

Genesee Valley Central School

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October 9, 2020

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

Management Division:

With regard to our 2019-20 financial statements and accompanying management letter, we offer the following response to the items cited.

Finding 2020-001:

Condition & Criteria

During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to recording retirement accruals, capital project funds, and converting to the full accrual method for government-wide financial statement purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

Recommendation

Although auditors may continue to provide such assistance both now and in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

Organization's Corrective Action Plan

The District has received, reviewed and approved all journal entries, footnote disclosures and financial statements proposed for the current year audit and will continue to review similar information in future years. Further, the District believes it has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements. The Business Manager is responsible for all journal entries which take place multiple times throughout a school year. The Superintendent is responsible for approving all journal entries. The District will continue to review and accept journal entries throughout the 2020-21 school year. This action will be implemented by the Business Manager, Erin Ostrander, on July 1, 2020.

Finding 2020-002:

Condition & Criteria

Genesee Valley School District's unassigned fund balance as of June 30, 2020, amounted to \$1,152,000. This amount constitutes approximately 6.6% of the 2020-21 school budget.

Recommendation

Genesee Valley School District should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation of fund balance. In addition, we recommend that the District document its rationale to support the purpose and dollar level of the reserves and to ensure it is in compliance with New York State guidelines.

Organization's Corrective Action Plan

Genesee Valley School District realizes that its unassigned fund balance as of June 30, 2020, was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance. As unknown COVID-19 expenses continue to rise and the revenues of the school district continue to be unknown, the District anticipates utilizing a portion of these excess funds in the upcoming school year. The Business Manager, Superintendent, and Board of Education are responsible for monitoring the level of fund balance and will work to decrease the level prior to June 30, 2021. This action will be implemented by Business Manager, Erin Ostrander, beginning July 1, 2020.

Thank you for your constructive comments. As indicated, we will refocus our efforts to improve these deficiencies. Please feel free to contact me with questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Timothy Hand", with a large, sweeping flourish extending from the end of the signature back towards the beginning.

Timothy Hand
Board of Education - President