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September 20, 2021

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

In planning and performing our audit of the financial statements of the Jericho 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.

The memorandum that accompanies this letter summarizes our observation of the current status of the prior year's comment and recommendation as well as the current year's comment and recommendation. This letter does not affect our report dated September 20, 2021, on the financial statements of the Jericho Union Free School District.

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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**PRIOR YEAR'S COMMENT**

**Extraclassroom Activity Funds**

The extraclassroom activity (ECA) funds are the depository of student money. School districts are required to have policies and procedures to safeguard these student funds. The New York State Education Department (SED) publishes a finance pamphlet titled *Safeguarding, Accounting and Auditing of Extraclassroom Activity Funds (Revised 2015)*, a 51-page document that provides in detail the rules, basic principles, guidelines for organizing extraclassroom activities, controlling receipts and disbursements, recording and reporting transactions, sales tax requirements, as well as examples and illustrations. At the beginning of each school year, the Board-appointed Central Treasurer of the ECA funds, who is a member of the District's Business Office staff, would send a memorandum containing the District's ECA funds procedures, which are summarized from the SED pamphlet, to all student club faculty advisors.

During our previous audit, based on our interviews of student clubs faculty advisors about their cash handling procedures, we made several recommendations to the District to help improve clubs faculty advisors' understanding of the proper procedures for handling and accounting for cash receipts from fundraising events and activities; most of our recommendations were implemented by the District last year. One recommendation was for the District to consider requesting the internal auditors to perform periodic audits of fundraising procedures and documentation of the student clubs as part of their internal controls review and testing, but we noted that the extraclassroom activity funds were not part of the internal auditors' key controls testing cycle for the 2019-2020 fiscal year.

*Current Status:* We reviewed the internal audit reports for the 2020-2021 fiscal year and noted that the extraclassroom activity funds were not part of the internal auditors' key controls testing cycle for the fiscal year. Management indicated that, because there were very limited fundraising activities by student clubs due to COVID-19, they decided to postpone implementation of our recommendation until the next school year. We also performed testing of the student clubs' cash receipts and disbursements activities, and noted that two of the four profit-and-loss statements for a student club's fundraising event were signed only by the faculty advisor and did not have the student treasurer's signature. All four profit-and-loss statements listed the dates of sale but did not have enough detail that would allow us to test the reasonableness of the receipt amounts. The total receipts amount listed on two of the profit-and-loss statements could not be matched to the student club's general ledger entries.

We recommend that the District implement our recommendation as planned, and continue to emphasize to faculty advisors the importance of adhering to the District's ECA funds procedures.

**CURRENT YEAR'S COMMENT**

**Capital Assets Inventory Reports**

The District utilizes an asset management software to maintain its capital assets inventory records internally. A third-party appraisal company is engaged by the District every five years through the New York State Insurance Reciprocal (NYSIR), the District's insurance carrier, to perform a physical inventory and valuation of the District's capital assets at no cost to the District.

We noted a number of capital assets in the District's capital assets inventory report that are fully depreciated, some of these assets were acquired many years ago.

*Recommendation:* We recommend that these fully depreciated assets be taken into consideration when the third-party appraisal company perform the next scheduled physical inventory of the District's capital assets to determine whether any of the fully-depreciated capital assets should remain in or be removed from the inventory report.

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