check was still on hand at the District and had not been released to the Contractor, as the related project had not been completed.

District's Corrective Action Plan: The Business office personnel going forward will ensure that Payments to contractors will not be initiated until the project is final and all documentation is received. Checks will be released in a timely fashion and not held by the District.

Fund Balance and Reserve Activity

The District did not maintain a schedule of Fund Balance and Reserve Activity for the year ended June 30, 2019.

District's Corrective Action Plan: The District Treasurer going forward will maintain a schedule of activity throughout the year and monitor the fund balances to ensure compliance with the New York State requirements.

General Accounting

Several general ledger accounts that are typically adjusted at year end were not updated at the time of commencement of the audit. This includes balances for inventory, extraclassroom activity funds, compensated absences, and other debt related activity.

District's Corrective Action Plan: The Business office personnel going forward will ensure that all account balances prior to the commencement of the audit.

District's Overall Comment

The District will follow and implement the recommendations provided to the District in the management Letter. We do believe that this will ensure a stronger system of internal accounting control and transparency while also making its operations more efficient, as suggested by the auditor.

Sincerely,

Jennifer Fitzgerald
District Treasurer