To the Board of Education and
Mr. Andrew Tobin,
Assistant Superintendent for Finance & Operations of
Smithtown Central School District

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the fiduciary funds of Smithtown Central 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 Smithtown Central 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 Smithtown Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Smithtown Central School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding 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.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies. The recommendation that accompanies this letter summarizes our comment and suggestion concerning this matter. We have also included the status of a prior year finding and recommendation.
CURRENT YEAR FINDING AND RECOMMENDATION

IRS 1099 FORMS

During our audit we noted one instance out of ten an IRS 1099 Form was not issued for non-employee compensation exceeding $600. We recommended all non-employees receiving compensation greater than $600 be issued an IRS 1099 Form, as required by IRS regulations.

STATUS OF PRIOR YEAR RECOMMENDATION

EXTRACLASSROOM ACCOUNTS

FINDING: During our prior year audit we noted the following:

- Three out of 20 High School cash disbursements did not have supporting documentation verifying the students attending event or receiving goods;
- One out of 15 Middle School cash receipts had a time lapse over 30 days from the date the funds were collected and the date the funds were deposited.

STATUS: Implemented.

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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 management, the Board of Education, the audit committee, federal awarding agencies, pass-through entities and others within Smithtown Central School District, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

R.D. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 11, 2017