

**Required Supplementary Information other than MD&A:**

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund
- Schedule of District's Proportionate Share of the Net Pension Liability
- Schedule of District's Contributions
- Schedule of changes in District's Total OPEB Liability and Related Ratios

**Other Supplementary Information:**

- Schedules of Change from Adopted Budget to Final Budget and Section 1318 of Real Property Tax Law Limit Calculation
- Schedule of Project Expenditures and Financing Resources – Capital Projects Fund
- Net investment in Capital Assets

**Federal Award Program Information:**

- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards
- Summary Schedule of Prior Audit Findings
- Corrective Action Plan

As part of our engagement, we will also provide the District with various accounting services throughout the year. Specifically we will:

- Assist the District in closing the books at fiscal year-end based on the modified accrual basis of accounting. This process will include, but is not limited to, the following:
  - Preparing all year-end adjusting journal entries
  - Performing account analysis for the fair presentation of account balances
  - Preparing a detailed schedule of all grants to support the closing of the Special Aid Fund and preparation of the schedule of expenditures of federal awards
  - Prepare a detailed schedule of capital project expenditures to close the Capital Projects Fund and support preparation of the schedule of project expenditures
  - Prepare a detailed accounting of all reserve balances
- Perform the necessary analyses to support and prepare the year end journal entries required to convert the District's books to the accrual method of accounting, as required by GASB 34, including the review of the District's fixed assets record and liability accrual calculations.
- Prepare the appropriate schedules to support amounts and disclosures contained in the annual financial statements.
- Consult with the District throughout the year on accounting and other matters, including meeting with the Board of Education and Audit Committee upon request.

- Provide services as required by, and subject to the direction of, the District's management in order to review the District's books and records, and to provide assistance with any adjustments that may be necessary to provide the District with accurate financial reports for all of its funds. This assistance may include the preparation of journal entries, fund balance projections, the preparation of supporting schedules and any other work deemed necessary.
- Review all District accounts including, but not limited to, due to/due from other funds, receivables, payables, cash receipts, and accrued liabilities; review trial balances and provide adjusting entries for the District's review and approval.

### **Our Responsibilities**

The objective of our engagement is to 1) prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you, and 2) apply accounting and financial reporting expertise to the services we provide, including assisting you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care, when performing the accounting and bookkeeping services, and preparing the financial statements.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America, and to assist management in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARs:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the District complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
7. To provide us with:
  - a. Access to all information of which you are aware is relevant to the preparation and presentation of the financial statements, such as records, documentation and other matters.
  - b. Additional information that may be requested for the purpose of the preparation of the financial statements, and
  - c. Unrestricted access to persons within the District of whom we determine necessary to communicate.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our accounting and bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

#### **Our Disclaimer**

As part of our engagement, we will issue a disclaimer that will state that the financial statements were not subjected to an audit, review or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

#### **Other Relevant Information**

For purposes of this engagement, we are not independent with respect to the Malverne Union Free School District.

We shall respond to the reasonable inquiries of the District's auditors to review our working papers related to matters of continuing accounting significance.

Alan Yu, CPA, is the engagement partner and is responsible for supervising the engagement.

**Malverne Union Free School District**  
For the Year Ending June 30, 2024

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We estimate that our fees for the services enumerated above to be performed for the year ending June 30, 2024, will be as follows:

|  |                  |
|--|------------------|
| 12 @ \$2,350   | \$ 28,200        |
| July 31, 2024  | 8,400            |
| Upon completion of the annual<br>audit by the outside audit firm | <u>2,800</u>     |
|  | <u>\$ 39,400</u> |

This fee estimate is in accordance with our March 13, 2019 proposal, and is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur any additional costs.

In addition to the services enumerated above, we will provide additional accounting services to the District on an as-needed basis beginning in July 2023, as follows:

- One day per week, provide a senior accountant to assist the Business Office, including but not limited to the following tasks as needed:
  - Complete monthly fund balance projections
  - Complete budget transfers as needed
  - Review and analyze funds accounts on a weekly basis
  - Assist with review and preparation of tuition and health and welfare payables/receivables
  - Review quarterly payroll deductions
  - Complete ERS and TRS monthly reports
  - Analyze grants periodically and review final reports to NYS prior to submission
  - Complete Profit and Loss statement for the School Food Service Fund
  - Assist with the completion of the annual ST-3 and related schedules
  - Other assignments as requested by the Business Office

As outlined in our March 13, 2019 proposal, our estimated fee for these additional weekly services will be based on our discounted, contract hourly rate for a senior accountant of \$145 per hour, or approximately \$1,087.50 per weekly visit based on a 7.5 hour workday.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee, which will be based on our contract hourly rates by experience level, as follows:

**Malverne Union Free School District**  
For the Year Ending June 30, 2024

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|                   | <u>Contract<br/>Hourly<br/>Rates</u> |
|-------------------|--------------------------------------|
| Partner           | \$ 215                               |
| Director          | 175                                  |
| Manager           | 175                                  |
| Supervisor        | 160                                  |
| Senior Accountant | 145                                  |
| Staff Accountant  | 125                                  |

We may use the District's name in a list of our clients for marketing purposes.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign and return the enclosed copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to prepare the financial statements and to provide accounting services described herein, and our respective responsibilities. If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter.

Very truly yours,

Cullen & Danowski, LLP  
For the Firm:



Alan Yu, CPA  
Partner

**RESPONSE**

This letter correctly sets forth the understanding of the Malverne Union Free School District.

**By: Board of Education**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**By: District Administration**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_