South Orangetown Central School District
160 Van Wyck Road • Blauvelt, NY 10913 • (845) 680-1008

October 7, 2025

PKF O'Connor Davis
500 Mamaroneck Avenue, Suite 301
Harrison, NY 10528

Attn: Melissa Szot, CPA, CGMA

Dear Ms. Szot:

In review of your financial statement audit of South Orangetown Central School District for fiscal year end June 30, 2025, there were no material weaknesses and no significant deficiencies noted. However, in response to the control deficiencies noted, which are the least severe of the three deficiency categories, please see our corrective action. Please note that some of these have already been implemented.

Control Deficiencies

Extraclassroom Activity Funds:

Clubs with No Financial Activity:

Finding:
We noted that one club in the High School with a balance of $132 (Science Honor Society) and one club in the Middle School with a balance of $75 (Spanish Club), had no financial activity during the current fiscal year. State Education Regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization, or the student council land shall be expended in accordance with that organization's constitution.

Corrective Action:
The District, in accordance with State Education Regulations, will make a determination of the status of the clubs and determine the proper disposition of funds. The clubs that have ceased operations will have the balances transferred to the general student organization and expended in accordance with that organization's constitution by June 30, 2026. This will be the responsibility of the District Treasurer.

Cash Receipts:

Finding:
It was noted that during our testing of Extraclassroom receipts that one out of ten selections for the Middle School was not deposited in a timely manner, within 72 hours of receipt.

Corrective Action:
The Extraclassroom Treasurers have the role of ensuring the advisors receive the necessary training. The Supervisor of Fiscal Services will provide training for the Extraclassroom advisors on the State Education Regulations and best practices for cash management. The responsibility is of the Extraclassroom treasurers and The Supervisor of Fiscal Services. The training will be completed by December 31, 2025.

Capital Fund

Inactive Capital Projects:

Finding:
The Capital Projects Fund is used to account for and report resources restricted to expenditures for capital outlays. Our analysis of the ending fund balance for the 2018-19 Minor Capital Project indicated that there was no activity for the fiscal year ended June 30, 2025.

Furthermore, two capital projects reflect fund deficits at June 30, 2025: 2021-22 Minor Capital Project ($589,659) and Smart Schools Bond ($169,637).

Corrective Action:
During the audit timeframe, the School District has analyzed the capital projects to determine which projects have been fully completed. Upon Board approval of the audit, the Assistant Superintendent for Business and Operations will propose a recommendation for closure of those projects and transfer of the remaining funds. Residual funds of the 2018-19 Minor Capital Project will be recommended to offset the deficit in the 2021-22 Minor Capital Projects and any potential deficit in the Smart Schools Bond Project subsequent the final claim. This is the responsibility of the Assistant Superintendent for Business and Operation. This will be completed by June 30, 2026.

General Fund

Tax Certiorari Reserve:
Finding:
New York State Consolidated Laws, Education Law § 3651 limits monies held in such reserve fund shall not exceed the total tax certiorari claims. Our audit of the General Fund disclosed that the School District's tax certiorari reserve was in excess of this amount by approximately $858,000.

Corrective Action:
This District will monitor the tax certiorari reserve so that the reserve is within the legal limit at year end, as reviewed annually with legal counsel. This will be the responsibility of the Assistant Superintendent for Business and Operations. This will be completed by June 30, 2026.

School Lunch Fund- Deferred Revenue:

Finding:
The School Lunch Fund currently reports $9,707 of deferred revenue that was carried forward during the transition to the Mosaic system.

Corrective Action:
A recommendation, dated 9/16/2025, of the transfer of School Lunch Funds to the General Fund was approved by the Board of Education. This transfer will write off the remaining unclaimed balances from the School Lunch Fund. This transfer was completed by the District Treasurer during September 2025.

Please advise if you have any questions.

Sincerely,

Steven Finn