

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, 2017, 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 recommendations that accompany this letter summarize our comments and suggestions concerning those matters. We have also included the status of prior year findings and recommendations.

## **CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

### **SCHOOL LUNCH**

#### **Fund Balance**

As of June 30, 2017 the school lunch fund balance exceeded the three-month average expenditures level allowable by federal regulations 7CFR part 2101(b) by \$336,325. We understand the District sent a plan to NYSED and is awaiting approval from NYSED. We recommend the District continue to monitor school lunch expenditures and implement additional measures to lower the fund balance.

## **STATUS OF PRIOR YEAR RECOMMENDATIONS**

### **CAPITAL ASSETS**

#### **Capital Assets Reconciliation**

**FINDING:** During our prior year audit we noted that the District reconciled the District's capital asset listing to prior appraisal reports. However, we noted the appraisal reports were not updated to agree to the District's capital asset inventory records. We recommended the appraisal reports be updated to agree to the District's capital asset inventory.

**STATUS:** **Implemented.** During our current year audit we noted the District reconciled the appraisal report to the District's capital asset inventory and financial statements.

### **FUND BALANCE MANAGEMENT**

#### **Fund Balance**

**FINDING:** During our prior year audit we noted the District's unassigned fund balance exceeded 4% of the 2016-2017 budget. NYS Real Property Tax Law 1318 restricts the unassigned fund balance of the general fund to an amount not greater than 4% of the District's budget for the ensuing fiscal year. We recommended the District monitor its fund balance more closely to ensure compliance with NYS Real Property Tax Law 1318.

**STATUS:** **Implemented.** During our current year audit we noted the District was in compliance with NYS Real Property Tax Law 1318.

## SCHOOL LUNCH

### Fund Balance

**FINDING:** During our prior year audit we noted the school lunch fund balance at June 30, 2016 exceeded the three-month average expenditures level allowable by federal regulations 7CFR part 2101(b) by \$220,474.

**STATUS:** **In Process.** During our current year audit we noted the school lunch fund balance at June 30, 2017 exceeded the three-month average expenditures level allowable by federal regulations 7CFR part 2101(b) by \$336,325. We understand the District sent a plan to NYSED and is awaiting approval from NYSED.

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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  
October 11, 2017