

District Corrective Action Plan for June 30, 2024 Annual Financial Audit

The annual financial audit was conducted during the month of August 2024 and the annual financial report was accepted by the Board of Education on October 23, 2024. Below are the responses to the statements included in the Internal Control over Financial Reporting section of the Report to Those Charged with Governance.

School Lunch Fund

Federal regulations in 7 CFR, Section 210.9b state that a school food authority shall limit its net cash resources to an amount that does not exceed three months average expenditures for its nonprofit school food service. Amounts exceeding this limit require the school food authority to reduce the price children are charged for lunches, in a manner that is consistent with the paid lunch equity provision in Section 210.14e and corresponding Food and Nutrition Service of the United States Department of Agriculture (“USDA”) guidance, or take other action to improve the nonprofit school food service (i.e. capital improvements). Our audit of the School Lunch Fund indicated that, based on 2023-24 expenditures, this limit would be \$534,499. The School Lunch Fund is in excess of this limitation. The actual amount will be determined by the New York State Office of Child Nutrition. **(It should be noted that effective July 1, 2024, USDA has approved the New York State Education Department to increase the net cash resource limitation to six months average operating expenditures, in which case the School District would not have been in excess of the limitation).**

Corrective Action Plan:

The School District is responsive to the New York State Office of Child Nutrition when it is requested to submit a plan to lower the excess school lunch fund balance. In order to properly calculate the actual amount of excess, the New York State Office of Child Nutrition will need to adjust for supplemental funds received through the USDA’s Supply Chain Assistance Funding program. Additionally, now that the net cash resource limitation has been increased to six months average operating expenditures, the excess fund balance plan for 2024/25 may not be required. If there is a requirement to lower the excess fund balance per New York State Office of Child Nutrition requirements, the Assistant Superintendent for Business and Treasurer will be responsible for implementation of corrective action. It is expected this corrective action will be completed by June 30, 2025, if necessary.