



Royalton-Hartland Central School District

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Andrew Lang
Business Administrator

Date: October 10, 2019

To: Dr. Hank Stopinski, Superintendent and the Royalton-Hartland CSD Board of Education

From: Andrew Lang, School Business Administrator

Re: Corrective Action Plan: 2018-19 Year-End Financial Audit

As part of the 2018-19 year-end audit of our financial statements, the District was cited within one area. I have inserted the full citation below and developed a corrective action plan (in italics). I am requesting that the board approve the Corrective Action Plan, as follows:

1. General Fund Unassigned Fund Balance

From auditors' Management Letter:

As you are aware and as suggested by the New York State Comptroller's office the unassigned fund balance in the general fund was \$2,922,000 at June 30, 2019. This represents approximately 11% of the 2019-2020 expenditure budget, while Real Property Tax Law mandates that unappropriated fund balance shall not exceed 4% of the next year's expenditure budget. We recommend the Board review the nature of its reserve funds in relation to future plans for expenditures and determine how best to comply with State requirements. It is our understanding that the voters have approved another capital reserve.

Proposed District Corrective Actions:

The School Business Administrator will revise the District Long-Range Financial Plan. The plan addresses a variety of important financial variables, including unassigned fund balance. The plan will be presented to the Board of Education's Audit Committee for review, discussion and revision. Once approved, the Long-Range Financial Plan will be presented to the full Board of Education for review and approval.

Implementation Date: 7/1/19

Person Responsible for Implementation: Board of Education, Superintendent of Schools, Business Administrator

Respectfully Submitted,

Andrew Lang, School Business Administrator