

October 7, 2024

To the Board of Education and
Dr. Alan Groveman
Interim Assistant Superintendent for Finance and Personnel
Hewlett-Woodmere Union Free School District
1 Johnson PL
Woodmere, NY 11598

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Hewlett-Woodmere Union Free School District (the "District") as of and for the fiscal year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing 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.

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 controls 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 AND RECOMMENDATIONS

ACCOUNTING POLICIES AND PROCEDURES

Year End Accrual/Encumbrance Entries

During our audit, we noted multiple instances of improper cut-off transactions between fiscal years in the accounting records, which resulted in adjusting entries being needed for accounts payable and encumbrances. We recommend that the District develop/refine a process and implement procedures to review transactions and supporting documentation during the year-end closing process to determine the period of applicability and accurately record year-end accrual and encumbrance balances.

STATUS OF PRIOR YEAR RECOMMENDATIONS

FUND BALANCE MANAGEMENT

FINDING: During our prior year audit, we noted the District had a balance of \$11,205,068 in its workers' compensation reserve at June 30, 2023, which was higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2023 was \$6,802,565 which included incurred claims and claims incurred but not reported (IBNR). We noted the District appropriated \$500,000 of the reserve in the prior year for claims payments. We recommended the District review the reserve balance for reasonableness and continue to utilize the reserve for future claim expenses in order to lower the balance to a reasonable level in relation to their estimated liability.

STATUS: Implemented.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District during the 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
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