



## **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, 2021, 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.

This letter does not affect our report dated September 29, 2021 on the financial statements of the Spencer-Van Etten School District.

Prior Year Resolved Finding

**Compliance Matter**

Fund Balance Limitation

Condition:

The School District is allowed, under New York State Real Property Tax Law (Code § 1318), to retain up to 4% of the succeeding year's budget in unappropriated, unreserved fund balance. During the June 30, 2020 audit, the School District's unappropriated, unreserved fund balance was \$256,400 in excess of the allowable amount.

Cause/Effect:

Appropriations exceeded final expenditures and encumbrances by \$970,065, primarily due to lower than planned central service and instructional costs.

Resolution:

The School District's unappropriated, unreserved fund balance was within the allowable limit at June 30, 2021.

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,



Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 29, 2021