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MANAGEMENT LETTER

September 28, 2026

The Audit Committee, Board of Education,
and Management
Lewiston-Porter 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 Lewiston-Porter 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 probable 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 financial reporting (prior year)

Accounts should be periodically reconciled and adjusted as necessary to properly report District transactions. In the current year, we assisted District management with multiple adjustments, including those related to interfund borrowings and transfers; and capital projects and special aid. While the number and significance of audit adjustments decreased compared to the prior year, indicating improvement in the District's financial reporting processes, opportunities remain to strengthen the timely reconciliation and review of accounts throughout the year. We encourage management to continue its efforts to enhance account reconciliation and year-end closing processes to ensure transactions are properly recorded.

Capital assets (prior year)

The District uses a third-party vendor to perform capital asset appraisals primarily for insurance risk management purposes. The vendor also provides an ancillary service to provide the District with reports that will assist with recording capital assets and depreciation expense for accounting purposes. In 2017, the District switched vendors for this service and the capital asset detail provided was not in agreement with prior year records. Such amounts have not yet been reconciled and the balance is manually corrected during the audit process.

Capital assets should be recorded at historical cost and updated for additions and disposals, including construction in progress. When a vendor is used to provide this service, changes should be communicated to the vendor and adjusted annually. We continue to recommend that management maintain accurate records of all changes to capital assets, either internally or with the assistance of its third-party vendor.

Interfund receivables and payables (prior year)

We note substantial amounts owed between funds. Such amounts should be liquidated in a timely manner as they 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.

Bank reconciliations (prior year)

During the audit, we observed the payroll bank account was not properly reconciled monthly or at year end. While the District has continued to make progress in strengthening its financial processes, we continue to recommend management ensure the payroll bank account reconciliation is prepared and reviewed on a monthly basis to promote the timely identification and resolution of discrepancies.

Extraclassroom activities (prior year, in part)

As outlined in the New York State Education Department's 2019 Manual, The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds (the Manual), one of the main purposes of extraclassroom activities is to provide the District with an opportunity to teach pupils basic bookkeeping procedures through participation in handling funds and maintaining appropriate records. We noted several areas for improvement, detailed as follows:

- Two clubs had no financial activity for the past two years. We remind the District that clubs without activity should be closed into a club that is representative of the entire student body if no activity is anticipated in the near term.
- Four clubs did not have student-maintained club ledgers. We remind the District that each club should have its own books and records maintained by the student treasurer, not the advisor, in accordance with the Manual.
- Some disbursements and deposit receipts were not properly authorized by students and faculty advisors and some support for receipts and disbursements was missing from the student folders. We encourage the central treasurers to ensure that all necessary signatures and documents are present.

We noted improvement from the prior year. Specifically, all newly established and discontinued clubs reviewed had evidence of the required Board approval, and no exceptions were noted related to student treasurer participation in club transactions.

UPDATE OF PRIOR YEAR RECOMMENDATIONS

In the current year, the following improvements were made:

- Interest was allocated to the District's reserve funds in accordance with the requirements of General Municipal Law and Education Law.
- Reimbursement requests for federal and state grants were submitted on a timely basis throughout the year rather than being deferred until fiscal year-end.

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.

Lumsden & McCormick, LLP