

January 5, 2018

New York State Education Department
Office of Audit Services
89 Washington Avenue Room 524 EB
Albany, NY 12234

To Whom It May Concern:

In response to the Enlarged City School District of Troy 2016-2017 audit comments please find the districts response and corrective action plan;

1. **Reserve Accounting** The District both established and increased various reserves to allow for potential District exposure in a variety of areas. The Comptroller's office requires that established reserves be both reasonable and necessary.

We recommend that management perform an analysis of the potential exposure for each reserve balance on an annual basis.

District Response: The District will adopt a Reserve Plan which will require an annual review of each reserve balance. The District will ensure that each reserve is both reasonable and necessary.

2. **School Food Service** The District's school food service fund's operations for the year ended June 30, 2017 resulted in a deficit of almost \$79,000 primarily due to a decline in revenue of approximately \$84,000 with a corresponding increase in expenses of approximately \$129,000.

We recommended that management perform an analysis of the food service operations and develop a plan to make the food service operations sustainable on a current and long-term basis.

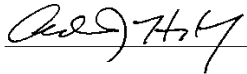
District Response: The District planned this deficit. The District purchased equipment for the food service program as planned with NYSED to reduce the School Food Service Account fund balance. The District will continue to monitor the food service account annually ensuring the operation is sustainable.

3. **Fixed Assets Additions** Fixed asset testing showed that some assets were entered into the incorrect fiscal year causing reconciliation differences in general reports. We recommend that individuals be designated as responsible for entering, deleting and reconciling fixed assets to the subsidiary reports including a secondary supervisory review of the input and reconciliation.

District Response: The District agrees with this recommendation. The District is in the process of creating a procedure to ensure that all fixed assets that are expensed are entered into the fixed assets software with corresponding dates.

If you have any questions or need additional information please contact me at 518-328-5054.

Sincerely,



Adam Hotaling
Assistant Superintendent for Business