CALEDONIA - MUMFORD CENTRAL SCHOOL DISTRICT

NEW YORK

COMMUNICATING INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT

For Year Ended June 30, 2026

MMB+CO | BUSINESS ADVISORS AND CPAS

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October 16, 2026

To the Board of Education
Caledonia-Mumford Central School District, New York

In planning and performing our audit of the financial statements of Caledonia-Mumford Central School District, New York (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 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 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 October 16, 2026 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:

Vendor Change Reports –

During our examination, we noted that the vendor change reports are not subject to a formally established review schedule.

We recommend an individual independent of accounts payable review vendor change reports on a routine basis.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Smart School Bond Act –

During our examination of the Capital Projects Fund, we noted that the District has a receivable for Smart School Bond Act expenses incurred in the 2020-21 fiscal year. We noted that the District has contacted the New York State Education Department and began the process of reviewing and reconciling expenditures and claims.

The District has begun to work with NYSED to develop an updated Smart Schools Investment Plan, in order to utilize the remaining funds available.

Current Year Deficiencies in Internal Control:

Accounting Oversite –

During our examination, we noted the following:

1. Monthly bank reconciliations do not appear to be signed off by an independent reviewer.

2. Payroll change reports are not printed and reviewed.

In an effort to improve the overall control environment, we recommend the District develop a monthly checklist of review procedures and ensure that the procedures are documented.

Overtime Reporting –

As a result of the change in legislation the District is required to calculate and include qualified tax-exempt overtime in the employee's W-2 at the end of this year. Qualified overtime based on the new legislation may be inconsistent with overtime as defined in current contracts. In response, the software companies have attempted to address the issue, however, it may still require a manual review of overtime to ensure the qualified overtime is consistent with the new legislation. The District has developed procedures to calculate and identify qualified overtime, however, an individual independent of the reporting process is not reviewing the qualified overtime to ensure it is being calculated consistent with the legislation.

We recommend the District consider implementing a procedure for an independent review of the eligible overtime reported on a monthly basis.

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's compliance requirements.

Prior Year Recommendations:

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

1. Budget adjustments were not made to increase noncontingent budget codes above authorized amounts.

2. All examined purchases and journal entries were properly supported.

3. Credit card payments are subject to review of the claims auditor prior to processing.

* * *

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 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, Barr & Co. LLP

Fairport, New York
October 16, 2026