

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2018

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

RAYMOND F. WAGER, CPA, P.C.
Certified Public Accountants

September 26, 2018

To the Board of Education
East Rochester Union Free School District, 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 the East Rochester Union Free School District, New York as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the East Rochester Union Free School District, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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 first 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.

Prior Year Deficiencies Pending Corrective Action:

School Lunch Fund –

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.

Summer School 4408 Program –

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.

Current Year Deficiency in Internal Control:

Capital Projects –

During the 2017-18 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.

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 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 assesses 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.

Prior Year Recommendation:

We are pleased to report the following prior year recommendation has been implemented to our satisfaction:

1. The District has reviewed the cost benefit of the current federal drawdown procedure and determined they will continue the current practice.

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
September 26, 2018