



# SPENCERPORT CENTRAL SCHOOL DISTRICT

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*Assistant Superintendent of Business*

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RICK WOOD

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Date: September 28, 2021

To: Audit Committee  
Board of Education  
Kristin Swann, Superintendent

From: Rick Wood, Assistant Superintendent for Business *R. Wood*  
Nicole Poh, Treasurer *Nicole Poh*

Re: Annual Financial Statements and Communicating Internal Control Related Matters Identified In An Audit (Management Letter) for the Year Ended June 30, 2021

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On an annual basis, school districts in New York State are required by law to have an independent audit firm examine the financial records and procedures of the district for the previous fiscal year. The process begins in early spring and is usually completed by the end of September. Attached are the Financial Statements and Communicating Internal Control Related Matters Identified In An Audit (Management Letter) for your review. We are in agreement with both reports.

Raymond F. Wager, CPA, P.C., A Division of Mengel Metzger Barr & Co. LLP, has performed the District's financial statement audit as of and for the year ended June 30, 2021. The attached Financial Statements consist of the audit of the governmental activities, each major fund, and the aggregate remaining fund information. The financial statements are the responsibility of the District's management. The auditors' responsibility is to express opinions on the financial statements based on their audit.

It is anticipated the auditors will begin the Single Audit and Extraclassroom Activity Funds Audit in November or December of 2021. Their reports will be submitted to the Board of Education at the January 2022 business meeting.

We are pleased to report that the auditors again stated **“the financial statements...present fairly, in all material respects, the respective position of the governmental activities, each major fund, and the aggregate remaining fund information...”**

Statement of Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters Identified in an Audit, requires the auditors to report, in writing, to management and those charged with governance any control weaknesses, significant deficiencies and/or material weaknesses. The auditors identified three prior year control deficiencies, one current year control deficiencies and two other items comments. Their specific comments and our responses follow.

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**Prior Year Deficiencies Pending Corrective Action:**

School Lunch Operations (page 1)

*“The Board approved a transfer totaling \$57,477 from the general fund to the school lunch fund to offset operating deficits, and bring fund balance to zero.*

*We recommend the District continue to monitor the School Lunch program and develop cost containment and revenue enhancement measures to assist in maintaining the financial integrity of the program.”*

**District’s Response**

We concur with the recommendation and Administration will continue to monitor the School Lunch operations each fiscal year to ensure that expenditures are within developed budgets and actual revenues are meeting anticipated results.

**Other Items:**

Federal programs (page 2)

*“As a result of recent federal programs changes the District documents various Federal Programs procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirements.*

**District’s Response**

As the school year starts to return to a more “normal” year, the District’s business office will take a closer review of the NYS Education Department’s guidance and will enhance the District’s written documentation into a more formal written procedural manual to be in compliance by December 31, 2021.

GASB Statement No. 87 (page 2)

*“The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 which will be effective during the 2021-22 fiscal year. As a result, the District will be required to gather certain information relating to those items considered to be leases in order to prepare the lease payable and right to use asset calculations.”*

**District’s Response**

The Administration will review GASB Statement No. 87 and will determine based on the guidance, the proper information to gather to prepare the calculations required to be in compliance by June 30, 2022.

Cc: Audit file, memo file

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