



CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

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School Business Manager

October 15, 2019

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 15, 2019, 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 resulted in a small loss of \$10,959. 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, are more costly initiatives. The District is also experiencing declining enrollments, which means declining participation. With increasing mandates, it continues to be a challenge. Management continues to look for creative solutions. The District has been sharing administrative services with the neighboring APW District in an effort to consolidate costs and has now taken on a third district, Pulaski ACS. During the 2019-20 year the administration will continue to reorganize the staff to become more efficient and stay aligned with the declining participation. The Department continues to implement new initiatives (Character Café at the Middle School) as well as educating students on the new healthier choices.

Federal Programs

The auditors are noting that recent guidance has been issued from the New York State Education Department regarding procedure manuals for specific federal program compliance. The District will work to enhance our written procedures to prepare for this change ahead of time.

Cyber Risk Management

The District agrees with this communication. The entire public school community is at risk in this new data security threat landscape. The IT department as well as the entire staff are being educated on Cyber Risk. The CNYRIC has taken the lead on system protections by many different means. The District is utilizing all the new Malware and Intrusion Prevention Services that are now available. This is a developing issue across the country. The District will continue to document, assess, monitor and communicate in this changing environment.

Prior Year Recommendation

The Board of Education has done an excellent job with Fund Balance Management. The unassigned fund balance is within the 4% maximum allowed by Section 1318(a) of the Real Property Tax Law, due to Reserve Fund Management. Thank you for the positive comment.

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