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To the Board of Education
and Management of McGraw Central School District

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of McGraw Central School District as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered McGraw Central School District's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements. This engagement is not for the purpose of expressing an opinion on the effectiveness of the McGraw Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the McGraw Central School District's internal control.

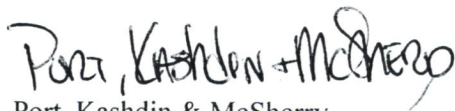
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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 a 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The other matters are identified and described in the attached schedule of findings and recommendations.

This communication is intended solely for the information and use of management, the Board of Education, and others within the organization. This communication is not intended to be and should not be used by anyone other than these specified parties.



Port, Kashdin & McSherry

Cortland, New York
October 10, 2019

**McGraw Central School District
Schedule of Findings and Recommendations
For the Year Ended June 30, 2019**

Other Matters Not Considered Significant or Material

Review of Stale Checks:

Several bank reconciliations include checks that were outstanding at the prior year's audit date. We suggest that the District investigate all checks outstanding for more than six months and either reissue to the vendor or issue stop payment notices as applicable. This practice will provide a much stronger control over cash and the bank reconciliation process.

Conversations with the District indicated that they had reviewed and reissued many of the previously outstanding payroll checks in the past year and is in the process of reviewing other funds to ensure proper controls exist within the audit area.

Fund Balances:

The District did not make transfers among functional units in accordance with §170.2(l) of the New York State Commissioner of Education's Regulations, which provides that the Board shall have the power and duty to make transfers between and within functional unit appropriations for teachers' salaries and ordinary and contingent expenses. Additionally, the District made interfund transfers during the year, which exceeded amounts provided in the District's budget.

We recommend that the District review transfers among functional units and interfund balances near year end to ensure all are made and approved prior to audit commencement.