Harrisville Central School District
Corrective Action Plan
(External Audit for Fiscal Year Ending June 30, 2025)

Condition: The District has a Deficit Fund Balance in the School Food Service Fund Due to Escalating Costs of Operating the Food Service Program. The Deficit Fund Balance in the Special Aid Fund was Attributed to the Write-Off of Uncollectible Grant Receivables in a Prior Year. The Capital Projects 2021-2022 Fund Deficit was the Result of an Unanticipated Capital Outlay Project Expenditure.

The District has deficit balances in three funds that require a budgeted transfer from the General Fund in a future year to eliminate the deficits.

Recommendation:

The District should plan to eliminate the negative fund balances with an interfund transfer from the General Fund in the 2026-2027 budget. Additionally, management should update monitoring procedures to identify and resolve negative operational results prior to their occurrence.

Management's Response

- School Lunch Fund- The District monitored the School Lunch Fund this year and the $60,000 interfund transfer made us break even for the year. For the 2025-2026 school year we had budgeted $85,000 interfund transfer, but will also monitor costs for food purchases in hopes to decrease the deficit. This process will take several years to decrease the deficit fund balance of $231,521.
- Federal Fund- The District wrote off bad debt of about $14,000, but will continue to monitor uncollectable grant receivables. For the 2025-2026 school year the District budgeted a $52,000 interfund transfer to decrease the $72,076 deficit fund balance.
- Capital Fund- In the 2026-2027 budget the District will budget a interfund transfer to the Capital Fund of $2,626 to clean up the unanticipated Capital Outlay expenditure for Capital Project 2021-2022 and the Capital Project SSBA.

Person(s) Responsible & Probable Date of Completion

Business Manager and Superintendent- Amy Frost & Robert Finster
Date of Completion: On going throughout the year: completion **06/30/2026**