PELHAM UNION FREE SCHOOL DISTRICT
Corrective Action Plan Related to
COMMUNICATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING
June 30, 2026

In the course of planning and performing their audit of the financial statements of the Pelham Union Free School District as of and for the year ended June 30, 2026, PKF O'Connor Davies our external auditor, made the following observations about the internal controls and operations, none of which was considered a material weakness. The District's action plan in response to each deficiency is noted.

EXTRACLASSROOM ACTIVITIES

FINDING: Timeliness of Deposits

We noted that two receipts we selected for audit from the Middle School were not deposited in a timely manner.

Recommendation

We recommend the extraclassroom activity treasurers deposit cash within three business days, or 72 hours, of receipt. This practice will firmly strengthen the internal control process over cash receipts and greatly lessen the likelihood that cash could be lost or stolen before being deposited in the bank.

Action Plan

The District will reiterate this requirement with the Middle School Treasurer to reinforce the need to comply with this requirement. In some rare cases, this practice is impractical due to student and teacher scheduling coordination and school schedule.

Implementation Date

Fall 2026

Person(s) Responsible

Jim Hricay, Assistant Superintendent for Business
Jennifer Kitay, MS Extracurricular Activity Treasurer

***FINDING:* Inactive Clubs**

We noted that four clubs at the High School, with aggregate ending balances of approximately $1,000, had no financial activity during the current year. State Education Department regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization or to the student council and shall be expended in accordance with that organization's constitution.

Recommendation

We recommend the School District check the validity of clubs with no activity during the year and consider closing any, as necessary. If the clubs have ceased operations, the balances should be transferred to the general student organization or to the student council, per State Education Department guidelines.

Action Plan

The High School principal and the Central Treasurer review club activity at year end. Typically, a few clubs are closed annually with any remaining fund balances transferred to the general Student Association in accordance with Board of Education policy. The noted clubs were operationally active during 25-26 despite having no financial activity; thus, the club fund balances carried forward without change.

Implementation Date
No action required.

Person(s) Responsible
Jim Hricay, Assistant Superintendent for Business
Liane Livigni & Lisa DiCeglio, HS Student Association Co-Treasurers
Sean Llewellyn, HS Principal

FINDING: User Access—Segregation of Duties
We noted that the payroll clerk can add, modify, and delete employee payroll information.

Recommendation
We recommend that the School District consider delegating as many of these responsibilities to other employees in the accounting office to the extent practicable. This would provide an added layer of control over these transactions.

Action Plan
The District's full-time payroll clerk left the District in April 2026 with short notice. The District hired an employee of the Lower Hudson Regional Information Cener (LHRIC) on a part-time, temporary basis to process payroll until a permanent replacement could be hired in September 2026.

The exception noted related to the temporary hire who had two roles within the District's system, one as a LHRIC employee and one as a District employee. This situation was remedied with the hire of a permanent payroll clerk in September 2026.

Implementation Date
September 2026. Issue resolved.

Person(s) Responsible
Jim Hricay, Assistant Superintendent for Business