

## MANAGEMENT COMMENT LETTER

Board of Education  
Spencer-Van Etten Central School District  
Spencer, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spencer-Van Etten Central School District (the School District) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 audit, we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our current and prior year comments and recommendations regarding these matters.

### OTHER MATTER

#### Discussion Items

#### Impact of Future Standards of the Governmental Accounting Standards Board (GASB)

School District management is in the process of assessing the future effects of each of the following:

- GASB has issued Statement No. 84, "Fiduciary Activities," effective for the year ending June 30, 2020. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.

- GASB has issued Statement No. 87, “Leases,” effective for the year ending June 30, 2021.
- GASB has issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period,” effective for the year ending June 30, 2021.
- GASB has issued Statement No. 90, “Majority Equity Interest - An Amendment of GASB Statements No. 14 and No. 61,” effective for the year ending June 30, 2020.
- GASB has issued Statement No. 91, “Conduit Debt Obligations,” effective for the year ending June 30, 2022.

School District management will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**Compliance with Federal Grant Requirements**

This spring, we became aware New York State Department of Education (NYSED) began auditing compliance over the IDEA grant program and had similar findings among the school districts audited. In general, the audits found not all school district policies were in compliance with Uniform Grant guidance and there is lack of written procedures to administer the grant.

New York State Association of School Business Officials (NYSASBO) formed a working group to formulate a template school districts can use for that purpose, and for all federal grants.

We are recommending our school district clients evaluate their policies and procedures and use the NYSASBO templates when they become available to develop written procedures for administering federal grants.

We would like to take this opportunity to express our appreciation to the Spencer-Van Etten Central School District's management and staff for their time and cooperation in aiding us in our audit work. Their assistance resulted in an expedient and efficient audit process.

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

Respectfully Submitted,



Insero & Co. CPAs, LLP  
 Certified Public Accountants

Ithaca, New York  
 October 9, 2019