

## MANAGEMENT LETTER

October 5, 2023

The Audit Committee, Board of Education,  
and Management  
Kenmore-Town of Tonawanda Union Free School District

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the remaining fund information of Kenmore-Town of Tonawanda Union Free 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 entity'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 material weaknesses. 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. 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.

### OBSERVATION

#### **Excess fund balance in the food service fund**

In accordance with regulations of the New York State Education Department, fund balance in the food service fund should not exceed three months' average expenditures, as defined, at any time. As a result of COVID-related shutdowns and additional funding in prior years, the District exceeded this limit at year end. District management should submit a plan to the Child Nutrition Program Administration detailing its plans to use the excess balance. Allowable uses include improving the quality of food served or purchasing needed supplies, services, or equipment.

## PRIOR YEAR RECOMMENDATIONS

### **Extraclassroom activity accounts**

We continue to recommend that the central treasurers annually review with faculty advisors and student treasurers the proper procedures for students to maintain club records, including obtaining appropriate signatures and retaining adequate receipt and disbursement documentation. The importance of completing ledgers throughout the year and retaining those ledgers after school closes for the summer should continue to be emphasized. We also continue to recommend that the central treasurers periodically reconcile their records to those of the students.

During our testing we noted eight clubs with no financial activity. We continue to encourage management to review whether clubs are no longer active and formally close those clubs with the balances transferred to a club that benefits the entire student body.

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We have discussed these comments with District personnel and would be pleased to discuss them in further detail, perform any additional studies, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the District's management, Audit Committee, and Board of Education; others within the District; the NYS Education Department Office of Audit Services; and the Office of the NYS Comptroller, Division of Local Government and School Accountability. It is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Lunden & McCormick, LLP". The signature is written in a cursive, flowing style.