

***HOLLEY CENTRAL SCHOOL DISTRICT***

***NEW YORK***

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

***For Year Ended June 30, 2021***

FINAL DRAFT

October 8, 2021

To the Board of Education  
Holley 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 Holley 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 Holley 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 8, 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:

**Current Year Deficiency in Internal Control:**

**School Lunch Fund –**

Federal Regulation #7 CFR Part 210.15 recommends the School Lunch Fund balance not exceed three months average expenditures. As of June 30, 2021, the District's School Lunch fund balance totaled \$157,253 and exceeded three months average expenditures in the amount of \$874.

We recommend the District continue to closely monitor the School Lunch program and make every effort to comply with the Federal Regulation.

**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 2021-22 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 Recommendation:**

The following prior year recommendation has been implemented to our satisfaction:

1. We noted the district obtained the required number of written quotes that are required by the District’s procurement policy.

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 8, 2021