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Required Communication with Board of Education

Board of Education
Cazenovia Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cazenovia Central School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cazenovia Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by Cazenovia Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates effecting the financial statements were:

1. The District, in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* requires significant actuarial estimates to calculate the District's postemployment benefits liability.

2. The District's estimate of its compensated absences liability.

3. Estimates involving depreciable lives of the District's capital assets and the related depreciation.

4. The District, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pension assets and liabilities, deferred inflows and outflows of resources – pensions, and pension expense.

We evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balance budget and actual –general fund, the schedules of funding progress of the other postemployment benefits, the schedule of District's Contributions and the schedule of District's proportionate share of the net pension liability which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedules of change from original budget to revised budget, section 1318 of real property tax law limit calculation, the schedule of project expenditures-capital projects fund, and the net investment in capital assets, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Findings and Recommendations

In addition, we have enclosed a memorandum summarizing matters involving the internal control structure and its operations that we feel can be improved and strengthened. These matters are not considered to be a significant deficiency or a material weakness.

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Restriction on Use

This information is intended solely for the information and use of the Board of Education, Administration of Cazenovia Central School District, and the New York State Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

October 15, 2024

Utica, New York

CAZENOVIA CENTRAL SCHOOL DISTRICT
SUMMARY OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2024

See Prior Year Summary of Findings and Recommendations

CAZENOVIA CENTRAL SCHOOL DISTRICT
PRIOR YEAR SUMMARY OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2023

Other Matters

A. Encumbrances and Use of the Accounts Payable Module in Infinite Vision Accounting Software

During our audit procedures we noted that encumbrances were not reported in the trial balance at June 30, 2021. The proper accounts payable module procedures in the software were not followed and therefore the automation behind rolling outstanding encumbrances at the end of the 2020-2021 school year for accurate reporting in the trial balance did not occur.

Additionally, the accounts payable module is not being used to its full capacity. Invoices received after June 30 that are for May/June expenses are paid with checks dated June 30 as opposed to coding them to an accounts payable account to be reflected as a liability at the end of the fiscal year. This process extends well into July and back dating checks is not best practice and prevents accurate bank reconciliations to be performed timely.

It came to our attention that a procedure manual supported by BOCES exists for the Infinite Vision Accounting Software. We recommend that that this procedure manual be referenced and followed so that the Accounts Payable module can be used as designed so that there are more streamlined efficiencies to the accounts payable process at the end of the fiscal year, which would include rolling encumbrances accurately.

Status: The District went through a software conversion at the beginning of the 2023-2024 school year transitioning from the financial reporting software Infinite Vision to nVision. The transition occurred with significant assistance from the BOCES which included training for all Business Office personnel, therefore the encumbrance and accounts payable module in the new software was used as intended.

B. School Lunch Account Balances

We noted during our evaluation of student lunch accounts at the end of the year that the District's procedures has been to write off negative student account balances at the end of the school year, even for continuing students. For the year ended June 30, 2023 the District wrote off $4,896 in negative student lunch account balances. Additionally, the District is allowing teachers to charge and over draw their lunch accounts. There was $315 in negative teacher lunch accounts at the end of the school year.

We recommend collection attempts are made on negative student accounts throughout the school year and as the school year comes to an end, that outreach be done to those families in order to provide applications for potential free or reduced lunch assistance heading into the next school year.

Status: For the year ended June 30, 2024 the District had $5,917 in negative student lunch account balances. Additionally, the District is allowing teachers to charge and over draw their lunch accounts. There was $108 in negative teacher lunch accounts at the end of the school year. The District however is no longer writing off these negative lunch accounts and are rolling them forward to the following year.

Client: *15000 - Cazenovia Central School District*
Engagement: *2024 FS - CAZENOVIA CENTRAL SCHOOL DISTRICT*
Period Ending: *6/30/2024*
Trial Balance: *TB*
Workpaper: *Combined Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 201		3400.05		
Client entry to reverse duplicate entry				
A 9950.900-000	TRANSFER TO CAPITAL FUND		1,475.00	
H 630A	DUE TO A FUND		1,475.00	
A 391H	DUE FROM H FUND			1,475.00
H 5031	INTERFUND TRANSFERS-GENERAL FUND			1,475.00
Total			**2,950.00**	**2,950.00**
Adjusting Journal Entries JE # 202		3400.06		
CLIENT ENTRY - to reclass an H Fund expense - originally coded phase IA and should ahve been Phase III				
H 2110.245-000-02012	TETRA TECH PHASE 111 BURTON ST		27,720.00	
H 2110.240-P1A-05017	CONTRACTUAL- PHASE 1A			27,720.00
Total			**27,720.00**	**27,720.00**
Adjusting Journal Entries JE # 203		3400.07		
CLIENT ENTRY - to net liability accounts in A Fund				
A 735	NYSUT TRUST DEDUCTIONS		135.00	
A 715	VOTE/COPE			135.00
Total			**135.00**	**135.00**
Adjusting Journal Entries JE # 204		3400.08		
CLIENT ENTRY 744 - to move Bus Lift expenses from General to Capital				
A 391H	DUE FROM H FUND		160,530.00	
H 1620.293-000-EMBUS	EMERGENCY BUS LIFT		160,530.00	
A 5530.412-700	REPAIRS			160,530.00
H 630A	DUE TO A FUND			160,530.00
Total			**321,060.00**	**321,060.00**
Adjusting Journal Entries JE # 205		3400.09		
CLIENT ENTRY 746 - Emergency Bus Lift Outlay Project				
A 9950.900-000	TRANSFER TO CAPITAL FUND		176,300.00	
H 391A	DUE FROM GENERAL FUND		176,300.00	
A 630H	DUE TO CAPITAL FUND			176,300.00
H 5031	INTERFUND TRANSFERS-GENERAL FUND			176,300.00
Total			**352,600.00**	**352,600.00**
Adjusting Journal Entries JE # 206		3400.10		
CLIENT ENTRY - to adjust fund reserve balances				
A 917	UNASSIGNED FUND BALANCE		534,023.00	
A 827	RESERVE FOR RETIREMENT CONTRIBUTIONS			365,629.00
A 867	RESERVE FOR EMPLOYEE BENEFITS & ACCRUED LIABILITES			150,000.00
A 878	RESERVE FOR CAPITAL			18,394.00
Total			**534,023.00**	**534,023.00**
	Total Adjusting Journal Entries		**1,238,488.00**	**1,238,488.00**
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 1		4600.22		
To record Depreciation Expense				
GW-C00-60-1010-700	General Support - Depreciation Allocation		220,936.00	
GW-C00-60-2110-700	Instructional - Depreciation Allocation		1,208,232.00	
GW-C00-60-5510-700	Transportation - Depreciaiton Allocation		670,055.00	
GW-C00-60-9999-700	School Lunch - Depreciation Allocation		84,796.00	
GW-C00-10-0112-000	Buildings - Acc Depr			1,652,620.00
GW-C00-10-0114-000	Equipment - Acc Depr			531,399.00
Total			**2,184,019.00**	**2,184,019.00**
Reclassifying Journal Entries JE # 2		4600.05		
To record Additions to Fixed Assets and CIP				
GW-C00-10-0102-000	Buildings		6,945.00	
GW-C00-10-0104-000	Equipment		750,949.00	
GW-C00-10-0105-000	Construction Work in Progress		8,648,956.00	
GW-C00-10-0104-000	Equipment			13,637.00
GW-C00-60-1620-200	Operations of Plant-Equipment			81,680.00
GW-C00-60-1620-200	Operations of Plant-Equipment			7,838,918.00
GW-C00-60-2110-200	Teach Reg School-Equipment			816,983.00
GW-C00-60-5511-210	Dist Transportation-Buses			655,632.00
Total			**9,406,850.00**	**9,406,850.00**
Reclassifying Journal Entries JE # 3		4600.05, 4600.12		
To record Disposals of Fixed Assets				
GW-C00-10-0114-000	Equipment - Acc Depr		341,622.00	
GW-C00-60-9000-000	LOSS ON DISPOSAL OF ASSETS		27,300.00	

GW-C00-10-0104-000	Equipment			368,922.00
Total			368,922.00	368,922.00
Reclassifying Journal Entries JE # 4		5300.10		
To record the amortization of Deferred charges and Premiums				
GW-C00-20-691-200	Deferred Bond Premiums		82,024.00	
GW-C00-20-691-200	Deferred Bond Premiums		55,953.00	
GW-C00-10-0480-000	Bond Issuance Cost			42,215.00
GW-C00-60-9711-700	Serial Bonds Interest-Sch Const			95,762.00
Total			137,977.00	137,977.00
Reclassifying Journal Entries JE # 5		5300.10		
To reclassify issuance of and payment on serial bonds				
GW-C00-42-5710-000	Proceeds of Serial Bonds		13,643,132.00	
GW-C00-20-0628-000	Bonds Payable			11,560,249.00
GW-C00-60-9711-600	Serial Bonds Principal-Sch Const			2,082,883.00
Total			13,643,132.00	13,643,132.00
Reclassifying Journal Entries JE # 6		5300.10		
To adjust bond interest accrual to current year actual				
GW-C00-20-0651-000	Accrued Interest payable		10,686.00	
GW-C00-60-9711-700	Serial Bonds Interest-Sch Const			10,686.00
Total			10,686.00	10,686.00
Reclassifying Journal Entries JE # 7		5200.40		
To adjust compensated absences to actual				
GW-C00-60-9098-800	Employee Benefits		62,832.00	
GW-C00-20-0687-000	Compensated Absences			62,832.00
Total			62,832.00	62,832.00
Reclassifying Journal Entries JE # 8		5400.25		
To record GASB 75 other postemployment benefit per actuary				
GW-C00-20-0689-0000	OTHER LONG TERM DEBT, (OPEB)		801,127.00	
GW-C00-20-0699-000	Deferred Inflows of Resources- OPEB		1,217,710.00	
GW-C00-60-9098-800	Employee Benefits		2,052,042.00	
GW-C00-10-0495-0000	Deferred Outflows of Resources, OPEB			4,070,879.00
Total			4,070,879.00	4,070,879.00
Reclassifying Journal Entries JE # 9		1225.80		
To allocate employee benefits per payroll to functional expenses				
GW-C00-60-1010-800	General Support - Employee Benefit Allocation		1,325,012.00	
GW-C00-60-2110-800	Instructional - Employee Benefit Allocation		10,732,594.00	
GW-C00-60-5510-800	Transportation - Employee Benefit Allocation		1,192,510.00	
GW-C00-60-9098-800	Employee Benefits			13,250,116.00
Total			13,250,116.00	13,250,116.00
Reclassifying Journal Entries JE # 10		5200.80		
To record GASB 68 Entry for TRS				
GW-C00-10-0496-000	Deferred Outflows of Resources - ERS		79,103.00	
GW-C00-20-0638-000	ERS/ TRS Pension Liability - Proportionate Share		515,558.00	
GW-C00-20-0697-000	Deferred Inflows of Resources - TRS		205,127.00	
GW-C00-9020-800	TRS Pension Expense		776,479.00	
GW-C00-10-0496-000	Deferred Outflows of Resources - ERS			1,576,267.00
Total			1,576,267.00	1,576,267.00
Reclassifying Journal Entries JE # 11		5200.80		
To record GASB 68 Entry for ERS				
GW-C00-10-0496-000	Deferred Outflows of Resources - ERS		1,544.00	
GW-C00-20-0638-000	ERS/ TRS Pension Liability - Proportionate Share		652,648.00	
GW-C00-9010-800	ERS Pension Expense		240,162.00	
GW-C00-10-0698-000	Deferred Outflows of Resources - TRS			249,058.00
GW-C00-20-0698-000	Deferred Inflows of Resources - ERS			645,296.00
Total			894,354.00	894,354.00
Reclassifying Journal Entries JE # 12		2650.22		
to adjust claims payable for payment of special education legal settlements				
GW-C00-20-0656-000	Judgements and Claims		13,800.00	
GW-C00-60-2110-130	Teach Reg School-7-12 Inst Sal			13,800.00
Total			13,800.00	13,800.00
Reclassifying Journal Entries JE # 13		TB		
to adjust deferred revenue to zero out for Government Wide Financials				
GW-C00-20-0691-000	Deferred Revenues		12,853.00	
GW-C00-40-3101-010	State Aid-Basic Formula			12,853.00
Total			12,853.00	12,853.00
Reclassifying Journal Entries JE # 14		5500.06		
To record current year amortization and lease payment for John Deere and Copier Leases				
GW-C00-20-0682-000	Lease Liability		48,688.00	
GW-C00-60-2110-350	Instruction - Amortization		48,186.00	
GW-C00-10-0115-000	Accumulated Amortization - Intangible Lease Asset			48,186.00
GW-C00-60-9788-700	Leases - Principal			48,688.00

			Debit	Credit
Total			96,874.00	96,874.00
Reclassifying Journal Entries JE # 15 To record current year lease amortization on one time purchases through BOCES and record any disposals that come off BOCES schedules		5500.06		
GW-C00-10-0115-000	Accumulated Amortization - Intangible Lease Asset		2,012.00	
GW-C00-60-2110-350	Instruction - Amortization		95,543.00	
GW-C00-10-0107-000	Intangible Lease Assets			2,012.00
GW-C00-10-0115-000	Accumulated Amortization - Intangible Lease Asset			95,543.00
Total			97,555.00	97,555.00
Reclassifying Journal Entries JE # 16 To record current year additions for one time purchases		5500.06		
GW-C00-10-0107-000	Intangible Lease Assets		258,623.00	
GW-C00-60-2110-200	Teach Reg School-Equipment			258,623.00
Total			258,623.00	258,623.00
Reclassifying Journal Entries JE # 17 To record reclass entry for lease principal and interest payments		5500.06		
AO978860000000000	Lease Principal		48,688.00	
AO978870000000000	Lease Interest		2,090.00	
A 1621.429-000	LEASE/PURCHASE AGREEMENTS			16,706.00
A 2630.493-000	BOCES PRINTERS/COPIERS			34,072.00
Total			50,778.00	50,778.00
Reclassifying Journal Entries JE # 18 To record the premium on the June 2024 bond issuance (no amortization because it was just issued end of June)		5300.10		
GW-C00-40-2710-000	Premium on Bonds		1,462,056.00	
GW-C00-20-691-200	Deferred Bond Premiums			1,462,056.00
Total			1,462,056.00	1,462,056.00
	Total Reclassifying Journal Entries		47,598,573.00	47,598,573.00
	Total All Journal Entries		48,837,061.00	48,837,061.00