



Bolivar-Richburg Central School District

"The foundation of every nation is the education of its youth." ~ Diogenes

Re: Bolivar-Richburg Central School District

External Audit Corrective Action Plan

For the year ended June 30, 2020

For each recommendation included in the audit report, the following is our correction action(s) taken or proposed. For each recommendation for corrective action, we have included the following explanations.

2020-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Audit Recommendation #1:

During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to converting to the full accrual method for GASB 34 purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and approved by the District.

Implementation Plan of Action(s):

As of the date of the audit report (10/06/2020), the School Business Manager, Kristin Woodhead, has received, reviewed and approved all journal entries, footnote disclosures and draft financial statements proposed for the current year audit. She will continue to review journal entries and draft financial statements prior to finalization each year. Further, the School Business Manager believes she has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements. This item has already been implemented prior to adoption of the Corrective Action Plan (CAP) in January 2021.

2020-002 Unassigned Fund Balance

Audit Recommendation #2:

Bolivar-Richburg Central School District's unassigned fund balance in the general fund as of June 30, 2020 amounted to \$2,722,522. This amount constitutes approximately 13.3% of the 2020-2021 school budget. In addition, the District also has certain reserves (insurance, liability, retirement and repair) whose balances are at levels that could not be substantiated with supporting documentation. Bolivar-Richburg Central School District should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance. We

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Richburg, NY 14774
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Pre-Kindergarten School
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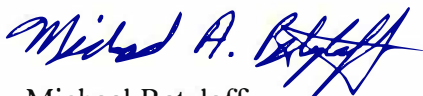
recommend that the District ensure that as reserves are established and utilized, New York State required procedures are closely followed. Further, for existing and future reserves we recommend that the District document its rationale to support the purpose and dollar level of reserves.

Implementation Plan of Action(s):

The District administration, School Business Manager, Kristin Woodhead, and Superintendent of Schools, Michael Retzlaff, and the Board of Education, has and will continue to closely monitor fund equity in the future and will review all options with regard to reservation and designation of fund balance. Due to uncertainty related to State Aid, the District administration and Board of Education have determined it would be prudent to maintain unappropriated fund balance in excess of the recommended levels. The District will manage future fund balance in accordance with recommendations as funding sources stabilize. In addition, the District administration has reviewed each of its reserves and documented the rationale for their levels. The Business Manager and Superintendent works in collaboration with the Board of Education in order to develop this Reserve Plan, which will be updated and adopted on February 2, 2021.

If you have any questions in regard to this Corrective Action Plan, please feel free to contact me at 585-928-2561.

Respectfully,



Michael Retzlaff
Superintendent of Schools
Bolivar-Richburg Central School District