

BRIGHTON CENTRAL SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2021



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

October 8, 2021

To the Board of Education
Brighton Central 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 Brighton Central School District, New York as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Brighton Central 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 8, 2021 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 appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiencies Pending Corrective Action:

Prepayment of Payroll –

Our examination of payroll revealed that the first payroll for the 2020-21 fiscal year was dated July 3, 2020. The timing of this payroll resulted in some individuals being paid in advance of services being rendered.

Self-Funded Major Medical and Dental –

The District self insures for major medical and dental coverage for its employees. To accomplish this, the District uses a third party administrator who processes claims and estimates liabilities. As of year end, the District has accrued in the General Fund an amount to cover any incurred but not reported claims (IBNR's). However, the amount recorded appears to be in excess of the amounts that would be needed to pay IBNR claims.

We recommend the District together with the third party administrator evaluate the balances accrued for these two items and make any adjustments deemed necessary. In addition, a written plan should be developed and be reviewed and approved to reduce this balance over a period of time.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Deficit Fund Balance –

The Community Education program recorded in the Special Aid fund had an operating deficit of \$13,114 this year, which increased the overall program deficit to \$66,673. In addition, the Preschool program had an operating deficit of \$10,523, which created a program deficit of \$9,740.

We recommend the District continue to monitor the Community Education and Preschool programs in order to eliminate the deficits.

Other Items:

The following items are not considered to be deficiencies in internal control; however, we consider them other items which we would like to communicate to you as follows:

Federal Programs –

As a result of recent federal program changes, the District documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirement.

We recommend the Business Office work with the Program Coordinators to enhance their current procedures into a procedure manual that is consistent with the federal compliance requirements for their respective program.

GASB Statement No. 87 Leases –

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 which will be effective during the 2021-22 fiscal year. As a result, the District will be required to gather certain information relating to those items considered to be leases in order to prepare the lease payable and right to use asset calculations.

Prior Year Recommendations:

The prior year recommendations have been noted above.

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.

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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
October 8, 2021

Mengel, Metzger, Barw & Co. LLP