



Greater Johnstown School District

Glebe Street • Pleasant Avenue • Warren Street • Jansen Avenue • Knox Junior High • Johnstown High

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September 28, 2017

Ms. Amy Pedrick, CPA
West & Company, CPAs, PC
96 North Main Street
PO Box 1219
Gloversville, New York 12078

Re: 2016/17 Audit and Management Comments

Dear Ms. Pedrick

This letter is in response to the Management Letter which relates to the Greater Johnstown School District Audited Financial Statements and Supplemental Schedules, dated June 30, 2017.

Following each finding is the District's response to the finding and its corrective action plan, including the status of the implementation of the corrective plan.

Prior Year Findings

School Lunch Fund Deficit: The School Lunch Fund should be self-supportive and not require substantial loans or transfers from other funds to operate. It is recommended that management and the Board review this situation and develop a plan to eliminate the existing fund equity deficit and reduce the interfund loan balance.

District Response:

The District has worked diligently to significantly decrease the deficit in the School Lunch Fund. We have made tremendous strides but recognize the need to continually review and analyze the Lunch Program to find ways to work toward the goal of a profitable School Lunch Program. We have reduced staff hours where appropriate and continue to find ways to encourage greater participation in the School Lunch Program. In addition, no interfund transfer was made from the general fund to the lunch fund in 2016/17 and none is anticipated in the subsequent school year.

Extraclassroom Activity Funds: We recommend that the District and all the clubs review the NYS Pamphlet #2 and ensure all Extraclassroom Activity Funds are in compliance with these regulations.

District Response:

There were a few inactive clubs. The Board of Education will be reviewing those clubs to determine whether they will be active in the current school year and will take appropriate action.

Annually, training is conducted to inform advisors of the requirement of NYS Pamphlet #2, and that document is distributed to each advisor at the training. In addition, forms are provided for use for fundraising, which include a profit and loss statement and inventory control forms. Administration has had conversations with the Treasurers, reminding those individuals of the requirements. The District Treasurer/School Business Manager will continue to monitor the situation.

Confirming Purchase Orders: We recommend that the District ensure all purchases are made from proper purchase orders.

District Response:

Steps have been taken to closely review all purchase orders and Administration has reviewed its purchasing procedures with all departments. Employees are reminded that they do not have authority to purchase for the District without prior approval.

Employee I-9 Forms: This condition has been corrected as of June 30, 2017

Funding of Reserves: We recommend that the District transfer these amounts to unassigned fund balance.

District Response: N/A

Free/Reduced Lunch Applications: This condition has been corrected as of June 30, 2017.

Current Year Findings

Fixed Asset Additions: We recommend that the District ensure that all current year asset additions are added to the third party fixed asset listing each year.

District Response: Some assets were inadvertently omitted from the District's 2016/17 inventory of assets and were subsequently added to the asset list. A revised procedure for recording assets has been developed, and will include a detailed review of all purchases. This review will take place during subsequent school years to minimize the chances of an asset being omitted from the asset system.

Purchasing Procedures: We recommend that the District ensure that all purchasing procedures are being followed.

District Response: The proper District personnel have reviewed all issues noted during the audit. Steps have been taken to reiterate the purchasing policy procedures and we are confident that these issues will be resolved.

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We appreciate the courtesy and assistance offered by your firm before, during and subsequent to review of our financial statements.

Sincerely,

A handwritten signature in black ink that reads "Melissa L. Baker". The signature is written in a cursive style with a large, stylized initial "M".

Melissa L. Baker
School Business Official