

East Ramapo Central School District, New York

Communication of Internal Control Matters Identified in the
Audit to Those Charged with Governance and Management

June 30, 2014

**Communication of Internal Control Matters Identified in the Audit to
Those Charged with Governance and Management**

**The Board of Education
East Ramapo Central School District
105 South Madison Avenue
Spring Valley, New York 10977**

Auditors' Communication on Internal Control

In planning and performing our audit of the basic financial statements of the East Ramapo Central School District, New York ("School District") as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the School District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, as indicated in the attached Addendum A, we share for your consideration other observations about the internal control and operations. In Addendum B, we identify other accounting and auditing matters for your information.

This communication and addenda are intended solely for the information and use of management and the Board of Education and are not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
September 23, 2014

O'CONNOR DAVIES, LLP

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East Ramapo Central School District, New York

Addendum A

Control Deficiencies

- **Fund Deficits**

General Fund

One element in the evaluation of a School District's creditworthiness is the level of fund balance retained in the General Fund. The amount of fund balance retained among governmental entities varies depending upon fiscal policy and statutory requirements. The larger the fund balance retained, the stronger the financial condition. School Districts, however, cannot employ policies that only serve the dictates of a financial community. A School District's fiscal policy must establish a delicate balance between taxpayer demands, the programmatic needs of the students, fairness with the employees of the School District and the School District's long-term fiscal objectives.

Fund balance generally should be retained at a level that relates to the economically sensitive revenues and expenditures included in the budget. An assessment of contingencies should also be a determinant in developing a desired fund balance level, with a realization that a School District is limited by law to retaining 4% of its budget in unassigned fund balance. The School District's General Fund unassigned fund balance, exclusive of encumbrances, at June 30, 2014 reflects a deficit of \$8,026,737. This deficit was modestly increased by \$54,523 from the prior year.

In developing the 2013-14 budget, an appropriation of \$7.4 million was provided to repay the principal of a budget note issued during the 2012-13 fiscal year. This budget note was needed to bridge the gap between budgeted expenditures and projected actual costs for that fiscal year. From an accounting point of view, since the obligation for the budget note is a "balance sheet" liability item, the principal repayment does not get recorded as an expenditure but as a satisfaction of the liability, thus creating "budgetary surplus" in that appropriation line. If all other revenue and expenditure items were to be realized at the budgeted amounts, the School District's deficit would have been reduced by this amount. Under this scenario, the deficit would have been reduced to under \$1 million at June 30, 2014.

However, actual revenues fell short of budgetary expectations by \$5.6 million. The primary driver of this shortfall was the fact that the 2013-14 budget anticipated the net proceeds from the sale of the Colton Elementary School of \$5 million. While the property was sold, the sale was not closed until July 2014 and, accordingly, the revenue could not be recorded in the books and records for the 2013-14 fiscal year. Since the amount was not budgeted as part of the 2014-15 fiscal year, the net sale proceeds will fall to fund balance for the June 30, 2015 fiscal year. If all other revenues and expenditures fall within the budgetary estimates contained in the 2014-15 fiscal year budget, the School District's deficit fund balance position should be improved as of June 30, 2015.

School Lunch Fund

During the prior fiscal year, the School Lunch Fund's operations resulted in the creation of a deficit fund balance of \$436,438. In the current fiscal year, certain overhead costs were no longer allocated to the School Lunch Fund but were absorbed as part of the General Fund Budget. Accordingly, the deficit in the School Lunch Fund, while not eliminated, was reduced by \$373,753 from the prior year, resulting in a remaining deficit of \$62,685 at June 30, 2014.

East Ramapo Central School District, New York

Addendum A

Control Deficiencies

- **Fund Deficits (Continued)**

Recommendation

The deficit that exists in the General Fund has been the result of 1) the past reliance upon a significant portion of fund balance being appropriated in order to provide property tax relief, 2) the overestimation of certain revenue sources that ultimately were not realized and 3) the underestimation of certain appropriation categories. At the same time, certain costs, particularly fringe benefits (contributions to the New York State pension funds for teachers and employees and the rise in health insurance costs) and contractual salary commitments have increased costs dramatically. We suggest that a detail assessment be conducted that would outline the School District's need for resources now that fund balance is no longer an available "revenue" source to balance the operating budget. We believe that consideration should be given to the development of a multi-year financial plan that would provide for long-term fiscal stability. We also believe that it would be prudent for the School District to establish a fund balance retention policy in order to ensure stability in the School District's tax rate as well as its overall financial condition. In the School Lunch Fund, continued monitoring of the pricing structure for meals and expenditures should be performed to ensure that costs to operate can be covered.

- **Budget Amendment**

In July 2014, we noted that the Board of Education approved a year end budget amendment to cover expenditures in excess of authorized amounts in the General Fund. The resolution called for an increase to the total appropriation budget of \$1.6 million. The source of funding was the appropriation of the fund balance. However, since the General Fund reflects a deficit fund balance at June 30, 2014, it would appear that such a budget amendment is not truly available.

Recommendation

The General Municipal Law of the State of New York provides that "no expenditure shall be made, nor shall any contract which involves the expenditure of monies or the incurring of any liability be entered into, unless an amount has been appropriated for a particular purpose and is available therefore or has been authorized to be borrowed pursuant to Local Finance Law". We suggest that a careful review of expenditures be made throughout the year to ensure that expenditures are not incurred unless budgetary authority exists for such obligation. Amending the budget from "fund balance" that does not exist should be avoided. Additionally, any such amendment should also be approved prior to the end of the fiscal year.

- **Capital Projects Fund**

Project Deficit

The Capital Projects Fund is used to account for the construction of major capital facilities. Our audit of the Capital Projects Fund identified that the Warehouse Capital Project that has been completed has a deficit fund balance of \$20,445. The audit also identified a deficit in the Various District

East Ramapo Central School District, New York

Addendum A

Control Deficiencies

- **Capital Projects Fund (Continued)**

Improvements Capital Project of \$234,141, down by \$406,031 from the prior year as budgeted operating transfers from the General Fund were provided. These deficits arose because of expenditures exceeding financing on the projects. These deficits can only be eliminated with the continued receipt of monies authorized from an adopted General Fund budget.

Recommendation

A provision must continue to be made in future General Fund budget(s) to provide the necessary transfer of resources that would eliminate any remaining deficits.

- **Cash**

Outstanding Checks

During our audit, we noted that the bank reconciliation for the payroll account reflects outstanding checks totaling \$141,645, which are greater than one year old. We also noted that another account in the Trust and Agency Fund had six outstanding checks greater than one year old totaling \$5,101. Of the former amount, one employee has outstanding, uncashed paychecks of a substantial amount, dating back numerous years. It is the School District's policy to write off outstanding checks greater than six years old.

Recommendation

We recommend that management determine the reason that paychecks have remained outstanding for such an extended period of time. After every effort has been exhausted, the Business Office should seek legal advice as to the proper disposition of these funds.

General Fund and Payroll Bank Reconciliations

The School District operates its payroll and general checking account as "imprest" accounts. This means that these accounts are only to be funded to the extent of the checks being processed. If all the checks were to have cleared the account, both the book and bank balances of these accounts should be zero. Our review of these accounts revealed that the bank balances are in excess of currently outstanding checks.

Recommendation

We suggest that School District personnel modify funding amounts to these accounts that would take into consideration such things as voided checks so as to reduce the overfunded amounts.

East Ramapo Central School District, New York

Addendum A

Control Deficiencies

- **Cash (Continued)**

Authorized Signatures

As part of our standard audit procedures, we request confirmation from the School District's depositories of a list of current authorized signatories for its bank accounts. These audit procedures revealed that at one of the School District's depositories, an individual listed as an authorized signer on the accounts has not worked for the School District since April 2013.

Recommendation

We suggest that the School District remove this former employee as an authorized signer on all accounts. Additionally, a periodic review of all banking authorizations should be performed.

- **Special Purpose Fund**

The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust or scholarship agreement. Our review of the Special Purpose Fund indicated that, for several of these accounts, there was no activity during 2013-2014. These accounts aggregate to approximately \$31,415 at June 30, 2014.

Recommendation

We recommend that the School District examine the status of all inactive trust accounts and, if applicable, either transfer the monies to the General Fund with Board of Education approval or remit payments back to the appropriate depositor.

- **Procurement Policy**

The purpose of obtaining bids or quotations is to encourage competition in the procurement of supplies, equipment, and services which will be paid for by public funds. Competitive bids or quotations should be solicited in connection with all purchases, whenever feasible, and in the best interest of the School District. According to New York General Municipal Law, all purchase contracts for materials, equipment, or supplies involving an annual expenditure of over \$20,000 and all public works involving an expenditure of more than \$35,000 should be awarded on the basis of public advertising and competitive bidding. During our audit, it was noted that the School District's procurement policy was several years old and has not been updated to reflect the new required bidding thresholds mandated by New York State.

Recommendation

We recommend that the School District update their procurement policy in order to adhere to the regulations mandated by New York State. In addition, the School District should ensure all purchases subject to competitive bidding be properly executed.

East Ramapo Central School District, New York

Addendum A

Control Deficiencies

- **Extraclassroom Activity Funds**

Extraclassroom activity funds are defined as funds raised other than by taxation in the name of a school student body. These funds are operated by and for the students and are an integral part of the educational program of the School District. As part of our audit, we have reviewed, evaluated and tested the Extraclassroom Activity Funds. The results of our tests disclosed the following weaknesses:

Lack of Financial Activity

We noted that there were several clubs in the Spring Valley Senior High School and the Ramapo Senior High School that had no financial activity during the fiscal year under audit. State Education Department regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization or to the student council and shall be expended in accordance with that organization's constitution.

Recommendation

We suggest that a determination of the status of the clubs with no financial activity be made to determine the proper disposition of funds. If the clubs are determined to be inactive, the funds should be transferred to the general student organization to be used in accordance with the regulations of the Commissioner of Education.

Cash Receipts

The State Education Department recommends that student club receipts be deposited within seventy two hours of receipt. Our test of cash receipts revealed that one receipt for the Ramapo Senior High School and six receipts for the Spring Valley Senior High School were not deposited within this recommended time frame.

Recommendation

We suggest that the School District modify its procedures to ensure compliance with the above noted time line.

Cash Disbursements

Our test of a sample of cash disbursements throughout the year revealed that the proper signatures were not noted on several disbursements made out of the Spring Valley Senior High School and the Chestnut Ridge Middle School accounts. For the Ramapo Senior High School, we noted that one disbursement was made as a donation. However, there was no invoice present (due to the nature of the payment) nor were we able to see documentation from the donee or acknowledgment of receipt of this donation. This may not be an appropriate use of extraclassroom funds. Lastly, there were several items for which the description of the disbursement was either not evident or not clear and we were, therefore, unable to verify that the proper club was charged for the expenditure.

Recommendation

We recommend that all required signatures be present on all payment vouchers. Additionally, we recommend that any donation, if permitted, be accompanied by a letter acknowledging the donation, including date and amount. Any disbursements from these funds should be clearly identified to a particular club.

East Ramapo Central School District, New York

Addendum B

Other Matters

- **Governmental Accounting Standards Board (“GASB”) Statement No. 68 “Accounting and Financial Reporting for Pensions”**

In June 2012, GASB issued Statement No. 68. This Statement established new accounting and financial reporting requirements for governments that provide their employees with pensions. This pronouncement supersedes Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” Under this previous standard, *cost-sharing multiple employer defined benefit plans* (such as the plans administered by the State of New York for its municipalities and school districts) that share their assets *and* their obligations to provide pension benefits to their employees (i.e. plan assets can be used to pay the pensions of the employees of any municipal or school district employer that provides pensions through the plans) have not been required to present actuarial information about pensions. Instead, information has been required to be presented in the pension plans’ own financial statements for all of the participating municipalities and school districts combined.

The new Statement was designed to give users of the financial statements of cost-sharing employers access to better, more transparent financial information through the municipality or school district’s own financial statements. Under the new standards, cost-sharing employers will be required to report in their Statement of Net Position a net pension liability, pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries.

Statement No. 68 expands disclosures in the notes to financial statements and the required supplementary information (“RSI”). The note disclosures must include 1) a description of the plan(s) and the benefits provided, 2) the significant assumptions employed in the measurement of the net pension liability, 3) descriptions of benefit changes and changes in assumptions, 4) assumptions related to the discount rate and the impact on the total pension liability of a one percentage point increase or decrease in the discount rate and 5) the net pension liability and deferred inflows and outflows of resources. The RSI must provide ten year historical information (when available) regarding the entity’s proportionate share of the net pension liability and a schedule of the entity’s contributions. Notes to RSI are also now required regarding factors that significantly affect the trends in the schedules.

It is important to note that Statement No. 68 relates to *accounting and financial reporting* issues only, that is, how pension costs and obligations are measured and reported in the entity’s audited financial statements. This Statement *does not* address how the entity approaches the *funding* of the plan. **The provisions of this Statement are effective for the School District’s financial statements for the year ending June 30, 2015.**

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Communication of Matters Identified in the Audit to Those Charged with Governance

We have audited the financial statements of the East Ramapo Central School District, New York ("School District") as of and for the year ended June 30, 2014, and have issued our report thereon dated September 23, 2014. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 20, 2011, as amended by an addendum dated July 21, 2014. This letter provides additional required communications related to our audit.

Our responsibility under professional standards

Our responsibility is to form and express an opinion about whether the financial statements, which are the responsibility of management, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Those individuals charged with governance of the School District are responsible for the oversight of the financial reporting process, and our audit does not relieve management and those charged with governance of their respective responsibilities.

Our responsibility for the supplementary information accompanying the financial statements is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

With respect to such supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, the method of preparing it has not changed from the prior year, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In connection with our audit we performed tests of the School District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned scope and timing of the audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative aspects of significant accounting practices

Significant accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements. No matters have come to our attention that would require us to inform you about (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

East Ramapo Central School District, New York

Communication of Matters Identified in the Audit to Those Charged with Governance

Qualitative aspects of significant accounting practices *(Continued)*

Significant accounting estimates

Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.

Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change, such as:

- Actuarial assumptions related to the Other Post Employment Benefit Obligations ("OPEB")
- Asset lives for depreciable capital assets
- Estimates of certain receivable balances and allowances for uncollectible amounts
- Estimates for certain operating and long-term liabilities

Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.

Financial statement disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements relate to:

- Pension plan information
- Other post employment benefit obligations payable
- Outstanding bonded indebtedness
- Fund balances
- Litigation

The financial statement disclosures are consistent and clear.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction. There are no such financial statement misstatements that remain uncorrected.

East Ramapo Central School District, New York

Communication of Matters Identified in the Audit to Those Charged with Governance

Uncorrected and corrected misstatements *(Continued)*

In addition, we are required to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The adjusting journal entries following this communications letter summarize the material misstatements that were corrected by management.

Disagreements with management

For purposes of this letter, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations requested from management

We have requested certain written representations from management in a separate letter dated September 23, 2014.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other matters discussed with management

We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the School District, and plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.

We have provided our comments regarding deficiencies and other matters noted during our audit in the attached addenda.

Auditor independence

We affirm that O'Connor Davies, LLP is independent with respect to the School District in accordance with professional standards.

This communication is intended solely for the information and use of the Board of Education and management of the School District and is not intended to be and should not be used by anyone other than these specified parties.

Client: **546142.001 - EAST RAMAPO CENTRAL SCHOOL DISTRICT, NEW YORK**
 Engagement: **546142.001 - EAST RAMAPO CENTRAL SCHOOL DISTRICT, NEW YORK**
 Period Ending: **6/30/2014**
 Trial Balance: **7110.00 - General Fund**
 Workpaper: **1300.15 - GF AJE for mgt letter**

| Account | Description | W/P Ref | Debit | Credit |
|---|--------------------------------|-----------------|----------------------------|----------------------------|
| Adjusting Journal Entries JE # 2 | | | | |
| To reverse interest recorded for Tax Cert & Insurance | | | | |
| | | 03.909b | | |
| 917.00 | Unassigned Fund Balance | | 1,335.00 | |
| 2402.000 | Interest and Earnings - Reserv | | | 1,335.00 |
| Total | | | <u>1,335.00</u> | <u>1,335.00</u> |
| Adjusting Journal Entries JE # 6 | | | | |
| Client Entry - To book transfer in from debt service | | | | |
| | | 7110.04a | | |
| 391.03 | Due From Debt Svc Fund | | 100,000.00 | |
| 5050.000 | Interfund Trans. for Debt Svs | | | 100,000.00 |
| Total | | | <u>100,000.00</u> | <u>100,000.00</u> |
| Adjusting Journal Entries JE # 7 | | | | |
| to correct client entry reversing JE 670-12 claim from Chesnut Ridge transportation | | | | |
| | | | | |
| 1930-400-60-0000 | Judgments & Claims | | 78,692.00 | |
| 2703.000 | Refund PY Exp-Other-Not Trans | | | 78,692.00 |
| Total | | | <u>78,692.00</u> | <u>78,692.00</u> |
| Adjusting Journal Entries JE # 11 | | | | |
| To adjust advance to agree to Capital Fund deficit at year end | | | | |
| | | 7110.04d | | |
| 391.01 | Due From Capital Funds | | 4,598.00 | |
| 2703.000 | Refund PY Exp-Other-Not Trans | | | 4.00 |
| 391.00 | Advance to Capital | | | 4,594.00 |
| Total | | | <u>4,598.00</u> | <u>4,598.00</u> |
| Adjusting Journal Entries JE # 14 | | | | |
| Client Entry - To record overpayment per Colton sale closing statement | | | | |
| | | 7110.04b | | |
| 2410.200 | Rental - Colton Lease | | 97,878.00 | |
| 692.00 | Deposits Payable | | | 97,878.00 |
| Total | | | <u>97,878.00</u> | <u>97,878.00</u> |
| Adjusting Journal Entries JE # 15 | | | | |
| Client Entry - To adjust A/R for Colton Sale | | | | |
| | | 7110.04b | | |
| 380.00 | Accounts Receivable | | 330,000.00 | |
| 692.00 | Deposits Payable | | | 330,000.00 |
| Total | | | <u>330,000.00</u> | <u>330,000.00</u> |
| Adjusting Journal Entries JE # 16 | | | | |
| Client Entry - To reverse revenue/receivable in the 13/14 fiscal year for the sale of Colton building and recognize the 50% credit on rental payments | | | | |
| | | 7110.04b | | |
| 1621-167-60-0000 | Salaries - Maintenance | | 217.00 | |
| 1950-400-60-0000 | Contractual Services | | 11,471.00 | |
| 2410.200 | Rental - Colton Lease | | 929,712.00 | |
| 2703.000 | Refund PY Exp-Other-Not Trans | | 88,556.00 | |
| 380.00 | Accounts Receivable | | | 1,029,956.00 |
| Total | | | <u>1,029,956.00</u> | <u>1,029,956.00</u> |
| Adjusting Journal Entries JE # 17 | | | | |
| Client Entry - To transfer supervisor's expense paid by General Fund to UPK grant is Special Aid Fund | | | | |
| | | 7110.04c | | |
| 391.02 | Due From Special Aid Fund | | 30,926.00 | |
| 2021-150-60-0000 | Instructional Salaries | | | 7,833.00 |
| 9030-800-60-0000 | Social Security | | | 23,093.00 |
| Total | | | <u>30,926.00</u> | <u>30,926.00</u> |
| Adjusting Journal Entries JE # 18 | | | | |
| Client Entry - To allocate Supervisor's salary to Full Day Grant (UD14) | | | | |
| | | 7110.04c | | |
| 391.02 | Due From Special Aid Fund | | 40,483.00 | |
| 1240-150-30-0000 | Salaries - Instructional | | | 5,000.00 |
| 1240-162-30-0000 | Salaries - Clerical | | | 15,000.00 |
| 2021-162-90-0000 | Non-Instr Salary - Cleric | | | 20,000.00 |
| 9030-800-60-0000 | Social Security | | | 483.00 |
| Total | | | <u>40,483.00</u> | <u>40,483.00</u> |

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 Period Ending: **6/30/2014**
 Trial Balance: **7110.00 - General Fund**
 Workpaper: **1300.15 - GF AJE for mgt letter**

| Account | Description | W/P Ref | Debit | Credit |
|--|-------------------------------|-----------------|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 19 | | 7110.04d | | |
| CLIENT ENTRY - To move PO's from encumbrances to Account Payable and reduce the reserve for encumbrances in the General Fund | | | | |
| 2250-449-60-0000 | Tuition - Private Schools | | 28,490.00 | |
| 821.00 | Reserve for Encumbrances | | 28,490.00 | |
| 521.00 | Encumbrances | | | 28,490.00 |
| 600.99 | Accounts Payable | | | 28,490.00 |
| Total | | | <u>56,980.00</u> | <u>56,980.00</u> |
| Adjusting Journal Entries JE # 20 | | 10.102 | | |
| to correct ERS expense for 1st amortization due in Dec 2014 | | | | |
| 637.00 | Due to Employees' Ret. System | | 124,832.00 | |
| 9010-800-60-0000 | NYS Employee Retirement | | | 124,832.00 |
| Total | | | <u>124,832.00</u> | <u>124,832.00</u> |
| Adjusting Journal Entries JE # 22 | | | | |
| Client entries to record voiding checks # 357331 & 357210 | | | | |
| 200.03 | Cash - M&T 0 Bal. Checking Ac | | 629.00 | |
| 9060-800-60-7002 | Medicare Reimbursement | | | 629.00 |
| Total | | | <u>629.00</u> | <u>629.00</u> |