



MANAGEMENT COMMENT LETTER

Board of Education
Chenango Valley Central School District
Binghamton, 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 Chenango Valley 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 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a 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 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.

During our audit, we became aware of other matters and items for discussion of future matters. This letter summarizes these comments and recommendations regarding these matters. This letter does not affect our report dated September 10, 2019 on the financial statements of Chenango Valley Central School District.

OTHER MATTERS

Prior Year Findings Resolved

Cash Resources - School Lunch Fund

Prior Year Finding:

During our prior year audits, net cash resources in the School Lunch Fund exceeded three months' average expenditures by \$6,999 and \$110,563 in 2018 and 2017, respectively.

Resolution:

Net cash resources did not exceed three months' average expenditures for the current year.

INSERO & Co. CPAs, LLP

DISCUSSION ITEMS

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

The School District 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 Interests - An Amendment of GASB Statements No. 14 and No. 61,” effective for the year ending June 30, 2020.

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

This communication is intended solely for the information and use of management, the 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
September 10, 2019