

**BALDWINVILLE CENTRAL SCHOOL DISTRICT  
NEW YORK**

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

**For Year Ended June 30, 2011**

**Raymond F. Wager, CPA, P.C.**  
**Certified Public Accountants**

**Shareholders:**

**Raymond F. Wager, CPA**  
**Thomas J. Lauffer, CPA**  
**Thomas C. Zuber, CPA**

Members of  
American Institute of  
Certified Public Accountants  
and  
New York State Society of  
Certified Public Accountants

October 3, 2011

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

In planning and performing our audit of the financial statements of the Baldwinsville Central School District, New York as of and for the year ended June 30, 2011, 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 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 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

**Prior Year Deficiencies Pending Corrective Action:**

**Library Fund –**

Our testing of controls at the Library revealed that cash is still only deposited once a week. It was also noted that purchases made on-line continue to be made without utilizing purchase orders.

We recommend the Administration continue to review the above noted items and take the necessary corrective action this next fiscal year.

**Documentation of Procedures –**

Our examination revealed the Business Office has continued the process of documenting a written procedures manual for District office personnel. However, it has yet to be completed

We recommend the District complete the process of documenting its' comprehensive review of the existing internal accounting controls.

**(Prior Year Deficiencies Pending Corrective Action) (Continued)**

**Trust and Agency Fund –**

During our review of the Trust and Agency Fund accounts, we noted the following:

- A. The self-funded dental account has not been routinely reconciled during the year.
- B. There is a miscellaneous fund balance which should be examined to determine its proper disposition.

**Billing –**

We, again, noted that billing and collection for fuel, field trips, and building use are done by the same person. In addition, bills for the above items are sent out without an independent review to ensure accuracy & completeness.

We recommend the District continue to review the above items to improve the billing and collection process.

**Current Year Deficiencies Pending Corrective Action:**

**School Lunch Fund –**

Federal Regulation #7 CFR Part 210.15 recommends the School Lunch Fund balance not exceed three months average expenditures. As of June 30, 2011, the District's School Lunch Fund balance was in excess of three months average expenditures.

We recommend the District closely monitor the School Lunch program and make every effort to comply with the Federal Regulation.

**Other Item:**

The following item is not considered to be a deficiency in internal control, however, we consider it an other item which we would like to communicate to you as follows:

**Year End Accruals –**

During the past year the District reduced the liability which was established many years ago for the initial funding of the GASB#45 OPEB.

Since the state of New York has not passed legislation to establish an irrevocable trust it is recommended that the balance remaining be recorded back into the General Fund.

**Prior Year Recommendations:**

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

1. All Library purchase transactions reviewed were approved by the Library Board prior to the actual transaction.
2. The School Lunch department implemented a purchase order system.

**(Prior Year Recommendations) (Continued)**

3. The investment policy was revised to state a maximum amount allowed for deposit.
4. The following Trust & Agency liability accounts were properly reconciled:
  - a. Flexible Spending Plan
  - b. State Retirement
  - c. Group Insurance
5. Prepaid items were properly included in the School Lunch cash receipt monthly journal entries.
6. The District has received and reviewed the report for the 2010-11 Risk Assessment performed by the Internal Auditor.

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.

*Raymond F. Wager, CPA, PC*

October 3, 2011