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ESTABLISHED 1925

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October 1, 2021

To the President and Members
of the Board of Education of the
South Orangetown Central School District
160 Van Wyck Road
Blauvelt, New York 10913

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of South Orangetown Central School District for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 13, 2021. Professional standards also require that we communicate to you the following information related to our audit.

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 South Orangetown Central School District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, in 2021 the District implemented Statements of Governmental Accounting Standards (GASB Statements) GASB Statement 84, *Fiduciary Activities*. We noted no transactions entered into by South Orangetown Central School 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 South Orangetown Central School District's financial statements was were:

Management's estimates of Other Postemployment Benefits based on actuarial assumptions and depreciation of fixed assets based on estimated useful lives. We evaluated the key factors and assumptions used to develop those estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the annual pension costs and its proportionate share of related net pension assets, deferred outflows, net pension liabilities and deferred inflows which are based on information provided by

New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) and other relevant data provided to independent actuarial firms hired by the retirement systems. We evaluated the key factors and assumptions used by the retirement systems to develop the annual pension costs and the District's proportionate share of related net pension assets, deferred outflows, net pension liabilities and deferred inflows in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures 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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule shows material adjustments detected as a result of audit procedures and were corrected by management.

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 1, 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 South Orangetown Central School 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 Findings 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 South Orangetown Central School 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.

During our fieldwork for the audit, we found that the District's books and records were not properly closed prior to commencement of our fieldwork. This occurred due to significant staff turnover within the business office at the end of the 2020-2021 school year. We were required to spend considerable time assisting the District with the closing process, which included account analysis and proposing adjusting journal entries. To ensure that the

District's books and records are properly closed, we recommend that the District develop a year-end plan that assigns responsibility for account reconciliation, analysis, oversight and approval.

Other Matters

We applied certain limited procedures to Schedule of Changes in The District's Total OPEB Liability and Related Ratio's and the Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund, the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions, 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 engaged to report on the Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, the Schedule of Capital Projects Fund – Project Expenditures and Financing Sources, the Net Investment in Capital Assets, or the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of board of education and management of South Orangetown Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



NUGENT & HAEUSSLER, P.C.

South Orangetown Central School District
 General Fund
 Adjusting Journal Entries
 For The Year Ended June 30, 2021

	Debit	Credit
1. Cash from Trust and Agency	\$ 11,092.00	
Due to Other Funds	15,244.00	
Cancellation of Checks Liability		\$ 16,895.00
Insurance Liability - KM		9,148.00
Due to Other Funds		293.00
To reclass fiduciary funds activity to general fund due to GASB 84		
2. State & Federal Aid Receivable	42,536.00	
Cares Act Education Stabilization Fund		42,536.00
To record receivable from CARES Act		
3. Transfers to special aid fund	18,161.63	
Transfers out to other funds	5,000.00	
Due to special aid		23,161.63
To record transfer to special aid fund to write off old summer handicapped receivable		
	\$ 92,033.63	\$ 92,033.63

South Orangetown Central School District
 Capital Fund
 Adjusting Journal Entries
 For The Year Ended June 30, 2021

	Debit	Credit
1. Architect Minor Capital Project 21-22 TZHS	\$ 31,474.76	
Architect Minor Capital Project 21-22 CLE	13,988.77	
Architect Minor Capital Project 21-22 SOMS	45,463.54	
Architect Minor Capital Project 21-22 WOS	25,646.10	
Accounts Payable		\$ 116,573.17
To record additional accounts payable		
	\$ 116,573.17	\$ 116,573.17

South Orangetown Central School District
Special Aid Fund
Adjusting Journal Entries
For The Year Ended June 30, 2021

	<u>Debit</u>	<u>Credit</u>
1. Due from General Fund	\$ 23,161.63	
Interfund Transfer		\$ 23,161.63
To record transfer from general fund for writing off old summer handicapped receivable		
	<u>\$ 23,161.63</u>	<u>\$ 23,161.63</u>

South Orangetown Central School District
Trust and Agency Fund
Adjusting Journal Entries
For The Year Ended June 30, 2021

	Debit	Credit
1. Insurance Liability - KM	\$ 9,147.00	
Due to General Fund	293.00	
Cancellation of Checks Liability	16,895.00	
Cash from Trust and Agency		\$ 11,092.00
Due to Other Funds		15,243.00
To reclass fiduciary funds activity to general fund due to GASB 84		
	\$ 26,335.00	\$ 26,335.00