Grand Island Central School District
June 30, 2019 External Audit Corrective Action Plan (CAP)

The Grand Island Central School District Board of Education and Administration take their fiduciary responsibilities very seriously and are committed to ensuring that its financials are administered responsibility in the best interest of the students and the community. For each finding included in the External Audit June 30, 2019, the following is our corrective action(s) taken or proposed.

Observation #1:

Deficit fund balance in the school lunch fund: The District's school lunch fund deficit has grown to $821,000 as of June 30, 2019, a further decrease of $59,000 from 2018. The District has experienced an annual decline in fund balance since 2008, a cumulative decrease of $1,147,000 over the past 12 years. Total sales, exclusive of free and reduced reimbursements, have hovered at about $500,000 over the past five years. The school lunch fund has cumulatively borrowed $1,179,000 from the general fund as of June 30, 2019 to finance operations. As we have mentioned in prior audit reports; the District should consider providing the school lunch fund with a permanent transfer and develop a strategy that will allow food service operations to be self-sustaining. You may need a consultant or consider using an outside party to manage food service operations.

Corrective Action: Grand Island CSD has worked collectively with the Districts and Food Service committee to develop the attached 5-year Food Service Financial Plan. The plan will be reviewed annually to see if adjustments need to be made.

Observation #2:

Extraclassroom Activity Funds: We again noted multiple extraclassroom activity student ledgers that did not agree to the central treasurer's ledger. The primary reason of the differences was due student club treasurers not being available over the summer. We encourage the District to reconcile club activity timely and coordinate with club treasurers to ensure both sets of ledgers agree at the end of the fiscal year. We noted that club advisors are signing student ledgers indicating the balances agree although there are variances with the central treasurer's ledger. We recommend a more formal procedure be implemented to ensure this approval is done only after balances are reconciled and agreed. We noted various transactions that did not have complete documentation or signatures present. We recommend that purchases and deposits are not completed until all proper documentation and approvals are received.

Corrective Action: The District is developing a more formal process for balance review and sign off for year end. We will be meeting with the advisors before June 2020 to make sure everyone is aware and understands the process moving forward.

Assistant Superintendent for Business and Finance Date

Superintendent of Schools Date

Board of Education President Date