



HUDSON CITY SCHOOL DISTRICT

Jonathan (Jesse) Boehme

School Business Administrator

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April 29, 2020

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

Re: Corrective Action Plan- 2018/2019 Audit

Dear Sir/Madame:

This is in response to the nonmaterial Findings and evaluations contained in the audit of Hudson City School District for year ended June 30, 2019

The following is a description of the nonmaterial findings and the district response:

- Fund Balance Condition:** 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. The district's financial statements for the year ended June 30, 2019 indicate that the unassigned fund balance is in excess of the legal limit, by \$458,417.
Recommendation: We recommend the district lower the unassigned fund balance to the legal limit.
Status: This will be corrected by 6/30/2020.
- Interfund Transactions Condition** Advances between funds are designed to be temporary in nature and should be repaid as soon as funds are available. During our audit, we noted the General Fund, Special Aid Fund, School Lunch Fund, Capital Fund and Trust and Agency Fund were indebted to funds and had funds available to repay a portion or all of the advances.
Recommendation: We recommend that interfund loans be reviewed regularly and the advances be repaid when cash is available.
Status: We agree with the recommendation and will make the correction.
- Special Aid Fund Condition:** The State and Federal Aid receivable account increased from \$947,826 at June 30, 2018 to \$1,455,890 at June 30, 2019.
Recommendation: We recommend that funds be applied for on a more regular basis to increase cash flow.
Status: We agree with the recommendation and will follow the procedures.

Please feel free to contact me if you have any questions or concerns with respect to this response.

Sincerely,

Jonathan (Jesse) Boehme
Business Administrator

