

**PLATTSBURGH CITY SCHOOL DISTRICT**

**MANAGEMENT LETTER**

**JUNE 30, 2013**

CBTT

*Conroy, Boulrice, Telling & Trombley, PC*

JACK L. CONROY, CPA

MICHAEL L. BOULRICE, CPA

*Certified Public Accountants*

THOMAS R. TELLING, CPA

LEO P. TROMBLEY, CPA

September 16, 2013

To the Board of Education  
Plattsburgh City School District  
49 Broad Street  
Plattsburgh, NY 12901

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plattsburgh City School District for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Plattsburgh City School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 16, 2013.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, 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.

This information is intended solely for the use of the board of education and management of Plattsburgh City School District. and is not intended to be, and should not be, used by anyone other than these specified parties.

### Audit Comments

Retirement Reserve- Contributions to the retirement reserve fund are only available to pay contributions to the NYS Employee Retirement System. The balance in the reserve fund at June 30, 2013 was \$2,432,329 which represents four years of contributions at the current rate. The law states the amount reserved can be all or any portion of the amount payable to NYS ERS. We suggest the District consult with their attorney regarding the reasonableness of the reserve balance and any potential impact of having an excess reserve balance.

The District's budget for the 2012/2013 school year indicated a planned use of the 2012 fund balance of \$1,900,000. As reflected on page 44 and 45 of this year's audited financial statements, District expenditures were below budget by \$1,872,790 and District revenues exceeded budget by \$756,654. As a result none of the 2012 appropriated fund balance was used for current operations as an excess of current year revenues over expenditures occurred in the amount of

\$764,581. None of the 2012 appropriated fund balance was utilized and therefore did not provide a benefit to taxpayers as required by New York State Real Property Tax Law Section 1318.

We would again like to thank Mr. John "Jay" Lebrun and Ms. Kristina Burdo for their assistance during our audit of the financial records for the school district. Accounts were reconciled to supporting documentation which was provided to us prior to our beginning fieldwork. It is a pleasure to work with a team who has an interest in the District and its operation as represented by the staff and management of Plattsburgh City School District.

This information is intended solely for the use of Conroy, Boulrice, Telling & Trombley, PC and management of the Plattsburgh City School District and should not be used for any other purpose.

Very truly yours,

A handwritten signature in cursive script that reads "Conroy, Boulrice, Telling & Trombley, PC".

Conroy, Boulrice, Telling & Trombley, PC