

MEDINA 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 14, 2021

To the Board of Education
Medina 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 Medina 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 Medina 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 14, 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 Deficiency Pending Corrective Action:

Disbursements –

We recommend that purchase orders be used for all purchases, and that confirming orders be used in line with the District's policies. During our testing of disbursements, we noted three instances where a purchase order was not used and two instances in which a confirming order was issued.

The District should make a continued effort to strengthen internal accounting controls over cash disbursements by continuing to support expenditures with properly approved purchase orders. In addition, the use of confirming orders should be limited to only emergency purchases.

**To the Board of Education
Medina Central School District, New York**

Current Year Deficiency in Internal Control:

School Lunch Meal Counts –

During the course of our examination of the school lunch claims for state and federal reimbursement we were unable to fully reconcile the number of meals served to the amount claimed.

We recommend this item be reviewed and the necessary corrective action be implemented to ensure the District can properly support claims for meal reimbursement.

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:

Cyber Risk Management –

The AICPA Center for Audit Quality recently issued a cyber security risk management document discussing cyber threats that face both public and private entities. The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

GASB Statement No. 87 Leases –

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 which will be effective during the 2021-2022 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:

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

1. The District has significantly reduced reliance on appropriated fund balance and reserves to balance the 2021-22 budget. Additionally, the District had an operating surplus in the General Fund during the 2020-21 fiscal year. While we are pleased to report that the District did not have an operating deficit this year, we urge the District to continue to monitor this area and develop long-term financial projections utilizing the most up to date information.

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(Prior Year Recommendations) (Continued)

2. Purchases examined appeared to have been competitively bid, or had obtained the appropriate number of quotations, in accordance with District policy.
3. We noted all budget amendments and appropriations from reserves were supported with Board approved resolutions.
4. The School Lunch Fund had an operating surplus in the 2020-21 fiscal year.

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 14, 2021

Mengel, Metzger, Bawls & Co. LLP