

CORRECTIVE ACTION PLAN (CAP) TO FISCAL YEAR END JUNE 30, 2020
CURRENT YEAR FINDINGS AND RECOMMENDATIONS

EXTRACLASSROOM ACCOUNTS

During our current year audit of the District's extra classroom activity accounts, we noted the following:

- One out of five cash receipts tested in the Middle did not have sufficient documentation for cash receipts.
- Two out of five cash receipts tested in the High School did not have sufficient documentation for cash receipts.
- One out of five cash receipts tested in the High School had a lag time between money received and money deposited.
- Eleven clubs did not have any activity for the fiscal year.
- The graduated Class of 2019 account was not closed and funds were not transferred out prior to the end of the year.

We recommend the District review the procedures for extra classroom receipts and disbursements to improve the internal controls.

CAP: The business office continues to work closely with the treasurers of the high school and middle school extraclassroom accounts to ensure that proper procedures are followed. The "Safeguarding, Accounting and Auditing of Extra classroom Activity Funds" booklet is distributed annually as a guide for proper accounting procedures required by the State Education Department. Additionally, the District continues to provide annual training sessions given by Nawrocki Smith, our internal auditors, for all class advisors.

FUND BALANCE MANAGEMENT

During our current year audit, we noted that as of June 30, 2020, the District's unassigned fund balance exceeded 4% of the subsequent year's budget by \$410,344. We recommend that the District comply with Section 1318 of the Real Property Tax Law and monitor its financial activity with regards to fund balance during the year.

CAP: During the 2019/2020 school year, the District was faced with unprecedented fiscal challenges do to the COVID-19 pandemic and subsequent school closures. The excess of fund balance that exists is anticipated to be used for non-budgeted items related to the school reopening plans. Additionally, the potential cut to our state aid is still uncertain. That being said, the Assistant Superintendent monitors fund balance throughout the year and does not expect future years fund balance to exceed the 4%.

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