



East Rochester Schools, District Office

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Website: <http://www.erschools.org>

November 19, 2018

Raymond F. Wager, CPA, P.C.
1020 Lehigh Station Road, Suites 2 & 3
Henrietta, NY 14467

To Whom It May Concern:

In response to the management letter for the 2017-2018 fiscal year, the East Rochester Union Free School District has reviewed and discussed a corrective action plan for the following audit findings.

- A. As indicated in the financial statements, the fund balance in the School Lunch Fund at June 30, 2018 totaled \$175,674. This balance appears to be in excess of the three month average expenditure level recommended by Federal Regulation #7CFR Part 210.15. We recommend the District continue to monitor the school lunch fund balance.

Plan: Administration is aware of excess fund balance in the School Lunch Fund. As part of the fund balance spending plan, the District utilized the indirect cost allocation for the Food Service Program. Approximately \$91,000 of operational cost usually covered in the General Fund was allocated to the School Lunch Fund. Administration will review this cost allocation annually. We also will continue to have a fund balance spending plan in place with the State Education Department in order to bring the balance down to an acceptable level.

- B. The District has made significant progress towards reviewing and identifying STAC related issues, however, we did identify some costs which had not been submitted by the third party consultant at the beginning of our audit. We recommend the District continue to work with the third party consultant to ensure the EFH-670 is reviewed and compared to the STAC submissions more timely.

Plan: Beginning in January of each fiscal year, Administration will compare the information in the STAC system with the information being submitted by the third party consultant to ensure alignment. A meeting will be set each spring with the third party consultant if necessary.

- C. During the 2017-2018 fiscal year the Board encumbered an agreement through their standard RFP process with their architect for preconstruction costs of a potential

project. We recommend the District consider building any preconstruction costs into the normal operating budget on an annual basis.

Plan: Going forward, the District will use a different process such as increasing the appropriations side of the budget to account for preconstruction costs instead of encumbering preconstruction costs from a contract that the Facilities Committee and the Board of Education have previously approved.

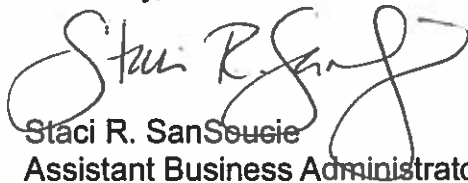
- D. The AICPA Center for Audit Quality recently issued a cyber security risk management document discussing cyber threats that face both public and private entities. The District's IT personnel routinely assess cyber risk as part of their normal operating procedures. We recommend the District continue 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.

Plan: The District will continue to review our cyber risk documentation process so that it is in alignment with the document released by AICPA. During the 2018-19 fiscal year, the IT Director will give a board presentation on this topic and continued area of focus.

If there are any questions regarding our corrective action plan, please do not hesitate to call me at (585) 248-6305.

Thank you for your observations and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Staci R. SanSoucie". The signature is fluid and cursive, with the first name "Staci" being the most prominent.

Staci R. SanSoucie
Assistant Business Administrator/District Treasurer