

**Harrisville Central School District
Corrective Action Plan
(External Audit for Fiscal Year Ending June 30, 2023)**

Condition: The District Did Not Maintain Sufficient Assets at Fiscal Year End June 30, 2023 to Fund the Assigned and Reserved Balances Restricted within the General Fund

The District expended the restricted cash balances to ensure cashflow for operational purposes. Fund balances were not reviewed and monitored throughout the year to reconcile the restricted and assigned balances with cash and other available resources.

Recommendation:

- Management should update the reserve plan on annual basis to ensure that reserve balances remain available and appropriate.
- Management should develop procedures to ensure that restricted and assigned fund balances remain available for their designated purposes.
- Management should review budget to actual expenditures in the General Fund and transfer appropriations between budget line items as deemed necessary.

Management's Response

- Management will update the reserve plan yearly to ensure reserve balances are appropriated.
- Management will monitor cashflow to ensure that restricted funds from reserve accounts does not have to supplement and that balances of the restricted and assigned funds remain available for their designated purposes.
- Management will monitor actual expenditures in the General Fund and make the necessary appropriation transfer between budget line items.

Person(s) Responsible & Probable Date of Completion

Business Manager & Superintendent- Amy Frost and Robert Finster

Date of Completion: On going throughout year: completion **06/30/2024**

Condition: The District has a Deficit Fund Balance in the School Food Service Fund, Special Aid Fund and Capital Projects 2021-2022 Fund

The District has deficit fund balance in the School Food Service Fund due to escalating costs of operating the food service program. The deficit fund balance in the Special Aid Fund was attributed to the write-off of uncollectible grant receivables in a prior year. The Capital Projects 2021-2022 Fund deficit was the result of an unanticipated capital outlay project expenditure.