

***CENTRAL SQUARE CENTRAL SCHOOL DISTRICT***

***NEW YORK***

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

***For Year Ended June 30, 2020***

**MENGEL METZGER BARR & CO. LLP**

**RAYMOND F. WAGER, CPA, P.C. DIVISION**

# MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

September 30, 2020

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Square Central School District, New York as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Central Square Central School District, New York'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Prior Year Deficiency Pending Corrective Action:**

### **School Lunch Fund Loss/Deficit –**

As indicated in the financial statements, the school lunch fund had an operating loss of \$67,193 for the year, after a transfer in from the general fund of \$50,000. The fund has a deficit unassigned fund balance of \$416,847 at year end.

We recommend the District continue to monitor the operations of the school lunch fund and continue to evaluate potential options for revenue enhancements or cost containment procedures that can be implemented.

## **Current Year Deficiencies Pending Corrective Action:**

### **Fund Balance –**

As indicated in the financial statements, the unassigned fund balance in the General Fund at June 30, 2020 exceeds the 4% maximum allowed by Section 1318(a)(1) of the Real Property Tax Law.

As a result of the uncertainty regarding the availability of State aid in the 2020-21 fiscal year the District has made a calculated determination to maintain excess fund balance.

### **Internal Audit –**

Due to health and safety measures put in place in the District, and for entities across New York State, the District was unable to have its annual internal audit risk assessment and agreed upon testing completed during the fiscal year, as required by New York State's Five Point Plan.

In an effort to maintain a high level of monitoring and internal control, we recommend the District monitor this situation and make every effort to ensure that all audit requirements are met.

## **Other Items:**

The following items are not considered to be deficiencies in internal control, however, we consider them other items which we would like to communicate to you as follows:

### **Federal Programs –**

As a result of recent federal program changes, the District documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirement.

### **Cyber Risk Management –**

The AICPA Center for Audit Quality recently issued a cyber security risk management document discussing cyber threats that face both public and private entities. The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

### **GASB Statement No. 84 –**

During this next fiscal year the District will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds.

This will require a review of the various accounts currently reported in the Agency Funds along with the extraclassroom activity policy and procedures in order to determine where to report the District's extraclassroom activity funds, scholarships, and other Agency activity.

**Prior Year Recommendation:**

The prior year recommendation has been addressed above.

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.

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

Rochester, New York  
September 30, 2020

*Mengel, Metzger, Barw & Co. LLP*