

Fulton City School District

October 5, 2023

Corrective Action Plan for Management Letter Items from the 2022-2023 Audit

Prior Year Deficiencies Pending Corrective Action:

Transportation Services Contract –

During the course of our examination, we noted that the District is currently in a contract extension through June 30, 2023 approved by the State Education Department for student transportation services. However, these services have not been competitively bid in several years. We recommend the Administration review this situation for compliance with the District's procurement policy.

District Response: The District monitors its transportation services to determine what changes, if any, are in the best interest of the District. Two transportation studies have been done by an outside consultant indicating that the cost of the existing contract is lower than what would be anticipated in a re-bid. The District maintains it is in compliance with policy and no corrective action is needed.

School Lunch Fund –

Federal Regulation 210.14(b) recommends the School Lunch Fund balance not exceed three months average of expenditures. The school lunch program's fund balance exceeded this amount by \$892,744. We recommend the fund balance continue to be monitored for compliance with the Federal Regulation.

District Response: The District developed a fund balance spending plan which was approved by NYSED in January 2023. There have been significant delivery delays due to ongoing supply chain issues. The district was approved for an extension of this spending plan through June 30, 2024. Competitive procurement will be conducted for the remaining items by November 30, 2023 to ensure that items will be received by June 30, 2024. The district will continue closely monitoring program revenues and expenditures to ensure that fund balance is brought into compliance.