

ADDISON CENTRAL SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2024



BUSINESS
ADVISORS
AND CPAS



BUSINESS
ADVISORS
AND CPAS

October 22, 2024

To the Board of Education
Addison Central School District, New York

In planning and performing our audit of the financial statements of Addison Central School District as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Addison Central School 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 Addison Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Addison Central School 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 22, 2024 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:

School Lunch Fund –

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2024 totaled \$437,314. This balance appears to be in excess of the three months average expenditures level recommended by Federal Regulation #7CFR Part 210.14(b) in the amount of \$130,342.

We recommend the District continue to develop the corrective action necessary for compliance with the Federal Regulation.

Health Insurance –

During the course of our examination, we noted that the District prepays the employee portion of health insurance coverage for July and August and recoups the funds throughout the school year beginning in September.

We recommend the District consider making payments when they are due to avoid paying for employees that may decide to leave the District.

Current Year Deficiency in Internal Control:

Payroll –

During the course of our examination, we noted that payroll change reports were not being reviewed and signed periodically by someone independent of the process.

We recommend payroll change reports be reviewed, initialed, and dated on a monthly basis by an independent individual.

Prior Year Recommendations:

The prior year recommendations have been noted above.

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We believe that the implementation of these recommendations will provide Addison Central School 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, Barw & Co. LLP

Rochester, New York
October 22, 2024