



**BEACON CITY SCHOOL DISTRICT
ADMINISTRATIVE OFFICES**

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Corrective Action Plan for the Year Ended June 30, 2019

General Fund

1. In reviewing our projected fund balance for the 2018-19 school year, we reviewed our current reserves and was able to fund our insurance reserve to help pay for expenditures at the high school for repairs to the HVAC system that would not be covered by insurance. We will continue to review our reserves and fund balance at year end to work towards keeping our unassigned fund balance closer to 4%.
2. In the 2017-18 school year, we began a new process of tracking the expenditures for summer handicapped. This internal process was successful and gave us the detail we needed to record the general fund's share of the expense. However, we did have an issue reconciling the information that was included on the STAC's which is currently being prepared by a third party vendor. We are in the process of reviewing the contract of this vendor and looking for an answer to avoid these type of discrepancies to happen in the future.
3. We worked closely with our auditors to fully understand the entries that need to be made for the bond anticipation notes and will record them correctly in the future.
4. We prepared a schedule detailing all the different rates needed to calculate the ERS accrual. We found an error in one of the rates used causing the accrual to be overstated. We will review the schedule and ensure the proper rates are used in the future.
5. During the audit process the auditors found that we did not post a deferred tax revenue adjustment at June 30th. The business office has had some personnel changes including our district treasurer who retired after being in the district for over 30 years. We reviewed this adjustment with our auditors and we make sure the adjustment is made in the future.
6. During the 2018-19 school year, we received state aid owed to the district from the 2003-04 school year. We thought the amount was booked in a prior year as revenue but found out that it was actually recorded as deferred revenue. In the future we will review the detailed report of deferred revenue before recording prior year state aid that is owed to the district.
7. We informed the Board of Education that withdrawals were made from the reserve to pay for the mold remediation and the cleaning of the high school from a potential health care event. In the future, we will have the board vote on a formal resolution at a board meeting.

School Lunch Fund

1. We have been having difficulty for many years reconciling the Heartland payments to what is recorded in the school lunch fund accounts. Our goal for this year is to have the business office staff work directly with Heartland to set up a procedure to try and reconcile the credit card transactions to our records.
2. We have reviewed the required entries for surplus food and the change of inventory with our auditors and we will prepare the entries correctly going forward.
3. At the end of each school year, all the negative balances for students must be written off and the general fund must make the school lunch fund whole. We ran two reports, one on June 27th and one on June 28th. We posted the adjustment from the June 27th report by mistake and the auditors had to make an additional adjustment of \$135. We will ensure that we post the correct amount in the future.

Federal Fund

1. The business and the special education offices have both obtained the proper access to the NYS STAC website and have begun reviewing the documentation that has been submitted by the third party vendor. The special education department maintains a very detailed spreadsheet that reconciles the actual costs to the approved rates so we can properly record the district's share of the summer handicapped expenditures and ensure the correct revenue is being received. We are in the process of looking at our options for a third party vendor.
2. As part of the changes being looked at for the recording of the summer handicapped program, we will ensure that funds being transferred are recorded to the proper revenue account.
3. In reviewing the accounts payable balance, the auditors discovered that rates on the SEDCAR forms were not the correct amount. The rates were adjusted and the proper amounts were recorded. The district found some things in the Title IIB grant that also needed to be included in the accounts payable balance as well as the changes mentioned above concerning the summer handicapped program. In the future, we will review SEDCAR's before they are processed to ensure they have the proper rate and will have a new process in place for summer handicapped.

Capital Fund

1. These capital payments were made in the summer months but related to work done before the end of the school year. We will review these payments in the future and ensure that accounts payable is properly recorded.

Extraclassroom Activity Fund

1. We have an account in the Extraclassroom activity fund that is general student organization that currently has a negative balance. This account has money owed to it from another club account and the balance in this account will be positive in the near future.

Other Comments

We have struggled in the past few years getting an internal auditor. Our previous auditing firm stopped doing this type of work. We have an RFP ready to go out and will hopefully have an internal auditor in the near future.