

September 19, 2023

To the Board of Education and
Ms. Maureen Raynor
Deputy Superintendent of
Oyster Bay-East Norwich Central School District

In planning and performing our audit of the financial statements of the governmental activities, and each major fund of the Oyster Bay-East Norwich Central School District (the "District" as of and for the fiscal year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

During our current year audit, we have not identified any new areas in which the District's internal controls can be improved and all prior years recommendations have been implemented.

The District has implemented very strong controls and we have noted the business office has excellent financial operations.

STATUS OF PRIOR YEARS RECOMMENDATIONS

CAPITAL PROJECTS

Capital Projects Fund

FINDING: During our prior year audits, we noted capital projects with balances that appeared to be closed, as there were no current revenues or expenditures recorded for these projects. We recommended that the District perform a review of each capital project to determine whether the capital project should be closed out and the applicable fund balance transferred back to the general fund or used to offset future debt service payments based on the source of revenues.

STATUS: **Implemented.** The District has reviewed and closed out a majority of the capital projects with unneeded authorizations and continues to evaluate remaining capital projects for reallocation.

SCHOOL LUNCH

Fund Balance

FINDING: During our prior year audit, we noted the school lunch fund balance exceeded the three-month average expenditure level allowable by federal regulations 7CFR Part 210.14(b) by \$92,557. We recommended that the District continue to monitor and take the necessary steps to utilize the excess fund balance in the school lunch operations.

STATUS: **Implemented.** The District has spent the prior excess funds on new equipment, freezers, refrigerators, and kitchen cabinetry upgrades in 2022-23, and plans on spending additional funds on kitchen floors and serving lines, as well as not raising meal prices in 2023-24.

FUND BALANCE MANAGEMENT

Employee Benefit Accrued Liability Reserve

FINDING: During our prior year audits, we noted the District estimated liability for compensated absences calculated by the District appeared to be lower than the reserve. We noted the District appropriated the reserve for prior year compensated absence payments. We recommended that the District continue to appropriate the reserve for current year payments for compensated absences.

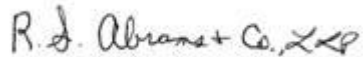
STATUS: **Implemented.** The District has negotiated a retirement incentive with the teachers including a payout based on accrued vacation and sick time. This will enable the District to utilize the funds in the Employee Benefit Accrued Liability Reserve to fund these payments.

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We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. 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,

A handwritten signature in cursive script that reads "R.S. Abrams & Co., LLP".

R.S. Abrams & Co., LLP
Islandia, New York
September 19, 2023