NORTH ROSE-WOLCOTT CENTRAL SCHOOL DISTRICT

NEW YORK

COMMUNICATING INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT

For Year Ended June 30, 2024

MMB+CO

BUSINESS
ADVISORS
AND CPAS

November 1, 2024

To the Board of Education
North Rose-Wolcott 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 North Rose-Wolcott Central School District, New York as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the North Rose-Wolcott 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.

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 November 1, 2024 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:

School Lunch Fund –

Federal Regulation #7 CFR Part 210.14(b) recommends the fund balance of the School Lunch Fund not exceed three months average expenditures. As of June 30, 2024, the fund balance of the District's School Lunch Fund totaled $621,403 and exceeded three months average expenditures.

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

Bidding/Quoting Procedures –

During the course of our examination, we reviewed one transaction involving a purchase over the bidding threshold that did not have the statement of non-collusion available for our review. We also reviewed one transaction involving a purchase over the quoting threshold that did not receive the correct number of quotes.

We recommend a continued effort be made to comply with Sections 103 and 104(b) of the General Municipal Law as well as following the District's procurement policy.

Current Year Deficiency in Internal Control:

Closing Procedures –

As part of the closing procedures, outstanding encumbrances should be reviewed and if determined to be doubtful, liquidated prior to the official closing of the books. This process was not completed resulting in adjustments being required to liquidate the encumbrances to the correct amounts.

We recommend every effort be made to review and liquidate encumbrances in a more timely manner in order to avoid delays in the closing and audit process.

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 Recommendation:

The prior year recommendations have been noted above.

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We believe that the implementation of these recommendations will provide the 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 Federal and State Oversite Agencies (for schools & single audits), the Board of Education, 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 all staff for the courtesies extended to us during the course of our examination.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
November 1, 2024