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October 7, 2021

To the Board of Education and Audit Committee  
Longwood Central School District  
Middle Island, New York

We have audited the financial statements of the governmental activities, each major fund and the fiduciary funds of the Longwood Central School District (District) for the year ended June 30, 2021, and have issued our report thereon dated October 7, 2021. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibilities Under U.S. Generally Accepted Auditing Standards and Government Auditing Standards and the Uniform Guidance**

As stated in our engagement letter dated July 1, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis, budgetary comparison information and the schedules of the District's proportionate share of the net pension liability, District pension contributions, and changes in the District's total OPEB liability and related ratios, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we did not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the schedules of change from adopted budget to final budget and the real property tax limit – general fund, project expenditures – capital projects fund, and net investment in capital assets, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor’s report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information was not audited and we did not express an opinion or provide any assurance on it.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Our Responsibility for Other Information in Documents Containing Audited Financial Statements**

Our responsibility for other information in documents containing the District’s audited financial statements does not extend beyond the financial information identified in our report and we have no professional obligation to perform procedures to corroborate such other information. In the event the financial statements are incorporated into a printed document, please forward a printer’s proof for our approval before final production.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 17, 2021.

### **Significant Audit Matters**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 2 to the financial statements, “Changes in Accounting Principles”, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of and for the year ended June 30, 2021. Certain activities previously reported as fiduciary activities in the private purpose trust fund and agency fund, including extraclassroom activities, are now reported as governmental activities. Due to limitations of some of the extraclassroom clubs’ documentation for cash receipts, we expressed a qualified opinion on the extraclassroom activities fund of the District’s financial statements.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Useful Life of Capital Assets - Management's estimate of the useful life of capital assets is based on the historical asset life information for District capital assets and industry standards, in order to determine the value and period of time over which individual capital assets are to be depreciated.
- Compensated Absences Liability - Management's estimate of the liability for compensated absences is based on historical information regarding employees who have separated from the District and their terminal payout amounts, in order to determine the probability and amount of future payouts to employees for vested accumulated sick, vacation and/or leave terminal payouts.
- Actuarial Assumptions and Methods Underlying OPEB and Workers' Compensation Liabilities - Management's acceptance of various actuarial assumptions and methods underlying the calculation of the District's OPEB and workers' compensation liabilities is based on actuarial valuations prepared by the District's actuary.
- Actuarial Assumptions and Methods Underlying Pension Reporting - Management's acceptance of various actuarial assumptions and methods underlying the calculation of the District's pension reporting is based on the actuarial valuations prepared by the actuary for the TRS and ERS.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The attached audit adjusting journal entries (which were accepted and recorded by the District) in our judgment, indicate matters that could have an effect on the District's financial reporting process.

We assisted the District with nonattest services necessary for the preparation of the financial statements, including drafting of the financial statements and recording the GASB 34 entries. Those adjustments are not attached.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 7, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Finding or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis, budgetary comparison information and the schedules of the District’s proportionate share of the net pension liability, and District pension contributions, and changes in the District’s total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the schedules of change from adopted budget to final budget and the real property tax limit – general fund, project expenditures – capital projects fund, and net investment in capital assets, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Education, Audit Committee and management of the Longwood Central School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Cullen & Danowski, LLP*  
Cullen & Danowski, LLP

Client: LONGWOOD CSD  
 Report: Journal Entry

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
<b>A-01</b>					
To reclass BOCes accrual from accounts payable to due to other governments					
A0.2000.600	ACCOUNTS PAYABLE:		1,389,566.80	0.00	
A0.2100.631	DUE TO OTHER GOVTS:		0.00	1,389,566.80	
<b>Total</b>			<u>1,389,566.80</u>	<u>1,389,566.80</u>	<u>0.00</u>
<b>A-02</b>					
To reclass write off of PY federal grant not received to proper code					
A0.4070.2770	MISCELLANEOUS: MISCELLANEOUS		0.00	25.20	
A0.4080.2801	INTERFUND REVENUES: INTERFUND REVENUES		25.20	0.00	
<b>Total</b>			<u>25.20</u>	<u>25.20</u>	<u>0.00</u>
<b>A-03</b>					
To adjust ERS accrual based on ERS transmittals					
A0.2120.637	DUE TO ERS <= 1 YR.:		74,029.96	0.00	
A0.5130.9010.8	EMPLOYEE BENEFITS: STATE RETIREMENT		0.00	74,029.96	
<b>Total</b>			<u>74,029.96</u>	<u>74,029.96</u>	<u>74,029.96</u>
<b>A-04</b>					
To record voter approved transfer to capital projects fund for replacement of gym floor funded by capital reserve.					
A0.5200.9950.9	OPERATING TRANSFERS OUT: CAPITAL FUNDS		3,300,000.00	0.00	
A0.2090.630H	DUE TO OTHER FUNDS: CAPITAL FUND		0.00	3,300,000.00	
A0.3020.879	RESTRICTED: CAPITAL - FAC IMPROVE PROG 2017		3,300,000.00	0.00	
A0.3310.909	UNASSIGNED: FUND BALANCE		0.00	3,300,000.00	
<b>Total</b>			<u>6,600,000.00</u>	<u>6,600,000.00</u>	<u>(3,300,000.00)</u>
<b>A-05</b>					
To record funding of reserves.					
A0.3020.827	RESTRICTED: STATE & LOCAL ERS CONTRIBUTIONS		0.00	12,041,886.00	
A0.3020.828	RESTRICTED: TRS CONTRIBUTIONS		0.00	1,954,561.00	
A0.3020.882W	RESTRICTED: WORKERS COMP.		0.00	3,000,000.00	
A0.3020.879	RESTRICTED: CAPITAL - FAC IMPROVE PROG 2017		0.00	5,000,000.00	
A0.3310.909	UNASSIGNED: FUND BALANCE		21,996,447.00	0.00	
A0.3310.909	UNASSIGNED: FUND BALANCE		66,097.00	0.00	
A0.3020.827	RESTRICTED: STATE & LOCAL ERS CONTRIBUTIONS		0.00	66,097.00	
<b>Total</b>			<u>22,062,544.00</u>	<u>22,062,544.00</u>	<u>0.00</u>
<b>A-06</b>					
To adjust appropriated fund balance per subsequent years budget.					
A0.3300.908	ASSIGNED: APPROPRIATED:		600,000.00	0.00	
A0.3310.909	UNASSIGNED: FUND BALANCE		0.00	600,000.00	
<b>Total</b>			<u>600,000.00</u>	<u>600,000.00</u>	<u>0.00</u>
<b>A-07</b>					
To reclassify installment debt to the proper accounts (copiers).					
A0.5140.9785.6b	DEBT SERVICE - PRINCIPAL: INSTALLMENT DEBT		405,070.56	0.00	
A0.5070.2110.4	TEACHING - REG. SCHOOL: CONTRACTUAL AND OTHER		0.00	405,070.56	
<b>Total</b>			<u>405,070.56</u>	<u>405,070.56</u>	<u>0.00</u>
<b>C-01</b>					
Food Service - To adjust surplus food to include amounts given in trade mitigation from OGS.					
C0.4100.4190	FEDERAL SOURCES: SURPLUS FOODS		3,649.66	0.00	
C0.5155.2860.41	FOOD SERVICE PROGRAM: NET COST OF FOOD USED		0.00	3,649.66	
<b>Total</b>			<u>3,649.66</u>	<u>3,649.66</u>	<u>0.00</u>
<b>C-02</b>					
Food Service Fund - To adjust prepaid account from students balance.					
C0.4120.1446	SALES - FOOD SERVICE: OTHER SALES		3,101.24	0.00	
C0.2180.689	COLLECTIONS IN ADVANCE: DEFERRED REVENUE		0.00	3,101.24	
<b>Total</b>			<u>3,101.24</u>	<u>3,101.24</u>	<u>(3,101.24)</u>
<b>C-03</b>					
Reverse previous entry based on new information from the State on the trade mitigation credit.					
C0.5155.2860.41	FOOD SERVICE PROGRAM: NET COST OF FOOD USED		3,649.66	0.00	
C0.4100.4190	FEDERAL SOURCES: SURPLUS FOODS		0.00	3,649.66	
<b>Total</b>			<u>3,649.66</u>	<u>3,649.66</u>	<u>0.00</u>

Client: LONGWOOD CSD  
 Report: Journal Entry

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
<b>CM-01</b>					
To record scholarship activity.					
CM.5100.2915.4	SCHOLARSHIPS & AWARDS  CONTRACTUAL & OTHER		2,030.23	0.00	
CM.3305.915	ASSIGNED, UNAPPROPRIATED FB		0.00	1,530.23	
CM.4040.2401	USE OF MONEY & PROPERTY  INTEREST & EARNINGS		13.95	0.00	
CM.3305.915	ASSIGNED, UNAPPROPRIATED FB		0.00	13.95	
CM.4070.2705	MISCELLANEOUS  GIFTS & DONATIONS		0.00	500.00	
<b>Total</b>			<b>2,044.18</b>	<b>2,044.18</b>	<b>(1,544.18)</b>
<b>EX-01</b>					
To reclassify activity to show revenue/expenditure and correct cash balance.					
EX.1000.200	CASH, EXTRACLASS		2.20	0.00	
EX.4070.2770	MISCELLANEOUS  OTHER		0.00	2.20	
EX.5100.2989.4	CO-CURRICULAR  CONTRACTUAL & OTHER		135,414.86	0.00	
EX.4070.2770	MISCELLANEOUS  OTHER		0.00	168,095.44	
EX.3330.917	PRIOR PERIOD ADJUSTMENT		32,682.78	0.00	
EX.3305.915	ASSIGNED, UNAPPROPRIATED FB		0.00	2.20	
<b>Total</b>			<b>168,099.84</b>	<b>168,099.84</b>	<b>32,682.78</b>
<b>EX-02</b>					
To adjust for transfers to match ECAF report.					
EX.5100.2989.4	CO-CURRICULAR  CONTRACTUAL & OTHER		5,877.00	0.00	
EX.4070.2770	MISCELLANEOUS  OTHER		0.00	5,877.00	
<b>Total</b>			<b>5,877.00</b>	<b>5,877.00</b>	<b>0.00</b>
<b>H-01</b>					
To record additional AP found during subsequent disbursements for capital fund.					
H0.5170.1620.293	CAPITAL OUTLAY: GENERAL CONSTRUCTION		74,140.00	0.00	
H0.2000.600	ACCOUNTS PAYABLE:		0.00	74,140.00	
<b>Total</b>			<b>74,140.00</b>	<b>74,140.00</b>	<b>(74,140.00)</b>
<b>H-02</b>					
To record transfer from the general fund to fund gym floor replacement (funded by capital reserve).					
H0.1030.391	DUE FROM OTHER FUNDS:		3,300,000.00	0.00	
H0.4200.5031	OPERATING TRANSFERS IN:		0.00	3,300,000.00	
H0.3310.909	UNASSIGNED: FUND BALANCE		3,300,000.00	0.00	
H0.3020.878	RESTRICTED:		0.00	3,300,000.00	
<b>Total</b>			<b>6,600,000.00</b>	<b>6,600,000.00</b>	<b>3,300,000.00</b>
<b>H-03</b>					
To restrict amounts funded from capital reserve.					
H0.3310.909	UNASSIGNED: FUND BALANCE		1,945,116.00	0.00	
H0.3020.878	RESTRICTED:		0.00	1,945,116.00	
<b>Total</b>			<b>1,945,116.00</b>	<b>1,945,116.00</b>	<b>0.00</b>
<b>H-04</b>					
To record unspent bond proceeds.					
H0.3310.909	UNASSIGNED: FUND BALANCE		33,278.00	0.00	
H0.3025.878	RESTRICTED:UNSPENT BOND PROCEEDS		0.00	33,278.00	
<b>Total</b>			<b>33,278.00</b>	<b>33,278.00</b>	<b>0.00</b>
<b>K-03</b>					
To adjust capital assets and depreciation based on update capital asset reports.					
K0.1070.105	Construction Work in Progress		74,140.00	0.00	
K0.1070.102	Buildings		0.00	1,592,307.00	
K0.1070.104	Equipment		222,315.00	0.00	
K0.3000.158	Investment In Fixed Assets		1,295,852.00	0.00	
K0.1070.112	Accum Depr: Buildings		745,093.00	0.00	
K0.1070.114	Accum Depr: Equipment		134,735.00	0.00	
K0.3000.158	Investment In Fixed Assets		0.00	879,828.00	
K0.3000.158	Investment In Fixed Assets		1,682,834.00	0.00	
K0.3310.917	Unassigned: Fund Balance		0.00	1,682,834.00	
K0.5000.1999	GASB Depreciation -General Support		698,012.00	0.00	
K0.5100.2999	GASB Depreciation -Instruction Exp		104,994.00	0.00	
K0.3000.158	Investment In Fixed Assets		0.00	1,469,519.00	
K0.3310.917	Unassigned: Fund Balance		666,513.00	0.00	
<b>Total</b>			<b>5,624,488.00</b>	<b>5,624,488.00</b>	<b>(803,006.00)</b>

Client: LONGWOOD CSD  
 Report: Journal Entry

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
<b>TC-01</b>					
To record property taxes collected on behalf of the Library.					
TC.5180.1935.4	OTHER CUSTODIAL ACTIVITIES		7,757,055.00	0.00	
TC.4015.2770	TAX COLLECTIONS - LIBRARY		0.00	7,757,055.00	
TC.5180.1935.4	OTHER CUSTODIAL ACTIVITIES		88,681.00	0.00	
TC.4017.2770	TAX COLLECTIONS - OTHER		0.00	88,681.00	
<b>Total</b>			<b>7,845,736.00</b>	<b>7,845,736.00</b>	<b>0.00</b>