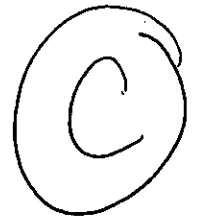


THREE VILLAGE CENTRAL SCHOOL DISTRICT
Stony Brook, New York

BOARD OF EDUCATION AGENDA MATERIALS



DATE OF BOARD MEETING: March 21, 2018

MATERIAL SUBMITTED: March 16, 2018

OFFICE OF ORIGIN: Business Services

CATEGORY OF ITEM: Action

TITLE: Appointment of Auditor for Preparation of Annual Financial Statements

STAFF RECOMMENDATION:

Upon recommendation of the Superintendent of Schools be it resolved that the Board of Education appoint the firm of R.S. Abrams & Co., LLP to serve as Auditor for the preparation of the Annual Financial Statements for the year ending June 30, 2018, as per the attached proposal.

BACKGROUND - RATIONALE:

R.S. Abrams & Co., LLP has been effectively serving the district for many years performing various auditing functions.

NOT AN OFFICIAL RECORD; SUBJECT TO CHANGE



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

Robert S. Abrams
(1926-2014)

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

June 1, 2017

To the Board of Education and
Mr. Jeffrey Carlson, Assistant Superintendent for Business Services
Three Village Central School District
P.O. Box 9050
East Setauket, New York 11733

You have requested that we prepare the financial statements of the Three Village Central School District for the year ended June 30, 2018. This will include the following:

Management's Discussion and Analysis (MD&A)

Financial Statements:

- Statement of Net Position
- Statement of Activities and Changes in Net Position
- Balance Sheet – Governmental Funds
- Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
- Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
- Statement of Fiduciary Net Position – Fiduciary Funds
- Statement of Changes in Fiduciary Net Position – Fiduciary Funds
- Notes to Financial Statements

Required Supplementary Information other than MD&A:

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund
- Schedule of Funding Progress – Other Postemployment Benefits
- Schedule of the District's Proportionate Share of Net Pension Liability
- Schedule of District Contributions

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749

WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606

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www.rsabrams.com

Other Supplementary Information:

- Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit
- Schedule of Project Expenditures – Capital Projects Fund
- Net Investment in Capital Assets

Extraclassroom Activity Fund Statements of Cash Receipts and Disbursements

We will also provide the District with various accounting services. Specifically we will assist your business office in reviewing District accounts and provide adjusting journal entries to assist in the year end closing of the books. The District will provide us with a detailed trial balance and supporting schedules we request.

Our Responsibilities

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. 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.

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.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation 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 design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.

- 3) The prevention and detection of fraud.
- 4) To ensure that the entity complies with the laws and regulations applicable to its activities.
- 5) 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.
- 6) To provide us with—
 - Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
 - Additional information that may be requested for the purpose of the preparation of the financial statements, and
 - Unrestricted access to persons within Three Village Central School District with whom we determine it necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

Other Relevant Information

Marianne Van Duyne, CPA, is the engagement partner and is responsible for supervising the engagement.

We estimate that our fees for the preparation of the financial statements and related accounting services will be \$10,500. The fee estimate 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.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

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 agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. 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,

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP