Harrisville Central School District
Corrective Action Plan
(External Audit for Fiscal Year Ending June 30, 2026)

Condition: Extra Classroom Activities

- **1 of 5 profit and loss forms did not include sales tax collection/remittance for sales of taxable items**
- **2 of 10 cash receipts were not deposited timely.**
- **7 of 10 cash receipts lacked sufficient documentation related to the transaction**
- **Balances reported for interest income and for sales tax vendor collection credit should be allocated to the clubs in accordance with the District Policy.**
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Recommendation

We suggest the treasurer and advisors review the NYS SED Publication, *The Safeguarding, Accounting and Auditing of Extra Classroom Activity Funds*, which outlines the procedures that should be followed regarding record keeping within the Extra Classroom Activity Fund. Student ledgers should be maintained and reconciled with the Central Treasurers' records on a regular basis, and notably at year-end. The Publication requirements should be followed for all receipts and disbursements, ensuring supporting documentations is received, approved and retained for all transactions and signed off by the applicable signatories.

Management's Response

The Central Treasurer will have Student Treasurer and Advisors review the NYS SED Publication, The Safeguarding, Accounting and Auditing of Extra Classroom Activity Funds. Moving forward: The Central and Student Treasurer will verify all sufficient required documents are there for all deposits and cash disbursements. The District will follow District policy for allocating interest income to all the clubs individually moving forward. The loss of our local bank has affected our deposits being made timely. We will continue to secure funds in the safe, until the bank run is made.

Condition: General Ledger Maintenance

Since adoption of GASB 84, Fiduciary Activities, during the year ended June 30, 2021, library taxes levied and collected for another government agency are required to be reported within a Custodial, TC Fund. It was noted that District does not have the applicable fund set up for the required reporting within their general ledger.

Recommendation

We recommend the TC fund be setup within WinCAP to track library tax levy and payment to the library on an annual basis for financial reporting.

Management's Response
The District will set up a TC Fund in WinCAP for the 2026-27 fiscal year.

Condition: Investigate Old Outstanding Checks
We noted several uncleared checks of immaterial amounts within the general fund and extraclassroom activity fund checking accounts outstanding checklist that were over one year old.

Recommendation
To aid in the preparation of bank reconciliations and to reflect accurate cash balances in the financial statements, we recommend that the lists of outstanding checks be reviewed regularly and that all checks outstanding more than one year should be investigated and written off.

Management's Response
The District started investigating outstanding checks last year. The District reached out to the Comptroller's office to make sure the proper procedure was taken. The District will continue to clean up outstanding checks.

Condition: Reserve Fund Planning and Monitoring
The District maintains a long-range financial plan that incorporates its reserve funds noting applicable reserves and funding targets. However, it was noted that the reserve plan was last updated in August 2025.

Effective reserve management requires the Board to periodically evaluate reserve balances in relation to the District's actual and anticipated needs and to ensure that the reserve balances remain reasonable and be administered in accordance with applicable statutory requirements.

Recommendation
We recommend the reserve plan be updated through year-end to support the reserve balances at June 30th. This will allow the District to monitor the fiscal process ensuring that reserve balances remain reasonable and necessary in relation to identified future needs.

Management's Response
The District will update the Reserve plan through the year-end. The District previously was updating the Reserve Plan at the beginning of the year, but after training and communication with the Comptroller's office the District will now update at year end.

Condition: Scholarship and Award Reporting
The District conducts certain fundraising activities through the Scholarship Fund that appear to be associated with and to benefit student clubs or other student activities. When fundraising activities are conducted by students in connection with a club or other extracurricular activity, the related receipts and disbursements should generally be accounted for through the Extra Classroom Activity Fund rather than the Scholarship Fund. Reporting these activities in the Scholarship Fund does not provide the appropriate accounting and oversight of student-generated funds.

Recommendation

We recommend that management review the activities currently reported in the Scholarship Fund to determine whether they are being conducted in connection with student clubs or other extracurricular activities. Fundraising activities conducted by students as part of a club or other extracurricular activity should be accounted for through the Extra Classroom Activity Fund in accordance with applicable District policies and NYSED requirements. The Scholarship Fund should be limited to activities that are appropriately related to the purpose and objectives of that fund.

Management's Response

Management will sit down with the Board of Education and determine how to proceed with the fundraising activity taking place.

Person(s) Responsible & Probable Date of Completion

Business Manager & Central Treasurer- Amy Frost and Alicia Mera
Date of Completion: On going throughout year: completion **06/30/2027**