



Holley Central School District

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October 8, 2021

On October 8, 2021, the District received its management letter from the audit ending June 30, 2021. Within this letter, there are suggested corrective actions that the District may consider. Listed below are the open recommendations and the District's response.

Current Year Control Deficiency in Internal Control:

Quotations-School Lunch Fund-

Federal Regulations #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.

District Response-The District will be making an equipment purchase by June 30, 2022, which we bring fund balance below the three month average expenditure.

Other Items: The following items are not considered to be deficiencies in internal control; however, MMB considers them other items which they would like communicate.

Cyber Risk Management-The AICPA Center of 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 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.

District Response-The District will obtain documents from our Monroe 1 BOCES Technical Service by June 30, 2022.

GASB Statement No. 87-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.

District Response-The District will discuss this GASB Statement with the auditors by June 30, 2022.

If there are any other questions, please feel free to contact me.

Sincerely,



Sharon Zacher
Assistant Superintendent for Business
Holley Central School District