

CANANDAIGUA CITY 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 13, 2021

To the Board of Education
Canandaigua City 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 Canandaigua City 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 Canandaigua City 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 13, 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:

The District's responses to the deficiencies identified in our audit have not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Prior Year Deficiency Pending Corrective Action:

Capital Assets –

The District obtained an updated capital asset and depreciation schedule during the year, however, the schedule prepared by the third party did not include a provision to allocate depreciation by function as required by GASB Statement No. 34.

We recommend the District work with the third party vendor to update the capital asset information to include functional codes in order to allocate the depreciation by function.

District's Response

The District Treasurer is currently working with the third party vendor to update the capital asset schedule to allocate depreciation by function. This is anticipated to be completed by December 31, 2021.

Current Year Deficiency in Internal Control:

School Lunch Fund -

As indicated in the financial statements, the School Lunch Fund had an operating loss totaling \$224,835, prior to a Board approved subsidy from the general fund totaling \$227,229.

We recommend the District continue to monitor the School Lunch Program and develop cost containment and revenue enhancement measures to assist in maintaining the financial integrity of the program.

District's Response

The District Assistant Superintendent for Business continuously monitors the financial status of the School Lunch Program throughout the school year. The loss in the School Lunch Program was much higher in 2020-21 than in a typical school year due to the hybrid schedule for students due to the COVID-19 pandemic resulting in much lower participation in the meal program. The District is anticipating higher than normal participation in 2021-22 due to all meals being free for students. This monitoring will be ongoing.

Prior Year Recommendations:

We are pleased to report the following prior year recommendations has been implemented to our satisfaction:

1. The District updated their payroll system with regard to calculating salary's.
2. The District transferred old project balances to the appropriate fund.

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 13, 2021

Mengel, Metzger, Barw & Co. LLP