

DANSVILLE CENTRAL SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2019

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 4, 2019

To the Board of Education
Dansville 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 Dansville Central School District, New York as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Dansville 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.

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.

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

Prior Year Deficiencies Pending Corrective Action:

Summer School 4408 Program –

The New York State Education Department provides the EFH670 summary of 4408/4201 STAC approval and verified cost and state aid payments, twice a year. This document should be reviewed to ensure the services provided are properly STAC'ed and the District's local share can be more easily calculated.

We recommend an individual independent of the STAC submission process review this document on a semi-annual basis.

District's Response –

The District will be working with Wayne Finger Lakes BOCES to review the STAC's for our District.

Decentralized Cash Receipts –

We recommend the District review the following items in an effort to better document internal accounting controls over cash receipts:

1. The District does not have written procedures to be followed for the collections of adult education revenues. During our examination, not all adult ed classes have enough participation to cover the cost of the class and there were four instances of the class reporting a loss. We also noted, that there was not a sign in sheet for every one of these classes along with some participants not paying to attend.
2. We noted five instances in which department receipts collected were not submitted to the District Business Office for deposit in a timely manner.

District's Response –

The District will implement the following procedures:

1. The Adult Education Coordinator will direct adult education students to pay tuition fees in the District Office in advance of the start of each adult education course.
2. Adult Education Program revenue shall equal or exceed adult education program costs.
3. Attendance taking will be required at Adult Education classes with summary reports to be submitted to the Business Office.
4. The Business Office will, when appropriate, bill the Foundation for Dansville Education for approved material, service and instructional costs.

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

Current Year Deficiencies in Internal Control:

Bidding –

During the course of our examination, we reviewed various transactions involving multiple purchases from vendors which amounted to more than \$20,000 in the aggregate. We noted the purchase of Chromebooks did not appear to be competitively bid.

District's Response –

The District complies with BOE Purchasing Policy 6700. Three quotes were requested for the purchase of Chromebooks. Two were received. In the future we will request additional quotes when we receive fewer than three.

Use of a school credit card (Amazon) will be discouraged. We will begin using the District's purchasing procedure

School Lunch Fund –

During our examination, we noted that the fund balance in the School lunch Fund at June 30, 2019 totaled \$268,360. This balance appears to be in excess of the three-month average expenditures level recommended by the Federal Regulation#7CFR Part 210.15 by the amount of \$55,554.

District's Response –

The School Lunch Fund excess fund balance will be used to offset costs for utilities through the indirect cost reimbursement percentage allowed by law.

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:

Cyber Risk Management –

The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

District's Response –

The District will continue to work with our local RIC to identify and protect against cyber security risks. The District will secure the services of a Data Privacy Officer through Edutech.

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

(Other Items) (Continued)

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.

District's Response –

The District will request technical assistance from Questar III BOCES to draft a written procedural manual that is more detailed and specific to each federal program compliance requirement.

Prior Year Recommendations:

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

1. The District is now having the payroll department print, mail & file salary notices for all employees.
2. Our examination did not reveal any instances where timesheets did not agree to the hours paid on the payroll register.
3. The District had no instances where hours worked were not in line with contract language of the employee.
4. Final cost reports reconciled to the reported expenditures.
5. The payroll expenditures were reconciled to the IRS Form 941 quarterly filing.
6. The District implemented procedures to ensure an independent secondary review of the opening balances and earned compensated absences on an annual basis.

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.

Rochester, New York
October 4, 2019

Raymond F. Wager, CPA, PC