NORTH ROSE-WOLCOTT 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 5, 2014

To the Board of Education
North Rose-Wolcott 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 North Rose-Wolcott 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 North Rose-Wolcott 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 Deficiency Pending Corrective Action:

Segregation of Duties –

Our review of Business Office procedures revealed that the individual responsible for the general ledger function also, posts journal entries, prepares bills, prepares deposits, completes the monthly bank reconciliations and performs the accounts receivable function.

The District has developed various mitigating controls over the Treasurer's position, however, we recommend the District continue to review this area to determine if there are additional controls which can be developed to further enhance the internal controls over the Treasurer's position.

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Current Year Deficiencies in Internal Control:

School Lunch –

During our review of the School Lunch receipts, we noted the following:

1. The same individual is responsible for emptying, filling, and reconciling the sales of the vending machine.

2. The same individual is responsible for catering billing, collecting catering receipts, and preparing the deposit slip.

We recommend the District develop a procedure where an individual independent of filling the vending machines, empties and reconciles the cash. In addition, catering billing should be submitted to the Business Office to be recorded on the general ledger and remittances should be made to the Business Office.

Compensated Absences –

During our examination of compensated absences we noted one instance in which the initial amount of sick days added to an employee's balance was not consistent with the contract language.

We recommend the District review this item and make any necessary adjustments to the accrued days.

Prior Year Recommendations:

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

1. For those individuals tested, the District properly issued an IRS Form 1099 to those individuals who required one.

2. The School Lunch Fund had an operating gain in the current year.

3. For those items tested, encumbrances outstanding had recent activity to support the encumbrance at year end.

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. Wogs CPA, PC

September 5, 2014