

***DANSVILLE CENTRAL SCHOOL DISTRICT***

***NEW YORK***

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

***For Year Ended June 30, 2024***



BUSINESS  
ADVISORS  
AND CPAS



BUSINESS  
ADVISORS  
AND CPAS

September 23, 2024

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

In planning and performing our audit of the financial statements of Dansville Central School District 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 Dansville 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 Dansville Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Dansville 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 September 23, 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:

The District's written responses to the deficiencies identified in our audit have not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Current Year Deficiencies in Internal Control:**

**Cash –**

During our examination of cash at year end, we noted four outstanding checks totaling \$148,803 and not issued by the District. As of the date of this report, we noted that one check was issued, reducing the balance of checks held to \$58,553.

We recommend checks only be written against vendor invoices that have been approved for payment.

**District Response –**

At the time of this audit, the District had just completed the 2023-24 Capital Outlay Project. The check in the amount of \$90,250 had been processed and was in the safe ready for mailing. As mentioned in the auditor's comments above, the check has since been mailed. The remaining checks that have not been issued represent retainage from the 2019 Capital Improvement Project and the 2023-24 Capital Outlay Project because the District is waiting for contractors to complete punch list items. The District will take this recommendation under advisement for future capital projects.

**(Current Year Deficiencies in Internal Control) (Continued)**

**Scholarships –**

Our examination revealed that the liability for undistributed scholarships in the miscellaneous special revenue fund has not been reconciled.

We recommend this account be reconciled in the next fiscal year.

**District Response –**

The District will reconcile this fund by January 31, 2025.

**Prior Year Deficiency Pending Corrective Action:**

**Appropriation of Fund Balance –**

We commend the District on reducing the appropriated fund balance and reserves down to \$3,302,860 at June 30, 2024, representing approximately 8.1% of the 2024-25 general fund budget. The appropriation of fund balance at this level necessitates very conservative budgeting in order to avoid a year with a low fund balance where the tax levy would need to increase sharply.

**District Response –**

The District will continue to work on decreasing the use of appropriated fund balance and reserves as a source of revenue to balance its budget. As demonstrated below, the District has decreased its reliance on these revenue sources from approximately 12.2% of the general fund budget for the 2022-23 budget to approximately 8.1% of the general fund budget for the 2024-25 budget, which is over a 4% decrease in three budget cycles.

The 2022-23 budget included \$4,710,000 in appropriated fund balance and reserves, representing approximately 12.2% of the 2022-23 general fund budget.

The 2023-24 budget included \$3,538,910 in appropriated fund balance and reserves, representing approximately 8.9% of the 2023-24 general fund budget.

The 2024-25 budget includes \$3,302,860 in appropriated fund balance and reserves, representing approximately 8.1% of the 2024-25 general fund budget.

The District will develop a Reserve Plan that will outline long-term use of fund balance and reserve allocations in order to avoid any sudden and significant changes to the tax levy year-to-year.

**Prior Year Recommendations:**

The following prior year recommendations have been implemented to our satisfaction:

1. IRS Forms were submitted timely in the current year.
2. The District has implemented a process to review cooperative bids for compliance with General Municipal Law.

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We believe that the implementation of these recommendations will provide Dansville 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  
September 23, 2024