

## **MANAGEMENT COMMENT LETTER**

Board of Education  
Maine-Endwell Central School District  
Endwell, 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 Maine-Endwell Central School District (the School District) as of and for the year ended June 30, 2020, 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 first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or 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 items for discussion of future matters. This letter summarizes these comments and recommendations regarding these matters. This letter does not affect our report dated October 15, 2020 on the financial statements of the Maine-Endwell Central School District.

### **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, 2021. 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, 2022.
- 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, 2022.
- 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, 2021.
- GASB has issued Statement No. 91, “Conduit Debt Obligations” effective for the year ending June 30, 2023.
- GASB has issued Statement No. 92, “Omnibus 2020,” effective for the year ending June 30, 2022.

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

### **Extraclassroom Policy**

As discussed above, the School District will implement GASB Statement No. 84, “Fiduciary Activities” for the year ending June 30, 2021. This statement will affect the School District’s Fiduciary Funds; primarily Extraclassroom Activity Funds. The statement will require reporting Extraclassroom Activity Funds with governmental funds if there is administrative involvement in the operation of those activities. If School District management is approving financial transactions rather than advising students on said transactions, this will be considered administrative involvement and funds will need to be reported accordingly.

We recommend School District management review the current level of administrative involvement indicated in the policies related to Extraclassroom Activity Funds, to assess if it will need to be reported as a governmental fund, or whether revisions to the policy should be made to continue being reported as a fiduciary activity.

We would like to thank you and your staff for the cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

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  
October 15, 2020