

VIEIRA & ASSOCIATES

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October 13, 2021

To the Board of Education
Harpursville Central School District
54 Main Street
Harpursville, NY 13787

OTHER REQUIRED COMMUNICATIONS

We have audited the financial statements of Harpursville Central School District as of and for the year ended June 30, 2021, and have issued our report thereon dated October 13, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 18, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Harpursville Central School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated October 13, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm have complied with all relevant ethical requirements regarding independence.

We identified self-review and familiarity as potential threats to our independence since we prepare the financial statements and related notes as a nonattest service and we have been the independent auditors for the District for many years. We believe that certain safeguards have been applied to reduce these identified threats to independence to an acceptable level. The safeguards include: We have a second independent partner review of the financial statements and related notes, and we rotate senior staff members.

Significant Risks Identified

We have identified the following significant risks:

- Revenue recognition/non-exchange revenue and receivables are considered high risk due to the potential for overstatement of revenue and receivables through improper revenue recognition or improper cutoff
- Vendors and payables are considered high risk due to the potential understatement of liabilities because of improper cutoff or overstatement due to fraud.
- Payroll could be understated or overstated because of fraud or error.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Harpursville Central School District is included in Note 1 to the financial statements. As described in Notes 3 and 15, during the year the District adopted Governmental Accounting Standards Board Statement No. 84 Fiduciary Activities for the year ending June 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are accrued liabilities, depreciation, pensions and other post-employment benefits.

Management's estimate of the total OPEB liability is based on an actuarial study, performed in accordance with GASB 75. We evaluated the key factors and assumptions used to develop the estimate, which increased by approximately \$1.1 million over the year. We also interviewed

management's specialist to ascertain the reasons for the change. We determined that the estimate for post-employment benefits is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Harpursville Central School District's financial statements relate to revenue recognition, other post-employment benefits, net pension liability for NYS Employees' Retirement System, and net pension asset for NYS Teachers' Retirement System.

Identified or Suspected Fraud

We have not identified and have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all known misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Harpursville Central School District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to the best of our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Harpursville Central School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition related to our retention as Harpursville Central School District's

auditors.

Noncompliance with Laws and Regulations, Violations of Contract Provisions or Grant Agreements

We have not identified matters involving noncompliance with laws and regulations, violations of contract provisions or grant agreements during the course of the audit.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Harpursville Central School District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Education and management of Harpursville Central School District and is not intended to be and should not be used by anyone other than these specified parties.

Vieira & Associates CPAs, P.C.

Endicott, New York