

Lancaster Central School District

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*Jamie L. Phillips
Assistant Superintendent
for Business and Support Services*

October 5, 2026

New York State Education Department
Office of Audit Services
89 Washington Avenue, Room 524 EB
Albany, NY 12234

Dear Commissioner:

In connection with the fiscal year ending June 30, 2026 financial audit of the Lancaster Central School District, no material weaknesses or significant deficiencies were identified. As it pertains to other operational matters and future reporting requirements presented for consideration, the District, “Management”, has the following actions planned:

Operational Recommendation—Artificial Intelligence (AI) Use and Governance

Condition: The District does not have a formal policy specific to the use of AI-generated content and employee and student responsibilities when using AI tools.

Recommendation: Develop, formally adopt, and periodically update a comprehensive AI-use policy and related procedures with clear expectations for the use of AI by students, faculty, staff, and administrators.

Management Response: Management will review existing policies, revise as deemed necessary, and implement any necessary training related to use of AI technology.

Implementation Date: June 30, 2027

Person(s) Responsible for Implementation: Board of Education, Director of Instructional Technology & Accountability, Information Services Manager.

Future Reporting Requirement-GASB Statement No. 105

Condition: GASB has adopted Statement No. 105 which the District will be required to implement effective for the fiscal year ending June 30, 2027. The objective of this Statement is to improve financial reporting related to subsequent events by clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events and specifying the information items that are required to be disclosed about subsequent events.

Recommendation: Evaluate GASB Statement No. 105 to determine the extent to which the District will be impacted, beginning for the fiscal year ending June 30, 2027.

Management Response: Management will review GASB Statement No. 105 to identify items that will be required to be disclosed and prepare for such disclosures for the fiscal year end June 30, 2027 financial reporting period.

Implementation Date: June 30, 2027

Person(s) Responsible for Implementation: Assistant Superintendent for Business & Support Services, District Treasurer, Deputy District Treasurer.

Respectfully Submitted,

A handwritten signature in dark ink, reading "Melisse A. Smith". The signature is written in a cursive style with a large, stylized "M" and "S".

Audit Committee Chairperson