

Business Office
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Stark & Basila

October 7, 2014

Certified Public Accountants, P.C.

132 Mohawk Street

PO Box 260

Cohoes, NY 12047

Please accept this letter in response to the June 30, 2014 audited financial statements.

Recommendation 1: General Funds ~

The unreserved Fund Balance at June 30, 2014 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 appropriated fund balance in the 2014/2015 budget, to offset forecasted increases in expenditures.

Furthermore, the District is forecasting limitations in revenue sources, such as funding available for public education through State & Federal Aids, and limitations imposed as a result of the Property Tax Cap.

Recommendation 2: School Lunch ~

The sales tax return was not filed timely. As a result, the District incurred interest & penalty charges. The District should file all tax returns in a timely manner going forward.

Cohoes City School District Corrective Action Plan:

The District Treasurer will ensure the return is filed timely, without exception going forward.

Recommendation 3: Federal ~

Our test of invoices found one federal expenditure where the remittance voucher was marked paid and the invoice was not. Invoices should have the necessary paperwork filed with them and be on an approved warrant before they are paid. Invoices should have the remittance voucher attached, be signed received & be authorized. The invoice should be marked paid in order to avoid duplicate payments.

Cohoes City School District Corrective Action Plan:

It is the District's practice to mark all invoices as paid to avoid duplicate payments. Further, all disbursements are subject to review & approval by the Internal Claims Auditor. Any exceptions are noted during the claims audit process, and are documented on the audit report. Reports are provided to the Board of Education on a monthly basis.

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Recommendations: Extra Classroom Activities ~

Our test disclosed instances in which a payment was made without an indication that goods had been received. Invoices should have the necessary paperwork filed with them before they are paid. Invoices should have the remittance voucher attached, be signed received and be authorized. The invoice should be marked paid in order to avoid duplicate payments.

Cohoes City School District Corrective Action Plan:

The District will continue to offer training to club advisors, regarding internal controls & best practices for the Extra Classroom Activities.

The District would like to thank the Stark & Basila 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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