

To the Board of Education and
Mr. Sean Leister, Assistant Superintendent for Business
Port Jefferson Union Free School District
550 Scraggy Hill Road
Port Jefferson, New York, 11777

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the fiduciary funds of Port Jefferson Union Free School District as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Port Jefferson 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 Port Jefferson Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Port Jefferson 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 suggestion concerning these matters. We have also included the status of prior year findings and recommendations.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

SCHOOL LUNCH FUND

Fund Balance

During our audit we noted that the school lunch fund balance exceeded the three-month average expenditure level allowed by Federal Regulations 7CFR Part 210.14(b). We recommend the District implementing additional measures to lower the school lunch fund balance for the 2017/2018 school year.

FEDERAL FUND

Title I Grants to Local Educational Agencies

During our audit we noted the District had an old Title I Grant to Local Educational Agencies receivable amount for 2013-2014 with an amount of \$5,407. We recommend the District review this receivable for collectability. If the receivable is determined to be uncollectable, it should be written off in the 2017/2018 school year.

EXTRACLASSROOM ACCOUNTS

The District has established extra classroom activity accounts to maintain student activities and funds. The New York Education Department has published guidelines governing the proper procedures and policies governing the extra classroom accounts and transactions. During our audit of the District's extra classroom accounts we noted the following:

- Three out of twelve invoices tested were not properly cancelled after payment.
- One cash receipt tested had a two week time lag between the time received and deposited.

STATUS OF PRIOR YEAR RECOMMENDATIONS

CASH MANAGEMENT

Investigating Old Outstanding Checks

FINDING: During our prior year audit we noted old outstanding checks for more than one year were being carried on the monthly bank reconciliation for the general fund checking account, for immaterial amounts. We recommended that old outstanding checks be investigated and removed from the bank reconciliation and the accounting records be adjusted accordingly.

STATUS: **Implemented.**

FEDERAL FUND

Title I Grants to Local Educational Agencies

FINDING: During our prior year audit we noted the District had an old Title I Grant to Local Educational Agency's receivable amount for 2013-2014 with an amount of \$5,407. We recommended the District review this receivable for collectability. If the receivable was determined to be uncollectable, it should be written off in the 2016/2017 school year.

STATUS: Not Implemented.

ACCOUNTING PROCEDURES

Royal Educational Foundation

FINDING: During our prior year audit we noted the revenues and expenditures for the Royal Educational Foundation were accounted for in the expendable trust fund. However, the revenues should be deposited as a donation in the general fund to support general fund expenditures and accepted by the Board of Education. We recommended the District review the accounting procedures associated with the Royal Educational Foundation and record the revenues and expenditures in the general fund as opposed to the expendable trust fund.

STATUS: In Process. The District after year end was in the process of closing out the Royal Educational Foundation in the expendable trust fund and accounting for the activity in the general fund.

EXTRACLASSROOM ACCOUNTS

Cash Disbursements

FINDING: During our prior year audit, based on our sample of extraclassroom accounts tested at the High School, although the *Student Requisition-Check Request* was stamped, we noted three instances where the invoices were not stamped paid. We recommended the District review the cash disbursements for the extraclassroom accounts at the High School, to verify that invoices are cancelled after payment.

STATUS: Not Implemented. See current year comments.

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
October 4, 2017