

## **Edgemont Union Free School District, New York Corrective Action Plan**

### **Special Purpose Fund**

#### *Inactive Trusts*

The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of the agreements. Our audit of the activity of this fund indicated that two of these accounts had no financial activity, except for interest earnings, for the entire fiscal year.

#### **Recommendation**

We recommend that the School District analyze the balances and review the purposes of these funds so that a determination may be made as to the proper disposition of the funds. Should it be determined that these amounts are no longer required to be held in trust, a Board of Education resolution should be approved transferring these amounts to General Fund.

#### **Corrective Action Plan**

As of August 2025, all TE accounts were closed, and remaining balances were moved to CM accounts. The Assistant Superintendent for Administration and Business will develop a plan to spend down any remaining funds for their originally intended purposes or transfer them to the General Fund no later than June 30, 2026.

### **Extraclassroom Activities**

Extraclassroom activity funds, which are authorized by the New York State Department of Education, are an integral part of the educational program of the School District. As part of our audit, we have reviewed, evaluated and tested the Extraclassroom Activity Funds of the School District. The results of our tests disclosed that the following areas were not in compliance with the regulations of the Commissioner of Education.

#### *Inactive Clubs*

There were twenty-seven clubs that had no financial activity during the current fiscal 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 the student council and shall be expended in accordance with that organization's constitution.

### **Recommendation**

We suggest that a determination of the status of the inactive clubs be made to determine the proper disposition of funds.

#### **Corrective Action Plan**

On July 14, 2025, on the recommendation of the Extraclassroom Activity Treasurer, the Board of Education closed 27 club accounts with no financial activity in the prior 12 months. In collaboration with the Extraclassroom Activity Treasurer, the Assistant Business Manager will continue to review club balances and, if necessary, seek Board approval to close additional inactive accounts by June 1, 2026.

#### *Timeliness of Deposits*

During our testing, the auditor noted that seven selections were not made timely. This lack of timely deposits can increase the risk of misplacement, and misappropriation, which can lead to negative impacts on the financial reporting process.

### **Recommendation**

We recommend that the School District deposit cash receipts within 72 hours of receipt. This practice will strengthen internal controls over the cash receipts cycle and significantly reduce the likelihood that cash could be lost or stolen before it is deposited in the bank.

#### **Corrective Action Plan**

On April 11, 2025, the Extraclassroom Activity Treasurer issued written procedures to all club advisors regarding deposit timelines. Beginning in September 2025, the Business Office implemented additional measures to improve timeliness, including:

- Providing an option for parents to pay certain Extraclassroom Activity Club fees online through PaySchools.
- Installing a check scanner in the Business Office (effective September 15, 2025) to expedite deposit processing.

## **IT Environment**

During our review of the School District IT controls, it was noted that the School District does not lock down prior year's information to ensure that no changes can be made to prior years' data.

### **Recommendation**

We recommend that the School District lock down its information at the end of each year, to ensure that prior year data cannot be altered.

**Corrective Action Plan**

The Assistant Superintendent for Administration and Business will lock down financial data at the conclusion of the annual audit, and no later than October 1 each year, to ensure no additional entries or adjustments are made to prior year records.