

**Lewiston-Porter Central School District
Corrective Action Plan for External Audit
2024 - 25 (June 30, 2025)**

Lumsden McCormick LLP, the District's external auditor, presented the following observations in the District's Management Letter dated October 6, 2025.

Observation #1: Account Reconciliations

Accounts should be periodically reconciled and adjusted as necessary to properly report District transactions.

Plan of Action: Establish systematic accounting procedures and practices which will include monthly review of general ledger accounts in each fund.

Implementation date: December 2025

Person(s) Responsible for Implementation: Assistant Superintendent of Administrative Services and District Treasurer .

Observation #2: Capital Assets

Capital assets should be recorded at historical cost and updated for additions and disposals, including construction in progress.

Plan of Action: The District switched from CBIZ to Industrial Appraisal for valuing capital assets approximately 8 years ago. At that time Industrial Appraisal started providing capital asset reports at the insurance values and not on the historical basis. An appraisal needs to be conducted in order to restore the value of capital assets to the historical basis. The District will utilize Industrial Appraisal or contract with a different vendor going forward to accomplish this task.

Implementation date: June 2026

Person(s) Responsible for Implementation: Assistant Superintendent of Administrative Services, Accounting Clerk responsible for inventory record keeping, Director of Facilities and staff.

Observation #3: Extraclassroom Activities

One of the main purposes of extraclassroom activities is to provide the District with an opportunity to teach pupils basic bookkeeping procedures through participation in handling funds and maintaining appropriate records. Several areas have been noted for improvement and summarized as follows.

- Clubs with no financial activity for the past two years.
- Clubs with no student maintained ledgers or not properly maintained.
- Clubs without student treasurers who take part in disbursing money.
- Disbursements and receipts not properly authorized by students and faculty advisors and some documentation missing from the student folders.
- Clubs were created without Board approval.

Plan of Action: Board of Education Policy #5520 and Administrative Regulation #5520R will be reviewed with and adhered to by all persons listed as those responsible for the operation of the Extraclassroom Activity Funds.

Implementation date: January 2026

Person(s) Responsible for Implementation: High School and Middle School Principals, Faculty Advisors, Activity Treasurers, Central Treasurers and Faculty Auditor.

Observation #4: Interfund Receivables and Payables

Substantial amounts are owed between funds which should be liquidated in a timely manner as they originate as short-term borrowings between funds and are not intended to be permanent in nature.

Plan of Action: Strict rules of fund accounting will be implemented. Short-term borrowings will be kept to a minimum and liquidated in a timely manner through monthly review and analysis.

Implementation date: January 2026

Person(s) Responsible for Implementation: Assistant Superintendent for Administrative Services, District Treasurer, and Accounting Clerk.

Observation #5: Cash Management

In the current year, requests for reimbursement of expenditures of federal and state grants were not performed until the end of the fiscal year.

Plan of Action: Form FS-25, which is used to request grant funds, will be submitted on a monthly or quarterly basis throughout the balance of the 2025-26 fiscal year and will become a regular practice going forward.

Implementation date: January 2026

Person(s) Responsible for Implementation: Assistant Superintendent of Administrative Services and District Treasurer.

Observation #6: Bank Reconciliations

The payroll bank account was not properly reconciled on a monthly basis or at year end.

Plan of Action: The District Treasurer will continue her efforts to resolve all differences that remain between the general ledger and bank account.

Implementation date: January 2026

Person(s) Responsible for Implementation: Assistant Superintendent of Administrative Services and District Treasurer.

Observation #7: Interest Allocation

Although the District did allocate interest to the majority of its reserve funds in 2025, we continue to recommend that the district allocate interest to every reserve in accordance with the requirements of GML and Education Law.

Plan of Action: All reserve balances as of June 30, 2025 will be segregated within the NYCLASS investment account and interest will be accrued on a monthly basis throughout the 2025-26 fiscal year.

Implementation date: December 2024

Person(s) Responsible for Implementation: Assistant Superintendent of Administrative Services and District Treasurer.