

To the Board of Education
Ms. Lisa Rutkoske, CPA
Assistant Superintendent for Business
Herricks Union Free School District
999B Herricks Road
New Hyde Park, NY 11040

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the fiduciary funds of Herricks Union Free School District as of and for the fiscal year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Herricks Union Free School District's internal controls over financial reporting (internal controls) 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 Herricks Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Herricks Union Free School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal controls was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

However, during our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning these matters. We have also included the status of prior year findings and recommendations.

CURRENT YEAR FINDINGS & RECOMMENDATIONS

EXTRACLASSROOM ACCOUNTS

The District has established extraclassroom activity fund accounts to maintain student activities and funds. The New York Education Department has published guidelines governing the proper procedures and policies governing the extraclassroom accounts and transactions.

During our audit of all the District's extraclassroom activity accounts we noted the following:

- Two out of six valid clubs selected for testing at the High School did not have a club charter on file. In addition, the four charters that were present did not contain the required signatures.
- Four out of four club charters selected for testing at the Middle School were not signed by the student activity treasurer or principal.
- One out of ten voucher packages selected for testing at the High School was not properly cancelled after payment.
- Nine out of ten voucher packages selected for testing at the Middle School were not properly cancelled after payment.
- Some clubs at both the High School and the Middle School do not meet the State's definition of a bona fide club (i.e Extraclassroom Activity Expense, Working Capital).
- Interest earned in the extraclassroom bank account was not properly allocated at year-end.
- The Class of 2017 account was not closed and funds were not transferred out.

We recommend the District review the extraclassroom accounts to improve the procedures for the extraclassroom accounts.

SCHOOL LUNCH FUND

Fund Balance

During our audit we noted the school lunch fund has a fund balance deficit in the amount of \$276,403. However, this is a \$69,228 decrease to the deficit from the prior year. The school lunch fund balance should maintain a three-month average expenditure level allowable by Federal Regulations 7CFR Part 2101(b). We recommend the District continue to monitor the school lunch fund.

PRIVATE PURPOSE FUND

Cash Disbursements

During our audit we noted the District awarded a \$1,000 scholarship for which the related donation, received after the scholarship was awarded, was for less than \$1,000, resulting in a negative account balance. We recommend the claims auditor review the checks prior to payment and that scholarship payments not be made until the related funds have been received to ensure necessary funds are available.

STATUS OF PRIOR YEAR FINDINGS & RECOMMENDATIONS

EXTRACLASSROOM ACCOUNTS

FINDING: During our prior year audit of all the District's extraclassroom activity accounts, we noted the following:

- Two out of ten instances sales tax was not paid at the High School.
- Five out of ten club charters were not signed by the faculty advisor or student treasurer.
- Some clubs did not meet the State's definition of a bona fide club (i.e Field Trips)

We recommended the District review the extraclassroom accounts to improve the procedures for the extraclassroom accounts.

STATUS: **Partially implemented.**

PRIVATE PURPOSE FUND

Cash Receipts

FINDING: During our prior year audit, we noted in some instances field trip checks in the private purpose fund were not deposited timely between the receipt of funds and the deposit into the bank. We recommended depositing monies on a timelier basis in order to properly secure field trip monies.

STATUS: **Implemented.**

SCHOOL LUNCH FUND

Fund Balance

FINDING: During our prior year audit, we noted the school lunch fund had a fund balance deficit in the amount of \$345,631, which was a \$62,167 increase from the prior year. The school lunch fund balance should maintain a three-month average expenditure level allowable by Federal Regulations 7CFR Part 2101(b). We recommended the District continue to monitor the school lunch fund.

STATUS: **Partially implemented.**

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District and also compliment the business office on their excellent financial operations during our audit. Should you have any questions concerning the matters referred to in this letter, we shall be pleased to discuss them with you, at your convenience.

This communication is intended solely for the information and use of the Board of Education, the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 12, 2018