

MANAGEMENT COMMENT LETTER

Board of Education
West Genesee Central School District
Camillus, 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 West Genesee Central School District (the School District) as of and for the year ended June 30, 2016, 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 School 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

DISCUSSION ITEMS

Long-term Budget, Fund Balance and Reserve Planning (General Fund)

We continue to recommend formal long-term (3 to 5 years) budgetary planning in conjunction with the annual budgetary process. We also continue to recommend current fund balance reserve accounts be reviewed to determine appropriate levels from both a short-term and long-term planning perspective regarding appropriation of funds to support the General Fund budget or other specified purposes, especially with regard to anticipated State aid and taxing limitations.

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 Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68," effective for the year ending June 30, 2017.

- GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," effective for the year ending June 30, 2018. This Statement replaces the requirements of Statements No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions," as amended, and Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," for OPEB. Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans," establishes new accounting and financial reporting requirements for OPEB plans.
- GASB Statement No. 77, "Tax Abatement Disclosures," effective for the year ending June 30, 2017.
- GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans," effective for the year ending June 30, 2017.
- GASB Statement No. 80, "Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 14," effective for the year ending June 30, 2017.
- GASB Statement No. 81, "Irrevocable Split-Interest Agreements," effective for the year ending June 30, 2017.
- GASB Statement No. 82, "Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73," effective for the year ending June 30, 2017, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

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.

This letter does not affect our report dated October 5, 2016 on the basic financial statements of the School District.

We would like to take this opportunity to express our appreciation to West Genesee Central School District's management and staff for their time and cooperation in aiding us in our audit work. Their assistance resulted in an expedient and efficient audit process.

This communication is intended solely for the information and use of management, the Audit Committee and 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 5, 2016