

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 (the District) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District'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 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.

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. 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.

During our current year audit, we reviewed our previous findings and recommendations. This letter summarizes these comments and recommendations regarding those matters. This letter does not affect our report dated October 5, 2023 on the financial statements of the McGraw Central School District.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

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

PORT, KASHAIN A MUSHWWY Port, Kashdin & McSherry

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Other Matters

Prior Year Findings and Recommendations Follow Up

Bank Statement Review: We previously commented on the District's bank statement review process, noting that there were not adequate review controls in place over the bank reconciliation process. During the current audit, we noted a vast improvement over these controls. The bank statements were reconciled within 2 to 3 weeks of month end, with the assistant superintendent reviewing them within 30 days of completion.

Interfund Accounting and Reconciliation During our audit of the June 30, 2022 financials, we noted that the interfund balances had increased to approximately \$3.9 million. We commented that this balance was excessively high and recommended that the District reduce these balances by reviewing the interfund balances in a timelier manner. We are pleased to report that the District managed to significantly decrease the ending interfund transfer balances for the year under audit, decreasing approximately \$2.88 million to the final balances of \$1.02 million. We continue to recommend that the District reconcile and review these quarterly to ensure that any amounts be repaid in a timely manner and that the amounts do not grow as they have in the past.

Accounting Disputes: Our prior findings and recommendations discussed delays and the inability to obtain a complete and accurate final general ledger, which led to setbacks in finalizing our prior audit. Over the recent fiscal year, we were able to obtain the general ledger in a more timely fashion, as well as other requested items, despite some significant changes in the Central Business Office. We commend the District for improving these areas.