

**BALDWINVILLE 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

October 10, 2020

To the Board of Education
Baldwinsville 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 Baldwinsville 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 Baldwinsville 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:

Library –

During the course of our examination, we noted that the purchasing policy for the Library does not address quoting thresholds.

In an effort to conform with General Municipal Law, we recommend the Administration review this policy and develop a regulation which establishes a range for obtaining quotations.

Current Year Deficiencies in Internal Control:

Section 1318 of the Real Property Tax Law –

In lieu of the State deferring aid as well as recent notifications of possible reductions to 2020-21 State aid, the District maintains \$775,606 over the 4% maximum limit.

We recommend the District continue to monitor fund balance as it relates to Section 1318 of the Real Property Tax Law. In addition, when anticipated State aid reductions occur, the District should identify their specific plan to react to the State aid cuts.

Payroll Documentation –

During our examination of payroll related documentation, we noted two instances in which the signed salary notice was not on file to document the employee's acknowledgement of their salary or rate of pay. In addition, we noted one instance in which an employee's form opting out of the retirement system was not on file.

We recommend the District review procedures to ensure that all items are properly documented.

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.

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 Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. There was documentation on file to support payment for additional credit hours.

(Prior Year Recommendations) (Continued)

2. All employees' hourly rates examined agreed to the salary notices on file.
3. The District has completed an IT risk assessment in which a written report was issued.
4. The District has reviewed the duties of the claims auditor as it relates to change orders.

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.

Mengel, Metzger, Barz & Co. LLP

Rochester, New York
October 10, 2020