

**Brasher Falls Central School District
Corrective Action Plan
External Audit for Fiscal Year Ending June 30, 2017**

For the condition included in the audit report, the following is the auditor's recommendation and the district's corrective action plan proposed or taken.

Condition 1:

The School District did not comply with Section 1318 of the Real Property Tax Law which required that no more than four percent of the subsequent year's expenditures be retained as unappropriated from the June 30, 2017 balance.

Audit Recommendation:

We recommend school officials review fund balance during the budget process to ensure compliance with Real Property Tax Law.

Corrective Action:

Brasher Falls Central School Board of Education understands the District is maintaining a fund balance which exceeds the amount allowed by law under Section 1318 of the Real Property Tax Law. The District will adhere to the 4% rule in preparing the next school year's budget by continually monitoring its fund balance to determine if there is any excesses in the projected fund balance. The fund balance will be managed monthly, starting in January, and updated throughout the rest of the school year in order to project the unassigned portion so that we will comply with Section 1318. The District also plans to work on a long-term reserve and fund balance plan with the core value of preventing significant hardship as a result of unexpected financial events.