



October 11, 2024

To the Board of Education  
Great Neck Union Free School District  
Great Neck, New York

Dear Members of the Board:

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the fiduciary fund of Great Neck 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 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

In connection with our audit of the financial statements as of and for the year ended June 30, 2023, we communicated opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our follow-up concerning those matters previously identified. During our current year audit, we did not become aware of any internal control or other matters that would require communication to the Board of Education, the Audit Committee, and management. This letter does not affect our report dated October 11, 2024 on the financial statements of Great Neck Union Free School District.

We have already discussed these comments with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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*

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**STATUS OF PRIOR YEAR'S COMMENTS**

**Extraclassroom Activities Fund**

The extraclassroom activities fund are the depository of student money. The New York State Education Department (SED) publishes the *Safeguarding, Accounting and Auditing of Extraclassroom Activities Fund*. The guidelines contained therein recommend procedures for organizing these activities, controlling receipts and disbursements, as well as recording and reporting transactions.

During the prior year audit, in the sample of transactions we tested, we noted that; there were a number of instances where cash disbursement documentation did not include sales tax paid; there were instances where student involvement, although required, was not documented; and there was no supporting documentation for a couple of cash disbursements. A number of clubs/activities had no financial transactions. We also noted that within the records maintained by one school, which has limited financial transactions, checks were signed by the Treasurer, and a formal bank reconciliation was not prepared.

During the current year audit, we noted that similar findings remained on a more limited basis, as there was an improvement in the procedures over the financial transactions of the extraclassroom activities fund.

We recommend the District continue with training for personnel who support the extraclassroom activities and clubs. We also recommend that the faculty auditor, at each building, document the procedures performed in their independent review of extraclassroom activity and transactions.

**Capital Assets Inventory Records**

The District's capital assets inventory records reflect assets that are capitalized for financial reporting (GASB 34) purposes according to the Board of Education's capitalization policy. The records are maintained on a district-based system, Real Asset Management International (RAMI).

During the prior year audit, we noted that the capital asset report had inconsistencies with the underlying accounting records for capital assets that required reconciliation.

During the current year audit, we noted that the District implemented additional procedures to reconcile the Districts' accounting records to the capital asset inventory to ensure that all capital assets placed into service have been included, and are being depreciated in accordance with the District's capitalization policy. This comment is closed.

## **Great Neck Union Free School District**

For the Year Ended June 30, 2024

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### **Financial Accounting Software Computer Permissions**

The District utilizes a financial accounting software package, Wincap, to maintain its books and records. The District utilizes that program to also process its payroll. The District employs a Information Technology Department (IT) to effectuate controls within the computer function.

During the prior year audit, in the sample of computer access permissions we reviewed, we noted that certain individuals have computer permissions to access areas within the financial accounting software package that do not necessarily appear to be needed to perform their job.

During the current year audit, in the sample of computer access permissions we reviewed, we noted two employees with computer access to areas within the financial accounting software package that do not necessarily appear to be needed to perform their job. This is an improvement over the prior year.

We recommend that the District continue with their review of computer permissions to ascertain that individuals are given computer permissions to access only those areas within the accounting software that are necessary to perform their job.

### **Tuition Billings to Other Districts**

The District bills other districts for students who are domiciled within those other districts but attend school within the District. They also bill other districts for educational and other services provided to resident students of those districts.

During the prior year audit, we noted that the District did not have a formal procedure in place to follow-up on the notification to other districts of the billed balances outstanding, as well as a tracking system over collection of those amounts.

During the current year audit, we noted that the District implemented additional procedures in this overall process. This comment is closed.

### **Staff Time Bank-Earned and Payout**

Staff, contingent upon their related salary agreement or bargaining unit agreement, are awarded sick and/or vacation time. Provisions in each agreement are specific with respect to earning time, carry forward of time and buyout balances, and the valuation of the balance upon separation. The information for the earned time and valuation amount by individual is maintained within the accounting and payroll software maintained by the District.

During the prior year audit, in the sample of transactions we tested, we noted that some individual's earned leave. Balances showed amounts calculated in excess of those indicated by the employee's respective employment agreement. Additionally, a few employees who were paid out upon separation from the District were paid out for time earned in excess of the capped amounts indicated in their respective agreement, the amount approximated \$23,000. This amount was subsequently repaid to the District.

During the current year audit, in the sample of transactions we tested, we did not note this finding. This comment is closed.

**Great Neck Union Free School District**

For the Year Ended June 30, 2024

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**Scholarships Fund and Permanent Fund**

The scholarships fund and permanent fund are used to account for assets held by the District in its capacity as Trustee. The District receives donations which are used to award students for their accomplishments. In accordance with donor stipulations, some of the funds are expendable (scholarships fund) and some are nonexpendable (permanent fund).

During the prior year audit, we noted that the District released funding from the permanent fund (nonexpendable) to the scholarships fund (expendable).

During the current year audit, we noted that no funding was released from the permanent fund balance.

We noted that the District was attempting to obtain documentation from the donors supporting the release and expenditure stipulations for permanent scholarship funds.

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