CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 19, 2024

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, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's system of 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 our prior year's comments and recommendation, as well as the current year's comments and recommendation. This letter does not affect our report dated September 19, 2024, on the financial statements of Jericho Union Free School District.

This communication is intended solely for the information and use of the Board of Education, Audit Committee, management, and others you deem appropriate within the District, as well as any governmental authorities you need to share this information with and it 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

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PRIOR YEAR'S COMMENT

Extraclassroom Activities Fund

The extraclassroom activities (ECA) fund is 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 Activities Fund (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. The District also utilizes its internal auditors to periodically review fundraising records of student activities.

During the prior year's audit, within our audit sample of student clubs cash receipts and disbursements, we noted two instances where some approval signatures were not on the deposit forms, and one instance where the itemized receipts for a reimbursement were not attached to the paid voucher package. There was also one instance where a student club did not give their fundraising cash receipts to the District Business Office for deposit until a few months later (that delay by the student club was addressed by the Assistant Superintendent for Business Affairs as soon as the Business Office received the monies from the faculty advisors).

Current Status: Within our current year's audit samples for the extraclassroom activities' cash receipts and disbursements, we did not have any such findings.

During our current audit, we interviewed the faculty advisors for several student activities and reviewed profit-and-loss (P&L) statements for their fundraising activities. One of the P&L statements was for a bake sale of donuts and beverages, but the statement only indicated the total cash receipts and lacked sufficient details for the quantities of items sold. That P&L statement was prepared and signed by the faculty advisor, but lacked the signature of the student treasurer.

We recommend that the District continue to monitor extraclassroom activities transactions to ensure that student treasurers are involved in the preparation of the profit-and-loss statements for their fundraising activities, and that the District's extraclassroom activities fund procedures are being followed by all parties involved.

CURRENT YEAR'S COMMENT

School Food Service Fund

The District's school food service program serves meals to students. Based on the number of meals served, the Federal government and the State reimburse the District based on approved rates. Federal Regulations, 7 CFR Part 210.14(b), limits the net cash resources within the school food service fund to an amount not to exceed three months' average expenditures. If there are excessive cash resources available, the District will be required to submit a written plan to the State Education Department's (SED) Child Nutrition Program Administration outlining the plan to reduce the excess funds.

During the current year's audit, we noted that the District's school food service fund ended the 2023-2024 school year with an operating surplus of approximately $176,000; as a result, its fund balance as of June 30, 2024 exceeded the three-months-average-expenditures limit by approximately $19,000.

The District's management is aware of the requirements, and is in the process of preparing a plan to utilize and lower the school food service fund's fund balance to comply with Federal regulations.

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ASST. SUPERINTENDENT -OPERATIONS & HUMAN RESOURCES

VICTOR P. MANUEL
ASST. SUPERINTENDENT-BUSINESS AFFAIRS

September 19, 2024

Cullen & Danowski, LLP
Mr. Alan Yu
1650 Route 112
Port Jefferson Station, NY 11776-3060

Dear Mr. Yu,

This letter is to inform you of the Corrective Action Plan for the Jericho UFSD in response to your Management Letter comments associated with your audit of the district's financial statements as of June 30, 2024.

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. The District also utilizes its internal auditors to periodically review fundraising records of student activities.

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We recommend that the District continue to monitor extraclassroom activities transactions to ensure that student treasurers are involved in the preparation of the profit-and-loss statements for their fundraising activities, and that the District's extraclassroom activity funds procedures are being followed by all parties involved.

District Response: ***The district is holding an extraclassroom activities training on September 25, 2024, presented by Nawrocki Smith our Internal Auditors. They will review with personnel the proper ECA funds procedures to follow when dealing with extraclassroom activities. The district will also continue to emphasize to faculty advisors the importance of adhering to the District's ECA funds procedures.***

Implementation Date: September 25, 2024

School Food Service Fund

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During the current year's audit, we noted that the District's school food service fund ended the 2023-2024 school year with an operating surplus of approximately $176,000; as a result, its fund balance as of June 30, 2024 exceeded the three-months-average-expenditures limit by approximately $19,000.

The District's management is aware of the requirements, and is in the process of preparing a plan to utilize and lower the school food service fund's fund balance to comply with Federal regulations.

District Response: ***The district has discussed with the school lunch fund personnel the excess balance. The district plans to use the excess balance to purchase updated equipment that is necessary to better serve our students.***

Implementation Date: October 1, 2024

Sincerely,

Victor Manuel
Assistant Superintendent for Business
cc: Mr. Henry Grishman, Superintendent
Ms. Melissa Lee, District Treasurer