

October 6, 2021

To the Board of Education and
Ms. Marie Donnelly
Assistant Superintendent for Business
Hewlett-Woodmere Union Free School District

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 as of and for the fiscal year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Hewlett-Woodmere Union Free School 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 Hewlett-Woodmere Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hewlett-Woodmere Union Free School 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

DUE TO OTHER GOVERNMENTS

During our current year audit, we noted the District is not properly monitoring payments and accruals recorded to accounts payable and due to other governments liability accounts. Our year-end audit required adjusting journal entries to properly reflect the current year's balances in accounts payable and due to other governments, as well as the corresponding expenditure accounts. We recommend that the District monitor these accounts throughout the year to ensure all balances are accurately reflected.

FUND BALANCE MANAGEMENT

During our current year audit, we noted the District had a balance of \$11,994,704 in its workers' compensation reserve at June 30, 2021, 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, 2021 was \$7,020,888 which included incurred claims and claims incurred but not reported. We noted the District appropriated \$422,608 of the reserve for the year's claim payments. We recommend 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 OF PRIOR YEAR 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. We recommended that all outstanding checks and reconciling items be reviewed on a regular basis and that older items be investigated and removed from the bank reconciliations and the accounting records be adjusted accordingly.

STATUS: **Implemented.**

SCHOOL LUNCH FUND BALANCE

FINDING: During our prior year audit, we noted the District did not transfer funds from the general fund to the school lunch fund to cover negative student balances at June 30, 2020, as per New York State Education Law 908, as added by Section 2 of Part B of Chapter 56 of the laws of 2018, *Prohibition Against Meal Shaming*. We

noted a budgeted transfer of \$17,500 was included in the adopted budget. However, this transfer was a subsidy to cover general operating costs in the school lunch fund and was not specific to the negative student balances. We recommended the District review the school lunch fund operations to determine if a general fund subsidy is required to cover general operating costs and to ensure a separate transfer is recorded at June 30 of each fiscal year to cover the negative student balances.

STATUS: Implemented.

FUND BALANCE MANAGEMENT

FINDING: During our prior year audit, we noted the District had a balance of \$12,400,808 in its workers' compensation reserve at June 30, 2020, 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, 2020 was \$4,620,436 which included incurred claims and claims incurred but not reported. We noted the District appropriated \$7,378 of the reserve for the years' claim 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: Partially Implemented.

DUE TO OTHER GOVERNMENTS

FINDING: During our prior year audit, we noted the District is not properly monitoring payments made against the due to other governments liability account. Our year-end audit required multiple adjusting journal entries to properly apply certain payments made during the year against the current due to other governments liability. We recommended that the District monitor this liability account throughout the year to ensure all associated payments made are recorded against the outstanding liability.

STATUS: Partially Implemented.

EXTRACLASSROOM ACCOUNTS

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

- One out twenty-five cash receipts tested contained insufficient supporting documentation to corroborate a larger cash receipt. In addition, we noted an eighteen-day time lag from when cash was collected to deposited.

We recommended the District continue to provide annual District wide trainings and continue to monitor the extra classroom activities to ensure all treasurers and advisors are aware of and apply the proper procedures required by the State Education Department.

STATUS: Implemented.

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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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