Greater Johnstown SCHOOL DISTRICT
District Administration Office
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ALICIA D. KOSTER
Superintendent of Schools/CEO

CORINNE E. COTTER
Assistant Superintenndent

October 8, 2026

Ms. Jill Thaisz, CPA West & Company, CPAS, PC
96 North Main Street
PO Box 1219
Gloversville, New York 12078

Re: 2025-2026 Audit and Management Comments - Corrective Action Plan

Dear Ms. Thaisz,

This letter is in response to the Management Letter that relates to the Greater Johnstown School District Audited Financial Statements and Supplemental Schedules, dated June 30, 2026. 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- Status Unchanged

I. **Extra classroom Activity Funds**: We recommend that the District and all the clubs review the NYS (New York State) Pamphlet #2 and ensure all Extra Classroom Activity Funds comply with these regulations.

District Response: On a semi-annual basis, the Central Treasurers will meet with the Director of Student Engagement & Athletics, the Extra Classroom Auditor, and District Treasurer to identify fiscally inactive clubs that may warrant further review. The identified clubs will be required to submit documentation of meetings, student participation, and other documentation to reflect whether the club was active during the fiscal year or not. If sufficient documentation is not received, the club will be closed prior to June 30. Any remaining club funds will be brought forth to the Student Council or similar group representative of the larger student body to approve how remaining funds will be spent.

Special orientation meetings and reviews of extra-classroom procedures pertaining to NYS Pamphlet #2 are conducted annually in the fall by the Director of Student Engagement & Athletics, the School Business Manager, and our external auditor. Included are the individual, extra-classroom treasurers and all advisers responsibly appointed by the Board of Education. In addition, forms are provided for use for fundraising, which include a profit and loss statement and inventory control forms. Administration has provided an end-user form for fundraising, which allows for the documentation of profit and loss, as well as inventory control. Expectations for the use of this form have been outlined for advisors.

Effective October 9, 2026, central treasurers will make sure that proper signatures are on all disbursements and receipts and communicate this requirement to the student treasurers along with the advisers. Further, central treasurers will ensure that sales tax is properly collected and paid, and advisers will work with the student treasurers to make certain the sales tax process is understood and followed.

The central treasurers will audit the activity of each club at least quarterly during the 2026-2027 school year to ensure that appropriate documentation is provided for all club-related activities. The School Business Manager will continue to perform quarterly audits of financial activity during the 2026-2027 school year. Specific emphasis on profit and loss statements, inventory control, proper signatures, and sales tax will be given during training and orientation meetings, along with the quarterly audits conducted by the School Business Manager.

II. **Confirming Purchase Orders**: We recommend that the District ensure all purchases are made from proper purchase orders in advance of the purchase occurring, rather than confirming purchase orders created after the invoice is received.

District Response: The District recognizes that there were two instances of confirming purchase orders from a sample of forty purchase orders tested. The District strives to continuously improve our processes, and therefore, the District will further strengthen its protocols for review of purchase orders and will implement additional training with the clerical staff and administrators regarding the purchasing process for the late fall of the 2026-2027 school year. The School Business Manager will update the claims review checklist used by the Claims Auditor and conduct a training session with the Claims Auditor during the 2026-2027 school year and annually thereafter to ensure that all regulations are followed. The Purchasing Agent will continue to communicate through an annual memo to all District employees, reminding them of their responsibility to purchase for the District only with prior approval.

The District has seen continuous improvement in this area over the last several years and will continue to refine our processes to prevent any confirming purchase orders in the future.

III. **Disbursement Testing:** We recommend that the District ensure that all purchasing and disbursement procedures and approvals are being followed**.**

District Response: The District recognizes that there was one instance of sales tax being paid out of a sample of forty disbursements tested. The District strives to continuously improve our processes. Beginning as of October 9, 2026, this item will be given greater scrutiny, and staff will receive further training and guidance.

IV. **Reserve Balances:** We recommend that the District review their reserves to ensure that the balances are reasonable and necessary.

District Response: The District will continue to update and review its long-range financial plan, including reserve strategy with our Board Audit, Budget, and Finance Committee to ensure financial stability for the long-term and compliance with the laws and regulations governing our established reserves.

V. **Internal Claims Audit:** To maintain the independence of the claims auditing function, the Internal Claims Auditor should be independent of the purchasing and check signing functions. We recommend that the District appoint an individual who has no role in purchasing or treasury functions to the role of Deputy Internal Claims Auditor to handle any payments when the Internal Claims Auditor is unavailable.

District Response: The Superintendent of Schools will recommend a Deputy Internal Claims Auditor for Board of Education approval at the November 12, 2026 meeting. The Deputy Internal Claims Auditor will review and approve invoices for immediate payment when the claims auditor is unavailable.

We appreciate the courtesy and assistance offered by your firm before, during and the subsequent review of our financial statements. I would also like to commend the Business Office team for their hard work and dedication to making continuous improvements in processes and systems.

Sincerely,

Alicia D. Koster

Alicia D. Koster
Superintendent of Schools/CEO

cc: Ms. Melissa Baker, School Business Manager
Ms. Samantha Bellinger, District Treasurer