

CALEDONIA-MUMFORD CSD CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024

The Caledonia-Mumford Central School District has developed a Corrective Action Plan for the control deficiencies outlined in its Management Letter for the year ended June 30, 2024.

School Lunch Fund:

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2024 totaled \$211,620. This balance appears to be in excess of the three months average expenditures level recommended by Federal Regulation #7 CFR Part 210.14(b) in the amount of \$19,797.

We recommend the District continue to develop the corrective action necessary for compliance with the Federal Regulation.

District Response:

This large operating surplus was due to the National Pandemic and the Federal Government deeming that every student will receive a free breakfast and lunch during 2021-22. In 2023-2024, the district became eligible for the CEP program. However, our operating surplus in 2023-2024 was much lower compared to 2021-2022 due to the increase cost in groceries. Due to inflation and the rising cost of food, the district is being conservative with our budgeting estimates and allowing this overage to continue into future years. The Business Administrator will monitor funding levels to keep the Food Service Department's Fund Balance under the three months of operating expenses.

Disbursements:

During the course of our examination, we noted seven instances in which the purchase order was dated subsequent to the invoice date.

In order to enhance control over the cash disbursements process, we recommend that a properly authorized purchase order be issued prior to the purchase being made unless the purchase is deemed emergency in nature.

District Response:

The Business Administrator will continue to monitor purchasing regulations to ensure that a purchase order is created prior to an order being made.

Budget Transfers:

The Board of Education has the authority to transfer funds between noncontingent account codes, and from noncontingent account codes to contingent codes, but not from contingent account codes to noncontingent account codes. During the current fiscal year, the district increased noncontingent budget codes in the amount of \$601,053 for purchases not considered ordinary contingent expenses.

We recommend the district review this item and not make budget transfers from contingent account codes to noncontingent account codes in the future.

District Response:

The Business Administrator will monitor this to ensure that this does not happen in future fiscal years.

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