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Stark & Basila

October 11, 2013

Certified Public Accountants, P.C.

132 Mohawk Street

PO Box 260

Cohoes, NY 12047

Please accept this letter in response to the June 30, 2013 audited financial statements.

Recommendation 1: All Funds ~

Our test of cash disbursements disclosed a few instances of payment vouchers which did not contain a signed purchase order or claim form on file. All payment vouchers should be supported by a signed purchase order or similar document substantiate that the purchase was approved by the purchasing agent.

Cohoes City School District Corrective Action Plan:

The District has developed a comprehensive purchasing manual, which includes board policies & best practices. The purchasing manual is reviewed & updated on an annual basis. All cash disbursements are subject to review & approval by the Purchasing Agent & Internal Claims Auditor. Any exceptions noted during the claims audit process are documented on the audit report, and provided to the Board of Education monthly.

Recommendation 2: General Funds ~

The unreserved Fund Balance at June 30, 2013 is in excess of the four percent permitted under Section 1318 of the Real Property Tax Law.

Cohoes City School District Corrective Action Plan:

The District plans to utilize excess funds as appropriated fund balance in the 2013/2014 budget, to offset an anticipated loss of revenue. The District is forecasting reductions in revenue sources, such as federal grant funding & the limitations imposed as a result of the Property Tax Cap.

Recommendation 3: School Lunch ~

Our test of free & reduced lunch applications revealed an instance where the reviewer's signature was not present. All free & reduced lunch applications should be reviewed and authorized by an appropriated level of management.

Cohoes City School District Corrective Action Plan:

The District will continue to review the application approval process to ensure no exceptions going forward.

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Recommendations: Extra Classroom Activities ~

Currently the Class of 2010, 2011, 2012 & 2013 clubs have cash balances at year end. Class clubs should be encouraged to expend or transfer balances to another club, prior to the end of their commencement year. We suggest that these balances be transferred to the Student Council account.

Our test of cash receipts disclosed one instance of cash payments being distributed to vendors. In order to ensure that cash disbursements are made for appropriate purposes, cash disbursements should be made by check to known vendors & only after there has been a check request & appropriate documentation approved by the faculty advisor & student treasurer.

Our test of cash receipts also revealed one instance of a deposit which did not match the supporting documentation. All deposit slips should be compared to supporting documentation when received by the District. Any variance should be examined & conclusions reached documented & kept on file with the cash receipts.

Cohoes City School District Corrective Action Plan:

The District's internal auditor conducted a mandatory training seminar with the staff advisors, outlining proper procedures on November 21, 2011. Another mandatory training seminar will be conducted in 2013, to address these issues. Additionally, an internal audit will be conducted to review ECA controls during the 13/14 school year.

The District would like to thank the staff for their professional courtesy throughout the audit process. Should you require any additional information please do not hesitate to contact me.

Sincerely,

*Stacy Mackey*

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School Business Official  
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