

***PITTSFORD CENTRAL SCHOOL DISTRICT
NEW YORK***

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

For Year Ended June 30, 2017

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Shareholders:

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

September 1, 2017

To the Board of Education
Pittsford 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 Pittsford 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 Pittsford 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 Deficiency Pending Corrective Action:

School Lunch Fund –

The District's school lunch program had an operating loss of \$55,490 this year. The program had enough fund balance available to keep from going into a deficit, however, we recommend the Administration continue to monitor school lunch operations to improve the overall financial stability of the program

Current Year Deficiencies in Internal Control:

Collateral –

One of the District's financial institutions utilizes pooled collateral. However, the District's investment regulation indicates that collateralized securities must be maintained separately.

We recommend the District review this situation and consider amending the investment policy to address pooled collateral.

Offsite Collections –

As indicated in the Office of the State Comptroller's report, the District should review their procedures relating to athletic event admissions and enhance their current deposit transmittal form and procedures. In addition it does not appear that the deposit transmittal form used to document the admissions is signed and dated by the ticket takers and included with the deposit information submitted to the Business Office. We also noted that the Summer Enrichment Program & Drivers Education receipts are held up to two months prior to being deposited.

We recommend the District enhance their current deposit transmittal form and develop written procedures outlining the process to be followed for admissions. As part of these enhancements the original source documentation signed by the ticket takers should be included with the deposit information and submitted to the Business Office. In addition, every effort should be made to deposit funds within 3-5 business days from receipt.

School Lunch Program –

During the course of our examination of the school lunch deposit procedures we noted checks received are held onto and deposited separately which eliminates the ability to reconcile deposits to the P.O.S. tracking system.

We recommend all funds collected during the school lunch period be included in the daily deposits in order to reconcile the daily deposits to the P.O.S. system.

Prior Year Recommendations:

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

1. The Summer Enrichment Program did not incur an operating loss during the 2016-17 year.
2. There were no rehired on call bus drivers who received a salary increase during the year under examination.

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.

Raymond F. Wager, CPA, PC

September 1, 2017