

District Corrective Action Plan for June 30, 2019 Annual Financial Audit

The annual financial audit was conducted during the month of August 2019 and the annual financial report was accepted by the Board of Education on October 30, 2019. Below are the responses to the statements included in the Internal Control over Financial Reporting section of the Report to Those Charged with Governance that was previously filed with the New York State Office of the State Comptroller on October 31, 2019 and uploaded to the New York State Department of Education through the portal.

Extraclassroom Activities

Cash Receipts

The auditors noted three cash receipts selected for testing at the LMK Middle School and two cash receipts selected for testing at the High School were not deposited within three business days of receipt.

Corrective Action Plan:

The District has communicated and will continue to stress the requirement that all cash and checks must be deposited within 72 business hours of receipt and will make every effort to meet this timeframe.

Cash Disbursements

The auditors noted that there was one cash disbursement selected for testing at the LMK Middle School that did not have any supporting documentation.

Corrective Action Plan:

After speaking to the Treasurer for the LMK Middle School, it was determined that this was an isolated instance and the supporting documentation was subsequently found. The District has communicated the importance of ensuring that every transaction is supported by the proper documentation.

Special Purpose Fund

The auditors noted that numerous accounts, with aggregate balances at June 30, 2019 of approximately \$47,000, did not have any financial activity during the year.

Corrective Action Plan:

Of the inactive accounts noted, six of the accounts totaling approximately \$10,000 were closed by Board resolution in the 2019-20 school year. In addition, ten of the accounts noted, aggregating approximately \$9,300, represented unspent donations owed back to an outside organization. The District Treasurer has been in contact with this organization in order to properly close out these funds. The District will continue reviewing the remaining inactive accounts and obtain Board approval to close them out if deemed appropriate.