

**Waterford-Halfmoon Union Free School District**

Corrective Action Plan for the Financial Statements for the Year Ending June 30, 2020

Corrective Action: The District in the process of implementing a change from paper and electronic timesheets to electronic only timesheets and those electronic time records are reviewed and approved by each employee's supervisor.

Anticipated

Completion Date: June 2021

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2019-004 Compliance with New York State Real Property Tax Law

Finding: The unassigned fund balance of the general fund exceeded 4% of the 19/20 general fund budget by \$748,356.

Corrective Action: The District acknowledges that its unrestricted fund balance exceeded the NYS limit. However the District feels that in light of the fiscal uncertainties now faced by all NYS schools, maintaining such fund balance is fiscally prudent. In 2020-21 the District anticipates using additional fund balance to finance unbudgeted costs related to reopening under COVID-19 circumstances. Additionally, if NYS proceeds with reducing State aid to school districts, the District will appropriate this fund balance in an effort to maintain services at current levels, if at all possible. Such actions will minimize the taxpayer impact of COVID-19 spending and potential State aid reductions. Additionally, the District plans to establish a multi-year financial plan, including a plan to reduce fund balance to an amount that complies with RPTL.

Anticipated

Completion Date: June 2022

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2019-005 Compliance with General Municipal Law

Finding: General Municipal Law 6p limits the amount included in the reserve for employee benefit accrued liability to no more than the amount accrued in the compensated absences long-term liability account.

Corrective Action: The District reduced the balance in the EBALR significantly in 2019-20 by using it to fund a retirement incentive. Additionally, the District plans to use the EBALR reserve to fund any and all retirement payments for leave accruals in 2020-21 and future years. The District will continue to do so until the EBALR reserve balance does not exceed the total compensated absence liability.

Anticipated

Completion Date: June 2021

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**Waterford-Halfmoon Union Free School District**

Corrective Action Plan for the Financial Statements for the Year Ending June 30, 2020

2020-001: Year-end Accounting

Finding: Multiple journal entries were necessary to reflect accurate year-end balance of revenue, assets, reserves, expenditures and liabilities.

Corrective Action: The District has instituted a process whereby the Treasurer performs monthly reconciliations of various aspects of the accounting records and reviews them with the Business Manager for accuracy and completeness on a monthly basis. The Business Manager will continue providing on-the-job training to all Business Office staff and will evaluate further training opportunities.

**Anticipated**

**Completion Date: October 2020**

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2019-002: Segregation of Duties

Finding: nVision permissions and other various controls were reviewed and determined to be inadequate. It was noted that the Financial Support Specialist has significant access in nVision including creating and editing employees, creating journal entries, processing payroll and creating and printing checks. Further it was noted that there are some compensating controls to address the access to the accounting software, such as journal entry review, however not enough to address the concern of software access.

Corrective Action: The District instituted additional controls in 2019-20, including a digital review and approval of all journal entries before they were posted to the accounting records. To further mitigate this weakness, the District will delegate software access responsibilities to an individual outside of the business office.

**Anticipated**

**Completion Date: July 2021**

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2019-003 Timesheet Review

Finding: There are three distinct types of employees that could have manual timesheets: custodians, bus drivers and teacher aides. The custodial timesheets are being reviewed by the Director of Facilities and Operations; however, he does not document his review on said timesheets. The bus driver timesheets are being reviewed by the Business Manager; however she also does not document her review. Lastly, regarding the teacher aide timesheets communication was unclear whether any review was taking place, however no review was documented.

**Waterford-Halfmoon Union Free School District**  
Corrective Action Plan for the Extra classroom Activity Fund Financial Statements  
for the Year Ending June 30, 2020

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1: Club Ledgers

Finding: During our audit procedures, we noted that there were 2 out of 16 instances for receipts and 5 out of 24 instances for disbursements where student ledgers did not have the transaction listed in the ledger.

Corrective Action: The District will institute a review process designed to ensure students maintain accurate and complete club ledgers.

Anticipated

Completion Date: June 2021

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2: Cash Receipts

Finding: The Extra-classroom Activity Clubs receive funds from a variety of sources, including donations, ticket sales, field trips, event admissions and product sales. However controls over these receipts are limited.

Corrective Action: The District will ensure clubs issue pre-numbered receipts when no other adequate evidence of receipt exists and will institute a process whereby these receipts are reconciled with cash receipts recorded in student ledgers.

Anticipated

Completion Date: June 2022

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3: Cash Disbursements

Finding: During our audit, we noted one instance in which supporting documentation to corroborate the disbursement request, such as an invoice or receipt, was not provided.

Corrective Action: The Central Treasurer will not process payment requests unless adequate supporting documentation is attached.

Anticipated

Completion Date: June 2021

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**Waterford-Halfmoon Union Free School District**  
Corrective Action Plan for the Extra classroom Activity Fund Financial Statements  
for the Year Ending June 30, 2020

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4: Segregation of Duties

Finding: During our procedures, we noted that the authority to spend funds and the custody of the funds lies with the same individual. There is a reconciliation of ledger balance twice a year between the Club and the Central Treasurer, however the Central Treasurer's involvement is not sufficient as a compensating control.

Corrective Action: The Central Treasurer has no authority to approve funds.

Anticipated

Completion Date: July 2020

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5: Inactive Club Listing

Finding: Our audit procedures identified that Global Travel Club has been inactive for more than two years and still carries a cash balance.

Corrective Action: The District will establish a policy on funds from inactive clubs which includes procedures for transferring remaining funds to other club accounts. The District will follow this process for the Global Travel Club.

Anticipated

Completion Date: July 2021

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6: Timeliness of Deposits

Finding: During our procedures, we noted that 10 out of the 16 cash receipts tested were not deposited in the bank within a reasonable amount of time. NYSED guidance indicates 5 days as a reasonable amount of time.

Corrective Action: The District would like to note that due to the COVID-19 pandemic, many staff, including faculty advisors and the central treasurer, were not working in the building regularly. This caused some deposit delays. The District has now instituted a process whereby the central treasurer makes deposits no more than 10 days after receiving collections from faculty advisors.

Anticipated

Completion Date: September 2020

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