

Memo

To: Mark Secaur, Ed.D, Superintendent of Schools

From: Andrew Tobin, Assistant Superintendent for Finance and Operations

Date: October 25, 2022

Re: Corrective Action Plan for the June 30, 2022 External Audit

This memorandum is in response to RS Abrams' Audit Report for the year ended June 30, 2022. The following addresses the only recommendation in the letter.

School Lunch Fund Balance

In 2021-22, the District's school lunch fund balance exceeded the three-month average expenditure level allowable by federal regulations due to a national policy that allowed school districts to provide free meals to all students. This policy increased participation in our school lunch program and resulted in the District receiving revenue at a more favorable reimbursement rate.

As of June 30, 2022, this national policy ended, and lunch is no longer free for all students. This change will decrease participation and negatively impact financial operations in the school lunch fund for 22-23. The District continues to monitor and take necessary steps to utilize excess fund balance. One of these steps is keeping school lunch prices at the same level as they have been in the past, rather than raising them.

The School Lunch Manager and I have begun the process of monitoring School Lunch fund balance, and will continue to do so in 22-23. The excess fund balance will be decreased gradually to lessen the impact of lower participation in an environment of rising expenditures where school lunch prices remain stagnant. It is expected that the excess fund balance will naturally be reduced to an amount that is in accordance with federal regulations by the end of this school year, or next school year (6/30/24) at the latest.