

To the Board of Education and  
Mr. Idowu K. Ogundipe, CPA, School Business Administrator  
Island Park Union Free School District  
99 Radcliffe Road  
Island Park, New York 11558

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the fiduciary funds of Island Park Union Free School District as of and for the fiscal year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered Island Park Union Free School 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 Island Park Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Island Park 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 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**

### **FUND BALANCE MANAGEMENT**

#### **Unexpended Surplus Funds**

During our audit we noted the District's amount of unexpended surplus funds exceeded 4% of the 2019-2020 budget. NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds within the general fund to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The unexpended surplus includes \$1,612,652 in unassigned-other fund balance and assigned-designated for other post-employment benefits in the amount of \$975,444. The amount designated for other post-employment benefits represents the amount in excess of the allowed 4% of the subsequent year's budget. We recommend the District review and evaluate the amount designated for other post-employment benefits.

#### **Fund Balance – Deficit**

During our audit we noted that the school lunch fund had a deficit fund balance of \$117,235 at June 30, 2019. We recommend the District review the financial operations of the school lunch fund and implement measures to ensure that the program becomes a self-sustaining program.

### **EXTRA CLASSROOM**

#### **Cash Receipts**

During our audit we noted three out of ten receipts tested did not have copies or lists of checks. We recommend all receipts have supporting documentation indicating source of funds.

### **COMPUTER CONTROLS**

#### **Permissions**

During our audit we noted that certain employees have the ability to delete journal entries. We recommend employee permissions prohibit the ability to delete journal entries.

### **CAPITAL ASSETS**

#### **Capital Asset Policy**

During our audit we noted that the District is not following the capitalization thresholds in their Capital Asset Policy. We recommend the District review their procedures for capitalization and Capital Asset Policy.

## **ACCOUNTS PAYABLE**

### **Accounts Payable Accounting**

During our audit we noted that the accounts payable balances in the general, school lunch and capital funds were not actively reviewed after year end. We recommend the District's review of accounts payable extend after year end to ensure all accounts payable are properly classified.

## **STATUS OF PRIOR YEAR RECOMMENDATIONS**

### **FUND BALANCE MANAGEMENT**

#### **Unexpended Surplus Funds**

**FINDING:** During our prior year audit we noted the District's amount of unexpended surplus funds exceeded 4% of the 2018-2019 budget. NYS Real Property Tax Law 1318 limited the amount of unexpended surplus funds within the general fund to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The unexpended surplus included \$1,549,964 in unassigned-other fund balance and assigned-designated for other post-employment benefits in the amount of \$975,444. The amount designated for other post-employment benefits represented the amount in excess of the allowed 4% of the subsequent year's budget. We recommended the District review and evaluate the amount designated for other post-employment benefits.

**STATUS:** Not Implemented.

#### **Fund Balance – Deficit**

**FINDING:** During our prior year audit we noted that the school lunch fund had a deficit fund balance of \$76,179 at June 30, 2018. We recommended the District review the financial operations of the school lunch fund and implement measures to ensure that the program becomes a self-sustaining program.

**STATUS:** Not Implemented.

## **EXTRA CLASSROOM**

### **Cash Receipts**

**FINDING:** During our prior year audit we noted eight out of ten receipts tested did not have copies or lists of checks. We also noted one out of ten receipts tested had no evidence of student involvement. We recommended all receipts have supporting

documentation indicating source of funds. We also recommended all receipts contain evidence of student involvement.

**STATUS: Partially Implemented.** During our current year audit we noted all cash receipts tested had evidence of student involvement.

**COMPUTER CONTROLS**

**Audit Trail Reports**

**FINDING:** During our prior year audit we noted that the District did not have formal procedures for review or documentation of review of the *Audit Trail Reports* from Finance Manager. *Audit Trail Reports* show user activity to help identify any activity that appears to be unusual. We recommended the District review and document its review of the *Audit Trail Reports*.

**STATUS: Implemented.**

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We would like to acknowledge the courtesy and assistance extended to us by personnel of the District and also compliment the business office on their excellent financial operations during our 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  
September 23, 2019