

To the Board of Education and
Dr. Sharon Dungee, Superintendent of Schools
Central Islip Union Free School District
50 Wheeler Road
Central Islip, New York 11722

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Central Islip Union Free School District (the "District") as of and for the fiscal year ended June 30, 2023, 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 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.

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 control 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 control 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

SCHOOL LUNCH FUND

During our current year audit, we noted that the District's school lunch fund balance exceeded the three-month average expenditure level allowable by Federal Regulations 7CFR Part 210.14(b) by \$1,406,648. We recommend the District develop a formal plan to utilize the excess fund balance in the school lunch fund.

CAPITAL PROJECTS

During our current year audit, we noted on the capital projects schedule two projects with balances that have had not had any activity in the past few years. We recommend the District review the status of these capital projects to determine if the project has been completed or is still open as of year-end. If the project has been completed, the project should be closed out and the remaining fund balance should be transferred back to the general fund or used to offset future debt service payments based on the source of revenues.

BUDGET TRANSFERS

During our current year audit, we noted on two (2) out of thirteen (13) budget transfers tested, the District made budget transfers between non-contingent areas of the budget, which is prohibited under New York State Education Law. Per Education Law, budget transfers can only be made between contingent codes or from non-contingent to contingent codes. Budget transfers cannot be made from contingent to non-contingent areas of the budget, or between non-contingent areas of the budget, as non-contingent expenditure codes cannot be increased absent voter authorization. We recommend that the District review all proposed budget transfers during the year and ensure that all transfers are allowable under NYS Education Law and in accordance with District policy.

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STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

BANK RECONCILIATIONS

FINDING: During our prior year audit, we noted the District was carrying old outstanding checks for more than one year on the monthly bank reconciliations for the general fund checking account, school lunch fund checking account and special aid fund checking account. We recommended that all outstanding checks be reviewed on a regular basis and that older items get investigated and removed from the bank reconciliations and the accounting records adjusted accordingly.

STATUS: **Implemented.**

CAPITAL PROJECTS

FINDING: During our prior year audit, we noted capital projects with balances that appeared to be closed, as there were no revenues or expenditures recorded for these projects

for the past few years. We recommended the District review each capital project to determine whether the capital project should be closed out and the applicable fund balance transferred back to the general fund or used to offset future debt service payments based on the source of revenues.

STATUS: Not Implemented.

SCHOOL LUNCH FUND

FINDING: During our prior year audit, we noted the District’s school lunch fund balance exceeded the three-month average expenditure level allowable by Federal Regulations 7CFR Part 210.14(b) by \$632,441. The excess fund balance was primarily due to increased state and federal reimbursements exceeding the cost of distributing free meals to all students of the District. We recommended the District review fund balance level and develop a formal plan to utilize the excess fund balance and invest back into the program for the 2022-2023 school year.

STATUS: Not Implemented.

EXTRA CLASSROOM ACCOUNTS

FINDING: The District had established extra classroom activity accounts to maintain student activities and funds. The New York Education Department had published guidelines governing the proper procedures and policies governing the extra classroom accounts and transactions.

During our prior year audit of the District’s extra classroom activity accounts, we noted the following:

- Four clubs (Drama Club, Varsity Club, Rapier, and Spanish Club) had no financial activity for the past five consecutive fiscal years, and one club (the French Club) had no financial activity for the past three consecutive fiscal years.
- Three out of ten cash receipts tested had a large time lag between the treasurer's receipt date and the bank deposit date.
- Three out of ten clubs tested did not have an extraclassroom club charter on file.

We recommended the District continue to provide training to the extraclassroom treasurers and advisors of the proper procedures required by the State Education Department, and that the District implement procedures for the above items to improve the internal controls for the extra classroom activity accounts.

STATUS: Implemented.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. 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
November 6, 2023

CENTRAL ISLIP UNION FREE SCHOOL DISTRICT

SHARON A. DUNGEE, Ed.D.
SUPERINTENDENT OF SCHOOLS

MATTHEW MATERA
ASSISTANT SUPERINTENDENT FOR ADMINISTRATION

JESSICA IAFRATE
ASSISTANT SUPERINTENDENT FOR CURRICULUM AND INSTRUCTION

SHARON MORGAN
SCHOOL BUSINESS ADMINISTRATOR



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NANCY JOHNSON, *District Treasurer*
DENISE RIDGEWAY, *District Clerk*

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Corrective Action Plan: Submitted in Response to Auditor's Management Letter for Fiscal Year Ending June 30, 2023

The following is submitted in response to the 2022-2023 external audit and management letter prepared by the accounting firm of R. S. Abrams & Co. The Central Islip Union Free School District hereby submits the following as a corrective action plan and response to the findings identified in these documents.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

School Lunch Fund

Recommendation: During our current year audit, we noted that the District's school lunch fund balance exceeded the three-month average expenditure level allowable by Federal Regulation 7CFR Part 210.14(b) by \$1,406,648. We recommend the District develop a formal plan to utilize the excess fund balance in the school lunch fund.

Implementation Plan of Action:

The District submitted its formal plan to use the excess fund balance. The District is awaiting NYSED's approval of the plan.

Responsible Individual(s): Paul Carlozzo, Food Service Director

Expected Completion Date after NYSED's Approval is received: June 30, 2025

Capital Fund

Recommendation: During our current year audit, we noted on the capital projects schedule two projects with balances that have not had any activity in the past few years. We recommend the District review the status of these capital projects to determine if the project has been completed or is still open as of year-end. If the project has been completed, the project should be closed out and the remaining fund balance should be transferred back to the general fund or used to offset future debt service payments based on the source of revenues.

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Implementation Plan of Action: The District will seek voter approval in May 2024 to use the remaining funds in the projects that have been completed to reduce future debt service payment and/or to fund future projects.

Responsible Individual(s): Sharon Morgan, Business Administrator

Expected Completion Date: July 1, 2024

Budget Transfers

Recommendation: During our current year audit, we noted on two (2) out of thirteen (13) budget transfers tested, the District made budget transfers between non-contingent areas of the budget, which is prohibited under New York State Education Law. Per Education Law, budget transfers can only be made between contingent codes or from non-contingent to contingent codes. Budget transfers cannot be made from contingent to non-contingent areas of the budget, or between non-contingent areas of the budget, as non-contingent expenditure codes cannot be increased absent voter authorization. We recommend that the District review all proposed budget transfers during the year and ensure that all transfers are allowable under NYS Education Law and in accordance with District policy

Implementation Plan of Action: The District will review all transfers to ensure that budget transfers are made in accordance with NYS Education Regulations.

Responsible Individual(s): Sharon Morgan, Business Administrator.

Expected Completion Date: June 30, 2024

Respectfully submitted;

Sharon Morgan
Business Administrator

November 7, 2023

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