



To the Board of Education and
Theresa Hennessy, CPA,
Assistant Superintendent for Finance & Management of
Franklin Square Union Free School District
760 Washington Street
Franklin Square, NY 11010

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the fiduciary funds of the Franklin Square 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 Franklin Square 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 Franklin Square Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Franklin Square 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 recommendation that accompanies this letter summarize our comment and suggestion concerning those matters. We have also included the status of prior year findings and recommendations.

CURRENT YEAR FINDING AND RECOMMENDATION

SCHOOL LUNCH FUND BALANCE

As of June 30, 2019, the school lunch fund balance exceeded the three-month average expenditure level allowable by federal regulations 7CFR Part 210.14(b) by \$143,068. It is noted the District has submitted a plan to New York State Office of Child Nutrition to utilize the excess fund balance which began in the 2018-19 year. We recommend the District continue to monitor this plan in order to take the necessary steps to utilize the excess portion of this fund balance in the school lunch operations.

STATUS OF PRIOR YEAR RECOMMENDATIONS

SCHOOL LUNCH

Fund Balance

FINDING: During our prior year audit we noted the school lunch fund balance at June 30, 2018 exceeded the three-month average expenditures level allowable by federal regulations 7CFR part 2101(b) by \$446,107. We understood the District had encumbered equipment to be expensed in the 2018-2019 school year to help reduce the fund balance.

STATUS: **Partially Implemented.** During our current year audit we noted the school lunch fund balance at June 30, 2019 exceeded the three-month average expenditures level allowable by federal regulations 7CFR part 2101(b) by \$143,068. However, we understand the District has a plan in place to help reduce the fund balance during the 2019-2020 school year.

* * *

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 2, 2019

Corrective Action Plan 2019
Franklin Square Union Free School District

We received the audit report for the fiscal year ended June 30, 2019 from R.S. Abrams on October 2, 2019. We have implemented the following plans and procedures to address the recommendations we received from R.S. Abrams.

1. Findings & Recommendations

- a. School Lunch Fund -Fund Balance Management – The District has been diligently working to reduce the fund balance in the school lunch fund. The District has encumbered funds from the School Lunch Fund for equipment purchases and cafeteria updates that will reduce the overall Fund Balance. We have also developed a plan to allocate the custodial costs associated with the Program to the School Lunch Fund. The District would like to note that while undergoing these efforts to reduce Fund Balance we were also required to produce more revenue in the School Lunch Fund as a result of an audit by NYSED Child Nutrition. The outcome of the CN audit required the District to increase the price of student meals, adult meals and to increase the prices of all other items in order to produce the required additional \$100,000 in annual “Non-Program Foods” revenue.