



Corrective Action Plan Summary Status / Resolutions For Independent Audit – June 30, 2018

The following summarizes the status of all the audit comments from the 2017–18 Independent Audit. Items that have been completed are shaded.

	Audit Review Comment	Source	Assigned to	Target Date for Completion	Date Completed	Status/Resolution
1.	Prepayment of Payroll – Our examination of payroll revealed that the first payroll for the 2017-18 fiscal year was dated July 7, 2017. The timing of this payroll resulted in some individuals being paid in advance of services being rendered.	Indep. Audit Mgmt. Letter	Lou Alaimo	Ongoing		ASA will work with collective bargaining units to negotiate a resolution. The District is confident that there are mitigating controls in place which prevent any material risk to the district.
2.	Self-Funded Major Medical & Dental – The District self-insures for major medical and dental coverage for its employees. To accomplish this, the District uses a third party administrator who processes claims and estimates liabilities. As of year-end, the District has accrued in the General Fund an amount to cover any incurred but not reported claims (IBNR's). However, the amount recorded appears to be in excess of the amounts that would be needed to pay IBNR claims.	Indep. Audit Mgmt. Letter	Lou Alaimo	Ongoing/ Annual review and analysis to be completed by ASA		The district has contracted with a third party administrator to perform an actuarial review on our Major Medical & Dental plan. Given the exponential increases in post-retirement health insurance costs over the last two years, the district will utilize this balance to offset increases in future claims. The district will be strategic in its use to avoid any funding cliff.
3.	Operating Loss/Deficit Fund Balances – We are pleased to report that the Community Education program recorded in the Special Aid fund had an operating deficit of \$11,549 this year, which increased the overall program deficit to \$16,334.	<u>Other items</u> Indep. Audit Mgmt. Letter	Lou Alaimo	Ongoing		The District will continue to monitor the financial position of the program on a regular basis making the appropriate business decisions to improve ending fund balance.