

JORDAN-ELBRIDGE 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

September 22, 2021

To the Board of Education
Jordan-Elbridge 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 Jordan-Elbridge 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 Jordan-Elbridge 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 September 22, 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:

Salary Notices

During our examination over the payroll and human resources procedures we noted significant improvement over the payroll certification process, however, we noted six instances where salary notices were not signed.

We recommend the District continue to implement the appropriate corrective action in the upcoming fiscal year.

Current Year Deficiencies in Internal Control:

School Lunch Fund

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2021 totaled \$183,355. This balance appears to be in excess of the three months average expenditures level recommended by Federal Regulation #7CFR Part 210.15, in the amount of \$5,297.

We recommend the District continue to develop the corrective action necessary for compliance with the Federal Regulation.

School Lunch Meals

Our examination revealed three instances in the middle school where the daily production sheets did not appear to agree with the numbers reported on the Nutrikids Point of Sale System.

We recommend the District develop a review process to ensure that the production sheets agree with information input into the Nutrikids Point of Sale System.

Other Item:

The following item is not considered to be a deficiency in internal control, however, we consider it an other item which we would like to communicate to you as follow:

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 2021-22 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:

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

1. The District did not exceed the four percent (4%) maximum allowed by Section 1318 of the Real Property Tax Law during the 2020-21 fiscal year.

(Prior Year Recommendations) (Continued)

2. During our payroll testing for the 2020-21 fiscal year, it appears that there were no overpayments based on the Board approved stipends that were examined.
3. During the 2020-21 fiscal year the District created some written procedures describing the process and procedures performed on a daily basis for the various business office functions.
4. The District has a procedure in place where someone independent of the accounts payable department reviews vendor change reports.

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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 22, 2021