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October 22, 2021

To the Board of Education and Management
Roslyn Union Free School District
Roslyn, New York

In planning and performing our audit of the financial statements of the Roslyn Union Free School District (District) 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 District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion 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.

During our audit, we noted certain opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated October 22, 2021, on the financial statements of the Roslyn Union Free School District.

We have discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Board of Education, Audit Committee, management, others you deem appropriate within the District, and any governmental authorities you need to share this information with. It is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Cullen & Danowski, LLP

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STATUS OF PRIOR YEAR'S COMMENTS

Extraclassroom Activity Funds

The extraclassroom activity funds are the depository of student money. The New York State Education Department publishes the *Safeguarding, Accounting and Auditing of Extraclassroom Activity Funds*. These guidelines recommend procedures for organizing these activities, controlling receipts and disbursements, as well as recording and reporting transactions.

- During our prior year audit and our current year audit, we noted that the same District staff persons are involved in depositing funds, recording cash receipts and reconciling the bank account.

We recommend that the District consider separating the functions of handling the financial transactions, recording the financial transactions, and reconciling bank accounts among more than one staff person.

- During our prior year audit, in the sample of transactions we tested, some cash receipts were not timely deposited.

During our current year audit, in the sample of transactions we tested, cash receipts were deposited on a timely basis. We now consider this comment closed.

School Food Service Fund Balance

The District's food service program serves breakfast, lunch and snacks to students and District employees. Except for free and reduced price meals that are served to eligible students, meals are sold at a set price, and are subsidized in part by federal and student revenues at reimbursement amounts determined by the type of meal sold: free, reduced or paid in full.

During our prior year audit, we noted that the food service program operated at a loss for the year. Reduced meal sales as a result of the COVID-19 pandemic was the primary reason for the loss. The operating loss which approximated \$632,000 was offset by a budgetary transfer of \$450,000. At June 30, 2020, the fund balance deficit approximated \$181,000.

During our current year audit, we noted that the food service program operated at a loss for the year. Reduced meal sales as a result of the COVID-19 pandemic continued to be the primary reason for the loss. The operating loss which approximated \$844,000 was offset by a budgetary transfer which approximated \$454,000. At June 30, 2021, the fund balance deficit approximates \$569,000.

We note that the District continues to resolve the operating deficit and fund balance deficit at June 30, 2021.

Reconciliation of Accounting Balances

The District maintains their accounting records using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are reported in the governmental funds to the extent they are available. Expenditures are recorded when the related fund liability is incurred except for compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured.

During our prior year audit and our current year audit, a number of entries were prepared and proposed by the auditor and accepted by the auditee so that the books, records, and financial statements would be reflective of these accounting transactions and account balances for fair presentation in accordance with accounting principles and standards. Additionally, expenditure information reported on a grant final expenditure report did not agree with the actual expenditures in the accounting records for that year's grant. Also, the capital asset inventory records maintained by the capital asset management company did not include all capital asset additions through the report period date.

We recommend that the District continue to apply the criteria of these accounting methods to determine the accounting treatment of transactions and account balances in the accounting records for financial reporting purposes. With respect to grant reporting and the capital asset inventory reporting, a reconciliation of the District's transactions to the information reported should be completed.
