

OSWEGO CITY SCHOOL DISTRICT

NEW YORK

**COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT**

For Year Ended June 30, 2025



BUSINESS
ADVISORS
AND CPAS



BUSINESS
ADVISORS
AND CPAS

October 6, 2025

To the Board of Education
Oswego City School District, New York

In planning and performing our audit of the financial statements of Oswego City School District as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Oswego City School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oswego City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oswego City 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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 6, 2025 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiencies Pending Corrective Action:

Capital Projects –

During our review of fixed asset account balances, we noted multiple prior year capital projects in the construction in progress balance. It appears some of those projects have been completed yet have not been capitalized.

We recommend the District review those old projects and capitalize as necessary.

(Prior year Deficiencies Pending Corrective Action) (Continued)

Self-Funded Health Insurance –

Although the District did not have to amend their budget for health insurance claims, it continues to be a volatile area for significant unanticipated costs related to the claims.

The District has purchased stoploss insurance, however, the District should consider working with their State representative in order to expand the use of an insurance reserve to include self-funded health claims, which would assist in providing protection from unanticipated claims.

Current Year Deficiencies In Internal Control:

Payroll –

During our examination of payroll, we noted that the rate of pay for food service workers working the concessions is not included in the contracts or a separate Board approval.

We recommend the District make every effort to ensure the Board approves the pay rate that is provided to employees who work the concession stands.

School Lunch Overages/Shortages –

During our examination of receipts, we noted a specific process for investigating overages/shortages in school lunch deposit is not in place.

We recommend the District make every effort to establish a process to investigate overages/shortages in the School Lunch program.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item which we would like to communicate to you as follows:

Cyber Risk Management –

The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. The District should continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

Prior Year Recommendations:

The following prior year recommendations have been implemented to our satisfaction:

1. We did not identify any untimely deposits as part of our testing.
2. The School Lunch Program fund balance is within the six month average expenditures requirements.

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We believe that the implementation of these recommendations will provide Oswego City School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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

We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

Rochester, New York
October 6, 2025

Mengel, Metzger, Barw & Co. LLP