

Roslyn Union Free School District, New York

Report to Those Charged with Governance

June 30, 2022

October 13, 2022

Prepared by

Robert Daniele, CPA

Partner

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**KNOW
GREATER
VALUE**

October 13, 2022

The Board of Education
Roslyn Union Free School District
Harbor Hill Road
Roslyn, New York 11576

We have audited the financial statements of the Roslyn Union Free School District, New York as of and for the year ended June 30, 2022 and have issued our report thereon dated October 13, 2022

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Roslyn Union Free School District, New York and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Roslyn Union Free School District, New York and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	<p>We have communicated such information in our engagement letter to you dated May 3, 2022. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>
Required supplementary information accompanying the financial statements	<p>We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p>

Required Item	Comments
Other information in documents containing audited financial statements	Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.
Our responsibilities under the Yellow Book	In connection with our audit we performed tests of the Entity's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.
Our responsibilities under Uniform Guidance (Federal Single Audit)	In accordance with Uniform Guidance, we examined, on a test basis, evidence about the Entity's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the Entity's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the Entity's compliance with those requirements.
Responsibilities of management and TCWG	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>

Required Item	Comments
Qualitative aspects of accounting practices - Accounting Policies	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 87, "Leases".</p> <p>The accounting policies of the Entity conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Entity's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered into by the Entity during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
Qualitative aspects of accounting practices – Significant Unusual Transactions	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School District's financial statements were:</p> <ul style="list-style-type: none"> • Actuarial assumptions related to the Other Postemployment Benefit Liability ("OPEB") • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for certain operating and long-term liabilities

Required Item	Comments
Qualitative aspects of accounting practices - Financial Statement Disclosures	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> • Other postemployment benefit liabilities payable • Pension plan information • Outstanding bonded indebtedness • Fund balances <p>The financial statement disclosures are neutral, consistent and clear.</p>
Difficulties encountered in performing the audit	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
Going concern	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.</p> <p>We concur with management's assessment that the Entity will continue as a going concern for one year from the balance sheet date.</p>
Significant risks	<p>We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>Improper revenue recognition due to fraud</p> <p>The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.</p>
Corrected and uncorrected misstatements	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>

Required Item	Comments
Disagreements with management	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.
Management representations	We have requested certain representations from management that are included in the management representation letter (see Appendix 2).
Management's consultations with other accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.
Significant issues discussed with management prior to retention	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Entity's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Auditors' report	<p>Due to the adoption of the provisions of GASB Statement No. 87, "Leases", we included an emphasis of matter paragraph in our auditors' opinion. The following is the wording of the paragraph in our independent auditors' report.</p> <p>We draw attention to Note 2E in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No.87, "Leases". Our opinion is not modified with respect to this matter.</p>

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Roslyn Union Free School District 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 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.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 13, 2022

Roslyn Union Free School District, New York

Control Deficiencies

- **Capital Assets**

Capital Assets (net of accumulated depreciation) amount to in excess of \$105.4 million in the government-wide Statement of Net Position. In order to reconcile, record and depreciate the School District's capital assets, a system needs to be in place in which capital asset transactions are properly recorded on a timely basis and summarized, including additions, deletions and transfers from construction in progress. The current year additions are a vital component of the GASB Statement No. 34 Statement of Net Position. During our audit, we noted that the School District was not maintaining the Capital Asset Schedules which are currently updated by Questar III BOCES using the Asset Management Platform. During fiscal year 2021-22, the School District began to update the aforementioned schedules adding essentially 3 to 4 years of data to its capital asset inventory. This process was time consuming for both the School District and the auditor and resulted in differences when compared to the prior year audited financial statements. Additionally, all capital assets should be evaluated for impairment as a result of any significant and unexpected decline in service utility. It has been some time since the School District has had a full appraisal of its capital assets.

Recommendation

We recommend the School District maintain the capital asset records and continue to reconcile these records to the general ledger on a timely basis, at least quarterly, to ensure the accurate accounting for capital assets. The accounting procedures should include the additions and disposals of property, plant and equipment documented by general ledger account code charged and tag numbers pertaining to location, if possible. Complete information for all capital assets provides excellent control for the safeguarding of these assets, which are material to the School District's financial statements. The assessment and evaluation now can be made regarding the reliability of certain capital assets, the need for replacements as well as insurance coverage. We would also recommend that a full appraisal of the School District's capital assets be performed, and this process could be performed internally over a period of time or externally.

- **Reconciliation of Accounting Balances**

The School District maintains their accounting records using the current financial resources measurement focus and the modified accrual basis of accounting for its governmental fund financial statements. Revenues are reported in the governmental funds to the extent they are available. Expenditures are recorded when the related liability is incurred except for compensated absences, pension costs and other postemployment benefits, which are recognized as expenditures to the extent they have matured.

During the current year audit, a number of journal entries were prepared and proposed by the auditor and accepted by the auditee so that the books, records and financial statements would be reflective of these accounting transactions and account balances for fair presentation in accordance with accounting principles and standards.

Roslyn Union Free School District, New York

Control Deficiencies

- **Reconciliation of Accounting Balances** (*Continued*)

Recommendation

We recommend that the School District continue to apply the criteria of these accounting methods to determine the accounting treatment of transactions and account balances in the accounting records for financial reporting.

- **Special Purpose Fund**

The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement or bequests of which the School District is a recipient. These bequests are used for scholarship awards to students and a variety of other purposes. During our audit, we noted the following:

Inactive Trust Accounts

We noted that eighteen individual trusts with a total net position of \$17,730 have remained financially inactive, except for interest earnings for the entire year.

Recommendation

Although the amounts are not material, we suggest that the School District continue to analyze the balances and review the purposes of these trusts so that a determination may be made as to the proper disposition of the funds. Should it be determined that these amounts are no longer required to be held in trust, a Board resolution should be approved transferring these funds to the General Fund.

- **Extraclassroom Activity Funds**

Extraclassroom activity funds, which are authorized by the New York State Department of Education, are an integral part of the educational program of the School District. As part of our audit, we have reviewed, evaluated and tested the Extraclassroom Activity Funds of the School District. The result of our tests disclosed that the following areas were not in compliance with the regulations of the Commissioner of Education.

Clubs with No Financial Activity

We noted that eight high school clubs (Chess, Film Society, Foreign Language Honor Society, Global Awareness, Beacon newspaper, Sewing/Fashion, Stock Market, Student Prints) and one Middle School Club (Youth Against Cancer) 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 and shall be expended in accordance with the organization's constitution.

Roslyn Union Free School District, New York

Control Deficiencies

- **Extraclassroom Activity Funds (*Continued*)**

Clubs with No Financial Activity (Continued)

Recommendation

We recommend the School District review the status of these clubs and consider closing any, if necessary. From there, the proper disposition of funds to the general student organization could then be determined.

Segregation of Duties

In reviewing the narratives and per inquiry, the Extraclassroom Activity Fund has teachers from the respective schools also acting as the Activity Fund Treasurers. This includes depositing cash, preparing and signing checks, and doing the bank reconciliations.

Recommendation

We recommend the School District, if feasible, assign some of the duties that the Activity Fund Treasurers are responsible for to other employees in order to strengthen internal controls over the High School and Middle School Extraclassroom activities.

Timeliness of Cash Receipts Deposits

During our audit of both the High School and Middle School Extraclassroom Activities Fund, we noted that seven cash receipts for the High School and three cash receipts for the Middle School were not deposited timely.

Recommendation

We recommend all cash receipts be deposited within 72 hours from when they are originally received.

Allocation of Interest and Bank Charges

We noted the interest and bank charges in the net amount of \$1,399 cumulatively over the years were not allocated to the respective Clubs for the High School Extraclassroom Activity Fund.

Recommendation

We recommend the interest and bank charges be allocated on a regular basis to ensure all miscellaneous income and fees are proportionately allocated to the appropriate clubs.

Roslyn Union Free School District, New York

Control Deficiencies

- **Extra-Curricular Activities**

We noted that there were several extra-curricular activities aggregating \$62,427 which were not recorded on the books and records of the School District and a prior-period adjustment was recorded at June 30, 2022.

Recommendation

The extra-curricular activities should be recorded in the books and records and monitored on a monthly, quarterly and annual basis.

- **School Lunch – Meals Sales System Reconciliation to the General Ledger**

We noted that the school lunch Payschools meals sales subsidiary system is not routinely reconciled to the general ledger. This practice serves as a check on the accuracy of the record-keeping process and maintains the accounts revenues on a more timely and accurate basis.

Recommendation

The detail listing of accounts revenues should be reconciled to the general ledger control accounts at the end of each month. Any differences should be investigated and resolved as soon as possible.

- **Internal Controls – Walkthrough of Transactions**

As part of our audit, we review, evaluate and test controls with respect to the payroll, purchasing and cash receipts cycles. Our inquiries and tests of transactions for the current year indicated that the following areas are in need of improvement:

Payroll Change Report

Upon inquiry and per our review of the User Access reports, we noted that the School District does not have a formal policy for the review and approval of payroll change reports on a periodic basis.

Recommendation

We recommend that a formal policy for the review and approval of payroll change reports by management be implemented, and documentation maintained, in order to strengthen the controls over the payroll system.

Roslyn Union Free School District, New York

Control Deficiencies

- **Internal Controls – Walkthrough of Transactions** (*Continued*)

Accounts Payable System Access

Upon inquiry and per our review of the User Access reports over the accounts payable system, we noted that the Accounts Payable Clerk who initiates vendor payments also has the ability to add new vendors and modify existing vendor information.

Recommendation

We recommend that all employees who initiate payments be restricted from adding new vendors or modifying vendor information in order to maintain adequate internal control over cash disbursements.

Roslyn Union Free School District, New York

Other Matters

- **School Lunch Fund – Fund Balance**

The School District's food service program serves breakfast, lunch and snacks to students and School District employees. Except for free and reduced price meals that are served to eligible students, meals are sold at a set price and are subsidized in part by Federal aid and student revenues at reimbursement amounts determined by the type of meal sold.

It was noted in the prior year that the food service program operated at a loss. Reduced meal sales as a result of the COVID-19 pandemic continued to be the primary reason for the loss which approximated \$844,000 but was offset by a budgetary transfer of \$450,000. At June 30, 2021, the fund deficit approximated \$569,000.

During the current year audit, we noted that the food service program operated at a gain of \$389,880, inclusive of a budgetary transfer of \$450,000. At June 30, 2021, the fund balance deficit approximates \$175,000.

Recommendation

We note that the School District continues to resolve the operating deficit and fund balance deficit at June 30, 2022, and should look to modify the General Fund budgetary transfer in the future if the School Lunch Fund continues with operating gains.

On the Horizon

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (“SBITA”)*

A SBITA is defined as a contract that conveys control of the right to use another party's information technology (“IT”) software, alone or in combination with tangible capital assets (the underlying IT assets), as specific in the contract for a period of time in an exchange or exchange-like transaction. The subscription term not only includes the period during which a government has a noncancellable right to use the asset, but also include periods covered by an option to extend or terminate.

Under this Statement, a government generally should recognize the right-to-use subscription asset as an intangible asset and a corresponding subscription liability. The liability should be recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. Any future payments should be discounted using the interest rate charged, or if not readily determinable, the government's incremental borrowing rate should be used.

The subscription asset will be measured as the sum of the liability amount, payments made to the vendor prior to commencing the subscription term and any implementation costs, offset by any incentives received from the vendor. The amortization of the subscription asset would then be reported as an outflow of resources over the subscription term.

The Statement does provide an exception for short-term SBITAs, which have maximum contractual terms of 12 months or less, including any option to extend regardless of their probability of being exercised. Any payments for these short-term SBITAs would be recognized as outflows of resources.

Further, the Statement provides for additional disclosure requirements detailing descriptive information about the SBITA, including but not limited to the amount of the subscription asset, accumulated amortization, other payments not included in the measurement liability, principal and interest requirements and any other essential information.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. The provisions of this Statement are **effective for fiscal years beginning after June 15, 2022 (i.e., the School District's financial statements for the year ended 2023).**

Appendix 1

Corrected Misstatements

Roslyn Union Free School District
Corrected Misstatements
June 30, 2022

Account	Description	Debit	Credit
General Fund			
Adjusting Journal Entries JE # 1			
CLIENT ENTRY - To fix General fund balance for misposted amounts			
A.1621-430-06-9000-310	MAINT CONT SVCES - HTS	206,200.00	
A.1621-443-03-9000-310	MAINT PROF/TECH SVCES	6,270.00	
A.882.00	Reserve for Repairs	200,000.00	
A.882.00	Reserve for Repairs		212,470.00
A.9950-970-03-9000-303	TFER-Repair Reserve		200,000.00
Total		412,470.00	412,470.00
Adjusting Journal Entries JE # 4			
To adjust for BAN paydowns in the Capital Projects Fund.			
A.9731-600-03-9000-303	BAN PRINCIPAL	55,471.00	
A.630.02	Due To Capital Fund		55,471.00
Total		55,471.00	55,471.00
Adjusting Journal Entries JE # 6			
To adjust prepaid expenditures for the 2022 year end.			
A.9060-800-03-9000-303	MEDICAL INS ADM	6,120.00	
A.460.00	Prepaid - HSA Spending		6,120.00
Total		6,120.00	6,120.00
Adjusting Journal Entries JE # 7			
To reclass bonds principal and interest payments.			
A.9711-600-03-9000-303	PRINCIPAL	33,223.00	
A.9711-700-03-9000-303	INTEREST		33,223.00
Total		33,223.00	33,223.00
Adjusting Journal Entries JE # 9			
To adjust reserves for transfers authorized during the year.			
A.882.00	Reserve for Repairs	212,470.00	
A.913.00	Committed Fund Balance	393,744.00	
A.917.00	Unassigned Fund Balance	204,013.00	
A.915.00	Assigned Unappr Fund Balance		810,227.00
Total		810,227.00	810,227.00

Roslyn Union Free School District

Corrected Misstatements

June 30, 2022

Account	Description	Debit	Credit
General Fund (Continued)			
Adjusting Journal Entries JE # 11			
To adjust reserve for capital improvements.			
A.917.00	Unassigned Fund Balance	3,782,566.00	
A.878.02	Capital Reserve - 2020		3,782,566.00
Total		3,782,566.00	3,782,566.00

Adjusting Journal Entries JE # 12			
To record current year principal and interest payments on leased assets.			
A.9788-600	Principal Expense - leases	151,834.00	
A.9788-700	Interest Expense - leases	4,898.00	
A.1620-411-03-9000-510	Rental OF Property - Tran		119,876.00
A.1670-430-03-9000-311	CENT PRINTING CONTR		3,310.00
A.1670-435-03-9000-311	POSTAGE DW		6,900.00
A.2630-490-03-9000-311	BOCES COMP SVCES DW		26,646.00
Total		156,732.00	156,732.00

Capital Projects Fund

Adjusting Journal Entries JE # 1			
To reclass BAN activity.			
H.5789.002-BND1	Other Debt - Lease Buses	193,339.00	
H.626	Bond Anticipation Notes Payabl	227,788.00	
H.630	Due To General Fund	55,471.00	
H.5731.000-BAN3	Bond Anticip.Notes Redmd-		476,598.00
Total		476,598.00	476,598.00

Adjusting Journal Entries JE # 2			
To record GASB 87 leases entered into during current fye - postage meter lease.			
H.1670-435-03-9000-311	Postage Meter Leased Assets	36,102.00	
H.5788.001-lease	Other Debt-Leased Assets		36,102.00
Total		36,102.00	36,102.00

Account	Description	Debit	Credit
School Lunch Fund			
Adjusting Journal Entries JE # 1			
To adjust for change in inventory balance.			
C.2860-523-03	Grocery - School Lunch Pr	3,863.00	
C.917.00	Unassigned Fund Balance		3,863.00
Total		3,863.00	3,863.00

Roslyn Union Free School District
Corrected Misstatements
June 30, 2022

Special Purpose Fund

Reclassifying Journal Entries JE # 1

Entry to move extraclassroom activity funds to the Special Purpose Fund.

	TE.200.10	Extra-Classroom Activity	121,285.00	
	TE.785.02	ExtraClassroom Activity		121,285.00
Total			121,285.00	121,285.00

Reclassifying Journal Entries JE # 3

To record extraclassroom activity for the year.

	TE.2915-EXTRA	Extraclassroom - Disbursements	153,078.00	
	TE.2705-EXTRA	Extraclassroom - Receipts		137,115.00
	TE.785.02	ExtraClassroom Activity		15,963.00
Total			153,078.00	153,078.00

Debt Service Fund

Adjusting Journal Entries JE # 2

To record amount designated for 22/23 budget.

	V.884.00	Reserve for Debt	461,196.00	
	V.914.00	Assigned Appropriated Fund Bal		461,196.00
Total			461,196.00	461,196.00

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Appendix 2

Management Representation Letter



PUBLIC SCHOOLS

300 Harbor Hill Rd, Box 367, Roslyn, NY 11576 516-801-5030 Fax 516-801-5037
www.roslynschools.org

Allison Brown
Superintendent of Schools

Susan Warren
*Assistant Superintendent for
Business & Administration*

October 13, 2022

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the basic financial statements of the Roslyn Union Free School District, New York, ("School District") which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

This representation letter is also provided in connection with your audit of the financial statements of the Extraclassroom Activity Funds of the School District, which comprise the statement of cash receipts, cash disbursements and cash balances as of June 30, 2022 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the basis of accounting prescribed by the New York State Department of Education.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter, the following representations made to you during your audit:

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated May 3, 2022 for:

- a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting School District. The combining and individual fund financial statements have been prepared and presented in conformity with the accounting principles used to prepare the basic financial statements.
 - b) The preparation and fair presentation of the financial statements of the School District's Extraclassroom Activity Funds in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than US GAAP.
 - c) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
 - d) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of a School District's assets.
- 3) In regard to the financial statement preparation non-attest services performed by you, we have:
- a) Assumed all management responsibilities.
 - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the result of the services.
- 4) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 5) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 6) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
 - a) The School District's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) There have been no changes during the period audited in the School District's accounting policies and practices.
 - c) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
 - a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the School District is contingently liable, if any.
 - c) The effects of all known actual, possible, pending or threatened litigation, claims and assessments.
- 9) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 10) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the School District's accounts.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the School District from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - f) All significant contracts and agreements.
 - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.

- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 13) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the School District's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 14) We have no knowledge of any fraud or suspected fraud that affects the School District and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the School District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 17) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- 18) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 23) The School District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.
- 24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances/resolutions, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.
- 28) The School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The School District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements include all fiduciary activities required by GASB Statement No. 84.
- 33) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments and land and other real estate held by endowments are properly valued.

- 37) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and any other specialists utilized and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 41) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 42) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 46) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 47) We have appropriately disclosed the School District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 48) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- 50) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 51) Lease agreements have been appropriately accounted for and disclosed in accordance with the requirements of GASB Statement No. 87, "Leases". The School District made available all relevant information related to its leases.
- 52) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - d) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
 - e) We are responsible for establishing, designing, implementing and maintaining, and have established, designed, implemented and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
 - f) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
 - g) We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - h) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
 - i) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material

- compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
 - k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
 - l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
 - p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditors' report.
 - q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - s) We have charged costs to federal awards in accordance with applicable cost principles.
 - t) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - w) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____

Title: _____

Signature: _____

Title: _____

[Handwritten Signature]
Superintendent

[Handwritten Signature]
Assistant Administrator for Business

Appendix 3

About PKF O'Connor Davies, LLP

FIRM OVERVIEW

Founded in 1891, PKF O'Connor Davies has evolved from an accounting firm to a corps of high-caliber professionals that delivers to a global and growing client base a complete range of audit, tax and advisory services as well as insights and expertise at the highest level. As our business has grown, our commitment to active value creation has allowed us to connect our clients to sound business advice, key players and resources across diverse industries.

An Acknowledged Global Leader

Not only are we one of the nation's most rapidly growing accounting and advisory firms, we are also the lead North American firm in the growing PKF global network of independent accounting and advisory firms. This enables us to provide clients with preferred access to top-tier experts and firms in over 400 locations, in 150 countries around the world. It also establishes us as the primary referral point for international businesses with needs in North America, an advantage for our domestic clients seeking connections outside the U.S.

Active Partner Involvement Dedicated Engagement Teams

We have built strong relationships with our clients by being proactive, thorough and efficient. Firm partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. Multi-disciplinary teams ensure solutions are customized to address specific needs and integrated for greater efficiency.

A Higher Standard: Beyond Passive Value Calculation to Active Value Creation

Our focus on value has driven our growth, propelling PKF O'Connor Davies to the Top 26 on *Accounting Today's* 2022 "Top 100 Firms" list and gaining us acclaim as one of the country's fastest-growing firms. With unmatched client focus, we unlock genuine value hidden at key connection points in every engagement within regional, national and international arenas. Through these connections, our team of specialists continually drives efficiencies, uncovers opportunities and manages risk – delivering value where others can't.

Industry Recognition

- **Ranked 26 of "2022's Top 100 Firms"**
– *Accounting Today*, 2022
- **Ranked 6 of the "Top Firms in the Mid-Atlantic"**
– *Accounting Today*, 2022
- **"America's Best Tax and Accounting Firms"**
– *Forbes*, 2022
- **"Best Business Consulting Firm for Family Offices"**
– *Private Asset Management Awards*, 2022
- **"Best Accountancy Advisor"**
– *Family Wealth Report Awards*, 2022
- **"Best Family Office Management Consultancy"**
– *Family Wealth Report Awards*, 2022
- **"Best Accounting Firms to Work For"**
– *Accounting Today*, 2021
- **"Best Places to Work in New Jersey"**
– *NJBIZ*, 2021
- **Ranked #2 "Best Accounting Internship"**
– *Vault*, 2021
- **Ranked 15 of the 50 "Best Accounting Employers to Work for in North America"**
– *Vault*, 2022

KNOW GREATER VALUE®

Agility, Responsiveness and Recognition

Since our founding, PKF O'Connor Davies has maintained its commitment to gaining a deep understanding of each client's operations and financial history in order to help meet their every challenge and objective. We fulfill this mission by providing resources that match those of larger firms in scope – but with the agility only a mid-sized firm such as ours can demonstrate...and yet, we still rank among them. Our services include:

Accounting and Assurance Services

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit & Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits & Compliance

International Services

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Transfer Pricing

Investment Banking Services

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory

Tax Compliance and Planning Services

- Employee Benefit Planning & Tax Compliance
- International Tax Services
- IRS Representation & Tax Controversies
- Personal Financial Planning
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance & Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

Advisory Services

- Bankruptcy & Restructuring
- Cybersecurity & Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Matrimonial Services
- Management Advisory Services
- PPP Loan Forgiveness Services
- Risk Advisory Services
- Specialty Industry Advisory Services
 - Business Solutions
 - Employee Benefit Plan Services
 - Healthcare Advisory Services
 - Hospitality Advisory Services
 - Medical and Dental Advisory Services
 - Public Sector Advisory Services
- Transaction & Financial Advisory Services
- Virtual Chief Information Security Officer Services
- Wealth Services

Family Office Services

- Accounting & Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring & Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



Bethesda, MD | Boston, MA | Cranford, NJ | Harrison, NY | Hauppauge, NY | Middletown, NY | Mumbai, India | New York, NY | Newburgh, NY (Two Locations) | Palm Beach Gardens, FL | Poughkeepsie, NY | Providence, RI | Shelton, CT | Stamford, CT | Wethersfield, CT | Woburn, MA | Woodcliff Lake, NJ

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