Harrisville Central School District
Corrective Action Plan
(External Audit for Fiscal Year Ending June 30, 2026)

Condition: Significant Deficiency

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 prior years. The Capital Projects 2021-22 Fund deficit was the result of an unanticipated capital outlay project expenditure.

As of June 30, 2026, the District reported deficit fund balances of $26,983 in the Special Aid Fund, $193,094 in School Food Service Fund, $461,580 in the Capital Projects Fund Buses, $27,135 in the Capital Projects Fund SSBA, and $911 in the Capital Projects Fund 2021-2022.

Recommendation:

The District should plan to eliminate the negative fund balances with an interfund transfer from the General Fund in the 2027-2028 budget. Additionally, management should update monitoring procedures to identify and resolve negative operational results prior to their occurrence.

Management's Response

- School Food Service Fund- The District monitored the School Food Service Fund this year. For the 2026-2027 school year, we had budgeted an $85,000 interfund transfer and monitored costs for food purchased. We decreased the deficit by $38,427. This process will take several years to decrease the deficit fund balance of $193,094.
- Special Aid Fund- The District decreased the deficit fund balance from $72,076 to $26,983. We have budgeted in the 2026-27 school year for an interfund transfer to no longer have a deficit fund balance.
- Capital Fund- In the 2026-2027 school year, the District budgeted an 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 **06/30/2027**