To the Board of Trustees of the
School Cafeteria Employees UNITE HERE
Local No. 634 Health and Welfare Trust Fund

In planning and performing our audit of the financial statements of the School Cafeteria Employees UNITE HERE Local No. 634 Health and Welfare Trust Fund (the Plan) as of and for the year ended August 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan'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 or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

In addition, we noted another matter involving the internal control ant its operation that we have reported to management on the attached page.

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 Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 the Board of Trustees.

The existence of material weaknesses or significant deficiencies may already be known to management and may represent a conscious decision by management or the Board of Trustees to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs to be incurred and related benefits. The auditor's responsibility is to communicate material weaknesses and significant deficiencies.

We have previously discussed our observation and suggestion with Plan personnel and would be pleased to discuss it in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation, to the extent our independence is not impaired.

This communication is intended solely for the information and use of management and the Board of Trustees and is not intended to be, and should not be, used by anyone other than these specified parties.

__________, 2022

## OTHER MATTER

**FIDELITY BOND COVERAGE AMOUNT SHOULD BE INCREASED.**

During the audit, we noted that the fidelity bond coverage amount was $200,000. We calculated that coverage should be increased to $330,000. We recommend that coverage amount be increased immediately.