

**Brasher Falls Central School District  
Corrective Action Plan  
External Audit for Fiscal Year Ending June 30, 2018**

For each condition included in the audit report, the following is the auditors' recommendation and the district's corrective action plan proposed or taken.

**Condition 1:**

The District did not comply with Section 1318 of the Real Property Tax Law which required that no more than four percent of the subsequent year's expenditures be retained as unappropriated fund balance from the June 30, 2018 balance.

**Audit Recommendation:**

We recommend district officials review fund balance during the budget process to ensure compliance with Real Property Tax Law.

**Corrective Action:**

Brasher Falls Central School Board of Education understands the District is maintaining a fund than typically allowed under Section 1318. The Board of Education continues implementing a long-range plan of utilizing fund balance to help prevent significant financial hardship due to unexpected financial event.

**Condition 2:**

During our test of receipts and disbursements in the Extra Classroom Activity Funds, we noted the following:

- We tested 10 disbursements and noted the following: 1 out of 10 disbursement transactions lacked evidence of receiving. In addition, 2 out of the 10 disbursement transactions lacked documentation noting the invoice was paid.
- We tested 10 receipts and noted the following: 5 out of 10 receipts lacked documentation to support deposited amount.
- We tested 5 fundraising events and noted the following: 3 out of 5 events did not have completed Profit and Loss Statements. In addition, it was noted that sales tax was not properly collected and remitted to the State for 1 fundraiser.

**Audit Recommendation:**

NYSED Pamphlet, "The Safeguarding, Accounting, and Auditing of Extra Classroom Activity Funds", should be reviewed with faculty and students involved with the student clubs, specifically the statement of profit and loss form to ensure the form is completed accurately, which includes documentation to support receipts and disbursements relating to each fundraising activity.

**Corrective Action:**

The District will begin to request the receiving documents prior to the issue of payment for Extra Classroom activities. The District will also begin to use the Profit and Loss statements as provided in the NYSED Pamphlet, "The Safeguarding, Accounting, and Auditing of Extra Classroom Activity Funds". The District will implement a checklist to ensure all documents are received.