

## DRESCHER & MALECKI LLP

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October 3, 2023

Management and the Board of Education  
Frontier Central School District, New York:

In planning and performing our audit of the basic financial statements of the Frontier Central School District, New York (the “District”) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the 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 the entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

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 over financial reporting, 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. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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 over financial reporting that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we identified certain matters involving the internal control, other operational matters and future reporting requirements that are presented for your consideration. This letter does not affect our report dated October 3, 2023 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized in Exhibit I.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

*Drescher & Malecki LLP*

October 3, 2023

***Succession Planning/Cross Training***

The District faces the challenge of ensuring continuity and consistency of critical functions when there is employee turnover. We recommend that the District develop a plan utilizing the Government Finance Officers Association’s (the “GFOA”) framework, which encourages governments to address the following key issues and develop strategies concerning succession planning, including:

- **Develop procedures to facilitate knowledge transfer**—knowledge transfer is a critical component of succession management. There should be documented procedures in place to formalize the knowledge transfer and meetings should be held with departing staff to document job responsibilities. These procedures may be unique to each position.
- **Provide a formal, written succession plan as a framework for succession initiatives**—without a formal plan, workforce/succession planning tends to take place in a haphazard fashion. A formal plan identifies risks and strategies, thereby providing a guiding framework for specific succession initiatives, including how employees are eligible to participate and what being part of the succession plan means. Plans that have been thoughtfully articulated and communicated to the organization are more likely to be successful. Additionally, having a formal plan indicates organization and leadership commitment to succession management, which is critical for success and for sustaining successful planning across political and leadership transitions.
- **Encourage personal professional development**—personal professional development benefits the organization over the long term by helping employees gain the skills they need to assume increased responsibilities.

In addition to developing procedures as outlined above, we also recommend that the District evaluate the distribution of job responsibilities to ensure roles are appropriate and the District is operating efficiently.

***Extraclassroom Activities***

During our audit of the District’s Extraclassroom Activity Fund, we found the following:

- Pre-numbered receipts were not used when collecting cash.
- We noted four elementary schools within the District that carried out extraclassroom activities.
- We noted two clubs that had not had activity within the past two years.

We recommend District personnel adhere to internal and external policies related to extraclassroom activities. Furthermore, we recommend cross-training of personnel overseeing extraclassroom activities.

*Audit Readiness and Year-end Closing Process*

Prior to providing financial records to auditors, the District should prepare for the audit of its financial statements. Standard closing procedures should be established to include sufficient documentation that is readily available, ensure that reconciliations of account balances are performed and an analysis of accounts is available. In addition, the general ledger should be reviewed to ensure that all activity is appropriately recorded. Certain account balances in the trial balance that was provided had not been appropriately adjusted and reconciled. As a result, several material adjusting entries were proposed per the management representation letter to accurately report June 30, 2023 balances in accordance with Generally Accepted Accounting Principles (“GAAP”). After the onset of the audit, material adjustments were made to the following accounts:

- **Accounts payable:** During our testing of subsequent disbursements, we found certain invoices had been improperly excluded from accounts payable in the Capital Projects Fund at year end. The District reviewed all subsequent disbursements for the Capital Projects Fund and identified additional expenditures to be accrued at year end. In addition, our testing identified a contract for which work had not yet been performed was inappropriately included in accounts payable in the Capital Projects Fund.
- **Accounts receivable:** During our testing of subsequent receipts, we found that all 7 samples tested for the School Lunch Fund were improperly excluded from accounts receivable. In addition, one receipt had been erroneously excluded from accounts receivable in the General Fund.
- **Encumbrances:** During our testing of encumbrances, we found certain open purchase orders represented accounts payable and others were purchase orders that had not been properly closed at year end.
- **Reconciliation of the Special Aid Fund:** The Special Aid Fund functions on a basis in which revenues should equal expenditures. The District was unable to reconcile this fund until additional experienced staffing was obtained.
- **Accrued liabilities:** During our testing, we found that the accrued liability for health insurance expenditures that were incurred but not yet reported had not been adjusted from the prior year ending balance.

***Future Reporting Requirements***

The Governmental Accounting Standards Board (“GASB”) has adopted new pronouncements, which may have a future impact upon the District. These should be evaluated to determine the extent the District will be impacted in future years.

***GASB Statement No. 99***—The District is required to implement the remaining portion of GASB Statement No. 99, *Omnibus 2022*, effective for the fiscal year ending June 30, 2024. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

***GASB Statement No. 100***—The District is required to implement GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the fiscal year ending June 30, 2024. The objective of this Statement is to improve accounting and financial reporting requirements for accounting changes and error corrections.

***GASB Statement No. 101***—The District is required to implement GASB Statement No. 101, *Compensated Absences*, effective for the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.