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MANAGEMENT LETTER

October 13, 2026

The Audit Committee, Board of Education,
and Management
Belfast Central School District

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the remaining fund information of Belfast Central School District (the District) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the District'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probably as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.

- *Probable.* The future event or events are likely to occur.

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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

OBSERVATIONS

Account reconciliations and accruals

Accounting procedures, such as the preparation and review of key account reconciliations, are necessary to ensure that financial data is accurate, reliable, and timely. During our audit procedures, we identified key accounts that were not properly reconciled and lacked detailed support. The most significant accounts identified were special aid fund grants, revenue and expenditure activity, interfund receivables and payables, bond proceeds, and accounts payable and accounts receivable accruals. We recommend that all accounts are periodically reconciled and adjusted as necessary to ensure accurate reporting of District transactions.

Extraclassroom activity funds

We noted missing invoices and receipt details for multiple student clubs. We recommend that the District continue to educate and train student officers and faculty advisors on the importance of maintaining accurate and complete ledgers for the clubs. We also noted several clubs with a balance as of June 30, 2026 with no financial activity over the last two or more years. We recommend that the District monitor these clubs to determine whether they should be closed, with the remaining funds transferred in accordance with Board policy.

Interfund receivables and payables

Amounts owed between funds should be liquidated in a timely manner. These amounts originate as short-term borrowings between funds and are not intended to be permanent in nature. If considered necessary, transfers should be made permanent through Board approval or other required means.

We have discussed these comments with District personnel and would be pleased to discuss them in further detail, perform any additional studies, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the District's management, Audit Committee, Board of Education, and others within the District; the NYS Education Department Office of Audit Services; and the Office of the NYS Comptroller, Division of Local Government and School Accountability. It is not intended to be, and should not be, used by anyone other than these specified parties.

