

# Schoharie Central School District

PO Box 430, 136 Academy Drive, Schoharie, New York 12157

Audit Report by Raymond G. Preusser, CPAs, P.C.  
Finances of Schoharie Central School District  
2022-23 School Year: July 1, 2022 to June 30, 2023  
Corrective Action Plan: October 19, 2023

## Internal Control and Other Operational Matters:

### Equipment

Equipment purchases were made in excess of the amounts previously approved by the voters when the 2022-23 budget was approved.

*District's Action Plan:* District officials will ensure for the 2023-24 fiscal year and beyond that the equipment purchased will not exceed the amounts appropriated in the voter-approved budget.

### Capital Assets

The auditor recommends a regular physical inventory of capital assets.

*District's Action Plan:* The auditor recommends a regular physical inventory of capital assets (equipment that has a unit value of at least \$1,000) to be increased to a \$5,000 threshold. Going forward, the inventory records will be maintained such that additions and deletions will be accurate. The District will budget for an inventory to be conducted every five years.

### Special Aid Fund

The auditor recommends that funding requests be filed on at least a quarterly basis as allowed for each project, rather than waiting until the end of the grant year.

*District's Action Plan:* District officials will establish the practice of submitting grant funds requests to NYSED on a monthly/quarterly basis, beginning with the 2023-24 fiscal year and beyond.

### Interfund Transactions

The auditor recommends that all accounts be monitored closely throughout the fiscal year to ensure that amounts that may be due from one monetary fund to another be repaid on a timely basis within the fiscal year.

*District's Action Plan:* District officials will establish a system of monthly monitoring and reconciliation of accounting as it involves funds owed between the various monetary funds within Schoharie Central School District finances.

### Budget Preparation

The auditor recommends increased scrutiny for major budget categories when the annual budget is prepared for the appropriation needs, especially regarding employee benefits, special programs for children, general instruction, and instructional media.

*District's Action Plan:* District officials will exercise increased scrutiny during the preparation of the new 2024-25 operating budget and ensuing budgets to address the auditor's recommendation, especially regarding employee benefits, special programs for children, general instruction, and instructional media.

### School Lunch Fund

The auditor stipulates that the School Lunch Fund is required to be operated on at least a break-even basis. During the 2022-23 school year, this fund had a cash deficit of \$10,251, even after the program was subsidized by the General Fund by \$67,000.

*District's Action Plan:* District officials will closely monitor program operations by conducting a monthly profit/loss analysis, including a monthly inventory of food and supplies. The District will ensure that revenue claims for state and federal aid are filed monthly, that the inventories are controlled, that labor costs are controlled, and that the District qualifies for CEP program.

### Budget Transfers

The auditors noted during their audit that transfers to address line item deficits were not always made on a timely basis. Commissioner's Regulations provide for the transfer of appropriations to address line item needs.

*District's Action Plan:* District officials will establish tighter controls over expenditures by requiring all expenses to first be recorded on an approved purchase order. Controls will be established on the financial management system to prohibit an expenditure if the pending expense would cause a deficit to the line item. As for expenditures that do not require a purchase order, such as salaries, all codes will be reviewed weekly and if a line item has a negative appropriation balance, an appropriate transfer will be made to correct the deficit.

We are the responsible District officials to ensure compliance with this Corrective Action Plan.

David M. Blanchard  
Superintendent of Schools

David J. Baroody  
Business Administrator