

CORTLAND ENLARGED CITY SCHOOL DISTRICT

NEW YORK

***COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT***

For Year Ended June 30, 2022



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

September 23, 2022

To the Board of Education
Cortland Enlarged City School District, New York

In planning and performing our audit of the financial statements of Cortland Enlarged City School District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Cortland Enlarged City School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cortland Enlarged City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Cortland Enlarged City School 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 23, 2022 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 Deficiencies Pending Corrective Action:

School Lunch Fund –

During the course of our examination we noted that the fund balance in the School Lunch Fund at June 30, 2022 was in excess of the three months average expenditures level recommended by Federal Regulation #7CFR Part 210.09.

We recommend the District continue to monitor the fund balance in order to comply with the Federal Regulation.

Current Year Deficiencies of Internal Control:

Capital Bus Purchase –

As indicated in the financial statements, the District overexpended the voter approved amount for the bus purchase in 2021-22 fiscal year.

We recommend the District develop a plan to fund the overexpended amount, and ensure that future purchases remain within the voter authorized amounts.

Year End Audit Adjustments –

Our audit procedures disclosed the need for several year end audit adjustments which affected the receivables, liabilities, and corresponding fund balance.

We recommend every effort be made during the year end closing process to include the appropriate adjustments to the year end balances prior to the commencement of audit field work.

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.

Federal Programs –

As a result of recent federal program changes, the District documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirement.

We recommend the Business Office work with the Program Coordinators to enhance their current procedures into a procedure manual that is consistent with the federal compliance requirements for their respective program.

Prior Year Recommendations:

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

1. The District implemented a process to ensure the balances rolled in the accounting system agreed with the prior year audit report.
2. The District has documented an annual risk assessment and procedures.
3. It appears that individuals who are no longer employed by the District do not have access to the computerized accounting system.

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We believe that the implementation of these recommendations will provide Cortland Enlarged City School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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.

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 23, 2022