

**BALDWINVILLE CENTRAL SCHOOL DISTRICT
NEW YORK**

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

For Year Ended June 30, 2017

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

September 20, 2017

To the Board of Education
Baldwinsville 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 Baldwinsville Central School District, New York as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Baldwinsville 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.

Prior Year Deficiencies Pending Corrective Action:

Billing –

We noted that the billing and collection process for private school student tuition is prepared by the same individual.

We recommend the District continue to review this process in an effort to improve controls over billing and collection.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Confirming Orders –

We noted five instances where a selected purchase order appeared to have been created after the vendor invoice had been received.

We recommend the District review these items and insure that confirming orders should only be used for those purchases considered emergency in nature.

Segregation of Duties –

Our examination revealed that the Treasurer is also the System Administrator for the accounting software.

In order to enhance segregation of duties over computer controls we recommend that someone independent of accounting duties be appointed the System Administrator.

Claims Auditor –

The current Claims Auditor procedures do not include verifying the required approval was obtained for change orders.

We recommend the claims auditor procedures include compliance with change order approvals.

Payroll –

We noted the following during the course of our payroll examination:

1. Three instances where a selected employee's withholding form was unavailable for examination.
2. One instance where a selected employee's withholding form did not appear to agree with the withholdings on the payroll system.
3. Payroll registers were not certified during the 2016-17 year.

Accounting System Access Rights –

It appears the payroll clerk has access within the accounting system to adjust employee pay rates.

We recommend employee access rights to the accounting system be subject to an independent review on a periodic basis to ensure they are appropriate.

Current Year Deficiencies in Internal Control:

Computer Controls –

Three individuals no longer employed by the District had active user access rights within the accounting system.

Other Item:

The following item is not considered to be deficiency in internal control, however, we consider it an other item which we would like to communicate to you as follows.

School Lunch Fund –

As indicated in the financial statements, the school lunch fund had an operating loss of \$64,445 at June 30, 2017. Additionally, the fund was not charged its share of workers' compensation expenditures which would have increased the operating loss. Therefore, we recommend the Administration continue to monitor school lunch operations to improve the overall financial stability of the program.

Prior Year Recommendations:

The prior year recommendations have been noted above.

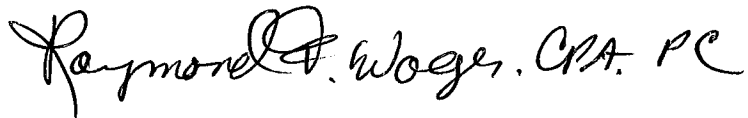
This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.



September 20, 2017