

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Monticello Central School District
Monticello, New York 12701

To the Audit Committee and Board of Education of the
Monticello Central School District

We have performed the procedures enumerated below on the internal control assessment of the Monticello Central School District for the months of October, November and December 2023. Monticello Central School District's management is responsible for the design, selection, and implementation of the internal controls.

Monticello Central School District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Monticello Central School District in evaluating internal control procedures based on guidance published by New York State Education Department and New York State Office of the State Comptroller. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Governance and Planning – Governance and Control Environment

1. We reviewed the District's procedures that were implemented in response to the June 30, 2023 external audit findings related to the Food Service Department. The external auditors noted the following:
 - The District omitted one of the distribution sites for its summer food service program when claiming for reimbursement from New York State. This omission resulted in the District not claiming a total of 1,002 meals.

Conclusion

The District has created a checklist for the Food Service Department to verify that all food distribution sites are accounted for when claiming reimbursement.

Purchasing and Expenditures – Purchasing

2. We interviewed a Senior Account Clerk at the Sullivan County BOCES Central Business Office regarding the District's procedures for purchasing. New York State Education Department recommends that the District have the following procedures in place related to purchasing:
 - The District is required to have a purchasing agent that is responsible for developing and administering the purchasing function and committing the District to purchases by approving purchase orders.
 - Procedures are required to be established for the initiation, approval, and use of purchase requisitions.
 - All purchase orders must be pre-numbered, accounted for, and strictly controlled.
 - The Purchasing Agent is required to review and approve all requisitions/purchase orders for appropriateness and necessity of the items ordered.
 - Upon receipt of goods, the District must verify the condition, quantity, and quality of the goods prior to payment.

Conclusion

The District has internal control procedures in place related to purchasing.

3. We selected thirty cash disbursements from an August 2023 warrant and performed the following procedures:
 - We reviewed supporting documentation for approval by the Claims Auditor.
 - We reviewed supporting documentation for accuracy.
 - We traced the checks to an approved warrant by the Board of Education.
 - We traced the purchase order to the receiving slip (if applicable).

Conclusion

No findings were noted as a result of the above named procedures.

Facilities, Equipment and Inventory – Facilities Construction

4. We obtained the District's capital projects fund general ledger for the period July 1, 2022 through December 31, 2023. Based on our review of this ledger, we performed the following procedures:
 - We obtained all progress billing reports for the high school renovation project and the bus garage project for the period July 1, 2022 through December 31, 2023.
 - We recalculated the amounts reported on the progress billing reports to verify accuracy.
 - We verified that the Architect and/or Engineer approved the payment and that their signature on the application was notarized.
 - We traced the payment from the progress billing report to a warrant approved by the Board.

Conclusion

No findings were noted as a result of the above named procedures. We will continue to review the capital projects fund as these projects progress.

5. We performed the following procedures to determine whether the District was in compliance with New York State Department of Labor laws and regulations:
 - We traced the names of all construction contractors that worked from July 1, 2023 to October 31, 2023 to New York State Department of Labor and New York State Workers' Compensation Board databases to determine whether any of these contractors were debarred from public works projects.
 - We reviewed certified payroll reports and OSHA certifications to determine if the District is in compliance with the record keeping requirements of New York State Labor law.

Conclusion

No findings were noted as a result of the above named procedures.

Student Services – Extra Classroom Activity Fund

6. We selected four extra classroom activity clubs within the District for the 2023- 2024 school year and performed the following procedures:
- We reviewed the disbursements from July 1, 2023 through December 31, 2023 for supporting documentation, Student Officer approval, and verified that sales tax is paid when required.
 - We reviewed receipts from July 1, 2023 through December 31, 2023 for supporting documentation, Student Officer approval, and verified that sales tax is collected if required.
 - We reviewed deposits to determine whether they were made timely.
 - We verified that the profit and loss statements were prepared for fundraising activities.

Findings/Conclusion

At our time of visit, one of the clubs we selected was missing the deposit slip for three deposits made in November 2023. We recommend that the District maintain supporting documentation for all deposits, including deposit slips.

7. We obtained a listing of all District approved activity funds, including those activity funds that have been discontinued and performed the following procedures:
- We compared the Central Treasurer’s list of all District clubs to the audited financial statements to determine that all clubs are valid.
 - We determined the duration of any inactive funds and compared it to the policy on when funds are required to be closed out.
 - We verified that each fund has been assigned a Board approved Advisor and has a Student Elected Officer.

Findings/Conclusion

It was noted that the Central Treasurers do not maintain their own list of all the club advisors and student elected officers. We recommend that the Central Treasurers maintain a list of all the Board approved club advisors and student elected officers for every club.

Student Services – Extra Classroom Activity Fund (Continued)

8. We obtained the December 2023 bank reconciliation for both the High School and Middle School extra classroom activity fund bank accounts and performed the following procedures:
- We traced the balance per the bank statement to the balance per the bank reconciliation to verify that they agree.
 - We verified that there were no old outstanding deposits and/or checks.
 - We recomputed the ending balance per the bank reconciliation for accuracy.

Findings/Conclusion

It was noted that there was an outstanding deposit from November 2023 on the December 2023 bank reconciliation for the High School Extraclassroom Activity Fund. This outstanding deposit had not cleared as of December 31, 2023. We recommend that all deposits are made on a timely basis.

Risk Assessment Update

Risk assessments have been updated in the following areas:

V. Facilities & Equipment

- Facilities Maintenance
- Facilities Construction
- Inventory Controls

VI. Student Services

- Student Transportation
- Food Service
- Extraclassroom Activity Fund

Regarding the Risk Assessment Update, there are no other matters to report at this time.

We were engaged by Monticello Central School District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on internal control assessment for the months of October, November and December 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Monticello Central School District and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Monticello Central School District and the audit committee of Monticello Central School District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Waschitz Pauloff CPA LLP

Monticello, New York

February 6, 2024