



## CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

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**Mrs. Maureen Phippen Ladd**  
School Business Manager

October 1, 2018

To Whom It May Concern:

I would like to offer the following information and actions taken in reply to the matters addressed in the Management Letter dated October 1, 2018, from the school district's auditor, Raymond F. Wager, CPA, PC, a division of Mengel, Metzger, Barr & Co., LLP.

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

The District is aware of the continuing negative fund balance in school lunch. This trend is becoming very common across all public schools. The current year loss of \$6,014 is substantially less than years past. The Healthy Hunger-Free Kids Act of 2010 has brought new requirements and guidelines to school lunch along with budget struggles. This is when our school lunch program started operating in a negative position. The nutritional requirements dictate more fruit, vegetables, whole grains and protein. These are more costly initiatives. Combined declining enrollments which means declining participation with increasing mandates is a struggle. Management continues to look for possible solutions. The District has been sharing administrative services with the neighboring APW District in an effort to consolidate costs. During the 2018-19 school year, we will continue to reorganize the staff to become more efficient and stay aligned with the declining participation. The Department continues to look into new initiatives (Redhawk Café, Skool Beans, Athletic boxes) as well as educating students on the new healthier choices.

### **Section 1318 of the Real Property Tax Law**

The auditors are noting that the district is ending the year with unassigned fund balance that exceeds 4%. The District is over by 1% (\$794,126). This is supported by the Board of Education and Administration. The District is implementing its fund management plan by deciding to use these funds to support the unaided portion of a capital project that will address safety and security needs. Although there are many reserve opportunities available to the District, at this time the board and administration feel that a one-time funding of a capital project is more beneficial to District residents, taxpayers, and the community.

### **Cyber Risk Management**

The District agrees with this communication. The IT Department, as well as the RIC, will continue to routinely assess cyber risks and take all the recommended actions.

The District feels that appropriate processes and procedures are being implemented in response to the independent auditor's management letter comments.

Please feel free to contact me if you have any further questions.

Sincerely,

Maureen Phippen Ladd  
School Business Manager