

***WATERLOO CENTRAL SCHOOL DISTRICT***

***NEW YORK***

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

***For Year Ended June 30, 2023***



BUSINESS  
ADVISORS  
AND CPAS



BUSINESS  
ADVISORS  
AND CPAS

October 12, 2023

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

In planning and performing our audit of the financial statements of Waterloo Central School District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Waterloo Central School District'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 Waterloo Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Waterloo Central School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 12, 2023 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

**Prior Year Deficiencies Pending Corrective Action:**

**Quotations** –

During the course of our examination we noted three instances where purchases made over the quotation threshold did not appear to have been quoted. We also noted one instance where no quotation documentation was available for review although it appears to have been properly quoted.

We recommend the District continue efforts to follow the bidding/quotation procedures indicated in the procurement policy.

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

**School Lunch** –

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2023 totaled \$395,678. This balance appears to be in excess of the three months average expenditures level recommended by Federal Regulation #7CFR Part 210.14(b), in the amount of \$105,260.

We recommend the District continue to monitor the fund balance in order 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:

**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.

**Prior Year Recommendations:**

The prior year recommendations have been noted above.

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We believe that the implementation of these recommendations will provide Waterloo Central School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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.

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, Barw & Co. LLP*

Rochester, New York  
October 12, 2023