

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

NEW YORK

***COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT***

For Year Ended June 30, 2024



BUSINESS
ADVISORS
AND CPAS



BUSINESS
ADVISORS
AND CPAS

September 30, 2024

To the Board of Education
Central Square Central School District, New York

In planning and performing our audit of the financial statements of Central Square Central School District as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Central Square Central School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Central Square Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Square Central School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 30, 2024 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiencies Pending Corrective Action:

Fund Balance –

As indicated in the financial statements, the unassigned fund balance in the General Fund at June 30, 2024 exceeds the 4% maximum allowed by Section 1318(a)(1) of the Real Property Tax Law.

We recommend the District continue to monitor fund balance as it relates to Section 1318(a)(1) of the Real Property Tax Law.

Encumbrances –

During our review of encumbrances, we noted several instances of purchase orders being added on June 30th without proper supporting contract documentation, or documentation obtained subsequent to year end.

We recommend the District work to ensure that funds encumbered at year end only relate to purchases that have been made related to the current year but have not been received. In addition, we recommend a review of all outstanding purchase orders at year end to determine whether they need to be liquidated.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Budget Transfers –

The Board of Education has the authority to transfer funds between noncontingent account codes, and from noncontingent account codes to contingent codes, but not from contingent account codes to noncontingent account codes. During the current fiscal year, the District increased noncontingent budget codes in the amount of \$10,689 for purchases not considered ordinary contingent expenses.

We recommend the District review this item and not make budget transfers from contingent account codes to noncontingent account codes in the future.

Prior Year Recommendation:

We are pleased to report the following prior year recommendation has been implemented to our satisfaction:

1. The School Lunch Fund no longer has a deficit fund balance.

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We believe that the implementation of these recommendations will provide Central Square Central School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 30, 2024