

Rush-Henrietta Central School District
BUSINESS OFFICE

MEMO TO: Dr. Barbara Mullen

FROM: Andy Whitmore

RE: Audit Corrective Action Plan

DATE: September 1, 2023

Shown below is the management response to the Rush-Henrietta Central School District's "Communicating Internal Control Related Matters Identified in an Audit" for Year Ended June 30, 2023:

Current Year Deficiencies in Internal Control:

School Lunch Fund -

The auditors noted that the fund balance in the School Lunch Fund at year-end totaled \$1,187,791 which is in excess of the three months average expenditures level recommended by federal regulation #7CFR Part 210.09. Average monthly expenditures in 2022-23 were \$307,545 that would give an allowable fund balance of up to \$922,635.

Given the significant increase in labor and supplies costs for 2023-24, combined with slightly lower federal reimbursements for meals, it is anticipated that the school lunch program will operate at break-even or a loss this year. The budgeted district subsidy will not be transferred, to ensure we achieve our allowable fund balance level.

If the district carries an excess fund balance for more than one year it runs the risk of having some of the federal reimbursements clawed back. Therefore, we will closely monitor our results throughout the year and ensure by June 30, 2024 we will comply with the maximum, allowable fund balance level.

ICT Inventory -

The auditors noted that there are no formal written procedures in place for maintaining a detailed, up-to-date inventory of IT assets, including additions and deletions as well as a physical review of inventory.

By September 30, 2023, the Information and Communication Technology (ICT) department will create written procedures for maintaining a current inventory of ICT assets as well as an annual, physical inventory process to verify the inventory records are accurate.

Please let me know if you have any questions regarding the Corrective Action Plan.