

BALDWINVILLE CENTRAL SCHOOL DISTRICT
NEW YORK

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

For Year Ended June 30, 2014

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 22, 2014

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, 2014, 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 our auditing procedures 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 deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Prior Year Deficiencies Pending Corrective Action:

Billing –

We noted that billing and collection for field trips, building use, and foster student tuition are done by the same person.

We recommend the District continue to review the above items to improve the billing and collection process.

Vendor Change Reports –

Our examination revealed that vendor change reports are not currently being printed and reviewed.

We were informed that subsequent to year end the claims auditor has started to review the vendor change reports.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Computer Controls –

During the course of our audit, we noted that the District does not have a completed written disaster recovery plan.

We were informed that the District is in the process of creating a disaster recovery plan. We recommend the District consider expanding the plan to include procedures in the event that the financial statement and the BOCES network are disrupted.

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.

School Lunch Fund –

As indicated in the financial statements, the school lunch fund had an operating loss of \$103,990 at June 30, 2014. 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.

Documentation of Procedures –

Our examination revealed the Business Office has made significant progress in preparing a manual of written procedures for District office personnel. However, the manual does not currently include updated day to day purchasing procedures for the accounts payable function.

We recommend the Administration review this item and document the procedures required for the accounts payable function during this next fiscal year.

Prior Year Recommendations:

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

1. The School Lunch fund balance did not exceed three months average expenditures as recommended by Federal Regulation #7 CFR Part 210.15.
2. Invoices for field trips, building use, and foster student tuition are reviewed by the claims auditor prior to being mailed out.

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 22, 2014