



September 29, 2025

To the Board of Education and Management
Longwood Central School District
Middle Island, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the fiduciary fund of Longwood Central School District ("the District") as of and for the year ended June 30, 2025, 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.

During our audit, we noted certain other matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated September 29, 2025, on the financial statements of Longwood Central School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we are 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

Port Jefferson Station, New York

Longwood Central School District
For the Year Ended June 30, 2025

Status of Prior Year Comments

The following comments, included in the prior year's management letter that remain pertinent for the year ended June 30, 2025, and the current year's observations, follow:

Food Service Fund – Fund Balance

Federal Regulation, 7CFR Part 210.14b, limits the net cash resources within the school food service fund to an amount that does not exceed the three-month average expenditures. The limit to net cash resources has been increased, effective July 1, 2024, to a six-month average of operating expenditures. Districts that have net cash resources above the six-month average are required to submit an excess fund balance plan to the State Education Department (SED).

During our prior year audits, we noted that the school food service fund's fund balance amount is more than the three-month/six-month average expenditures. A summary of the school food service fund's fund balance expenditures, fund balance limit, and fund balance for the last five years follows:

<i>Year</i>	<i>Expenditures</i>	<i>Limit (Approximated)</i>	<i>Fund Balance</i>
<i>2019-2020</i>	\$4,064,211	\$1,219,000	\$2,087,080
<i>2020-2021</i>	\$3,318,698	\$ 995,600	\$2,003,231
<i>2021-2022</i>	\$4,381,750	\$1,314,500	\$4,378,819
<i>2022-2023</i>	\$5,297,773	\$1,589,300	\$4,829,903
<i>2023-2024</i>	\$6,489,584	\$3,893,750	\$4,195,973

Status: Unchanged. Based on 2024-2025 school food service fund expenditures of \$7,446,838, the school food service fund's fund balance would be limited to approximately \$3,723,419 with the new six-month average. The school food service fund – fund balance at June 30, 2025, was \$4,195,914. We noted that the District will be utilizing the surplus toward cafeteria renovations and replacement of refrigeration equipment in 2025 – 2026.

We recommend that the District continue monitoring the food service fund's fund balance excess to ensure compliance with Federal Regulation, 7CFR Part 210.14b, and submit the excess fund balance plan to the SED. We understand that the District has developed a plan to utilize monies from the fund balance to reduce the amount below the six-month expenditures amount.

Extraclassroom Activities Fund

The extraclassroom activities fund is used to account for the funds operated by and for the students of the District. The New York State Education Department has issued accounting guidelines for these activities, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*. These guidelines include procedures for reconciling the funds' cash balance per the books to the bank on a monthly basis, as well as procedures for collection, deposit, and disbursement of funds.

During our prior year's audit, we noted the following:

- The District's middle school extraclassroom activities fund only reconciles the cash balances per the books to the bank once a year at the end of the fiscal year.

Status: Corrected. We noted that the middle school extraclassroom activities fund is now performing the bank reconciliations monthly.

Longwood Central School District

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- The bank reconciliations for the middle school bank accounts do not provide information as to when the reconciliation was prepared, who prepared them, or if there was a secondary review of those reconciliations.

Status: *Partially Corrected*. We noted that the reconciliations provided information on who prepared the reconciliation and when they were prepared; however, there was no notation of a secondary review of the reconciliations.

- For each building, we noted that profit and loss statements were not prepared for fundraising events.

Status: *Partially Corrected*. It was noted during the current year's audit that the club advisors maintain profit and loss statements for fundraising events; however, it was also noted that these statements are not provided to the central treasurers as part of the support for the event.

- During the prior year's audit, we noted that the invoices supporting the disbursements at the middle school were not marked as paid.

Status: *Corrected*. We noted that all of the middle school disbursements within the sample selected were marked paid.

- The junior high school's cash receipts are not numbered.

Status: *Uncorrected*. During the current year, within our test sample of 10 items, none of the cash receipts were numbered for the junior high school.

Our recommendations are as follows:

- Someone other than the preparer should review the reconciliations and evidence this review by signing or initialing the bank reconciliation.
- Provide profit and loss statements for fundraising events to the central treasurer at the conclusion of the event to support the amounts recorded in the books and records.
- Implement a receipt book where receipts are prenumbered.