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Required Communication with Board of Education

Board of Education
Holland Patent Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holland Patent Central School District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Holland Patent Central School District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District changed accounting policies related to Compensated Absences by adopting Statement of Governmental Accounting Standards (GASB) No. 101, *Compensated Absences* in 2025. We noted no transactions entered into by Holland Patent Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates effecting the financial statements were:

1. The District, in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, requires significant actuarial estimates to calculate the District's postemployment benefits liability.
2. Estimates involving depreciable lives of the District's capital assets and the related depreciation.
3. In accordance with the GASB No. 87, *Leases*, there are estimates with regard to the related interest rates used for the lease liabilities and lease term used for amortization of the right to use assets.
4. The District, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pension assets and liabilities, deferred inflows and outflows of resources – pensions, and pension expense.
5. The District's estimate of its compensated absence liability.

We evaluated the key factors and assumptions used by management to develop the estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes the misstatements detected as a result of audit procedures that have been corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreement arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund, the Schedule of Local Government Contributions, the Schedule of Local Government's Proportionate Share of the Net Pension Liability/Asset, and the Schedule of Changes in the Districts Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, Schedules of Change from Original Budget to Revised Budget and Section 1318 of Real Property Tax Law Limit Calculation, Schedule of Project Expenditures, and Net Investment in Capital Assets, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education, Administration of Holland Patent Central School District, and the New York State Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

Findings and Recommendations

In addition, we have enclosed a memorandum summarizing matters involving the internal control structure and its operations that we feel can be improved and strengthened. These matters are not considered to be significant deficiencies or material weaknesses.

D'Arcangelo & Co., LLP

October 8, 2025

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2025

There were no findings noted in the current year.

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

HOLLAND PATENT CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2025

There were no findings noted in the prior year.

Client:	***41608 - Holland Patent Central School District***
Engagement:	***2025 FS - Holland Patent Central School District***
Period Ending:	***6/30/2025***
Trial Balance:	***TB***
Workpaper:	***Adjusting Journal Entries Report***

Account	Description	Debit	Credit
Account	**Description**	**Debit**	**Credit**
Adjusting Journal Entries JE # 1			
GW - To adjust compensated absences			
GW 9089-900	Employee Benefits Allocation	48,516.00	
GW 0687	Compensated Absences		48,516.00
Total		**48,516.00**	**48,516.00**
Adjusting Journal Entries JE # 2			
GW - To record principal payments on bonds and EPC			
GW 0628	Bonds Payable	1,765,000.00	
GW 0630	NOTES PAYABLE	197,505.00	
GW 9710	Serial Bonds Principal		1,962,505.00
Total		**1,962,505.00**	**1,962,505.00**
Adjusting Journal Entries JE # 3			
GW - To adjust accrued interest on LTD			
GW 0605	Accrued Interest	3,124.00	
GW 9789	Other Debt Interest		3,124.00
Total		**3,124.00**	**3,124.00**
Adjusting Journal Entries JE # 4			
GW To record CY OPEB activity under GASB 75			
GW 0689	GASB 45 Liability	27,382,802.00	
GW 0498	DEFERRED OUTFLOWS- OPEB		3,120,734.00
GW 0691	Deferred Inflows- OPEB		21,624,952.00
GW 9089-900	Employee Benefits Allocation		2,637,116.00
Total		**27,382,802.00**	**27,382,802.00**
Adjusting Journal Entries JE # 5			
GW To record TRS activity for GASB 68			
GW 0108	Net Pension Asset=Proportionate Share	1,775,694.00	
GW 0638	Net Pension Liability-Proportionate Share	696,362.00	
GW 0496	Deferred Outflows-Pension		451,068.00
GW 0496	Deferred Outflows-Pension		
GW 0697	Deferred Inflows-Pension		1,760,626.00
GW 9089-900	Employee Benefits Allocation		260,362.00
Total		**2,472,056.00**	**2,472,056.00**

Adjusting Journal Entries JE # 6			
GW To record ERS activity for GASB 68			
GW 0697	Deferred Inflows-Pension	602,235.00	
GW 0108	Net Pension Asset=Proportionate Share		375,946.00
GW 0496	Deferred Outflows-Pension		125,843.00
GW 0638	Net Pension Liability-Proportionate Share		100,446.00
GW 9089-900	Employee Benefits Allocation		
Total		**602,235.00**	**602,235.00**

Adjusting Journal Entries JE # 7			
GW - To allocate employee benefits			
GW 1999-900	General Support - Employee Benefits	687,638.00	
GW 2999-900	Instruction - Employee Benefits	4,804,822.00	
GW 5599-900	Transportation - Employee Benefits	550,481.00	
GW 6999-900	School Lunch Employee Benefits	135,304.00	
GW 9089-900	Employee Benefits Allocation		6,178,245.00
Total		**6,178,245.00**	**6,178,245.00**

Adjusting Journal Entries JE # 8			
GW- To record CY amortization on bond premiums and advance refunding.			
GW 0627	Premium on Bonds Payable	147,504.00	
GW 0497.01	Deferred Outflow on Debt Refunding		8,922.00
GW 9711	Serial Bonds Interest		138,582.00
Total		**147,504.00**	**147,504.00**

Adjusting Journal Entries JE # 9			
GW - To adjust current portion of LTD			
GW 0630	NOTES PAYABLE	6,160.00	
GW 0688	Current Portion of Long-Term Debt	735,000.00	
GW 0622	Current Portion Notes Payable		6,160.00
GW 0628	Bonds Payable		735,000.00
Total		**741,160.00**	**741,160.00**

Adjusting Journal Entries JE # 10			
GW - To record CY fixed asset activity			
GW 0102	Buildings	340,496.00	
GW 0105	Construciton in Progress	6,251,873.00	
GW 0114	ACCUM DEPRECIATION - EQUIPMENT	503,367.00	
GW 5710	Gain/Loss on Disposal	20,597.00	
GW 0104	Equipment		8,879.00
GW 0104	Equipment		
GW 1999-200	General Support - Capitalized Expenditures		1,161,361.00
GW 2999-200	Instruction - Capitalized Expenditures		4,952,433.00
GW 5999-200	Transportation - Capitalized Expenditures		993,660.00
Total		**7,116,333.00**	**7,116,333.00**

Adjusting Journal Entries JE # 11			
GW - To record CY depreciation expense			
GW 1999-300	General Support - Depreciation	224,294.00	
GW 2999-300	Instruction - Depreciation	956,463.00	
GW 5599-300	Transportation - Depreciation	96,877.00	
GW 0112	ACCUM DEPRECIATION - BUILDINGS		800,660.00
GW 0114	ACCUM DEPRECIATION - EQUIPMENT		474,143.00
GW 0116	A/D LAND IMPROVEMENTS		2,831.00
Total		**1,277,634.00**	**1,277,634.00**

Adjusting Journal Entries JE # 13			
GW- To record current year lease additions and deletions			
GW 0124	INTANGIBLE LEASE ASSET - MACHINERY AND EQUIPMENT	390,186.00	
GW 2999-250	TEACH REG SCHOOL - EQUIPMENT		390,186.00
Total		**390,186.00**	**390,186.00**

Adjusting Journal Entries JE # 14			
GW To record Current year lease amortization.			
GW 2999-350	INSTRUCTION - AMORTIZATION	399,404.00	
GW 0134	ACCUMULATED AMORTIZATION - INTANGIBLE LEASE ASSET - MACHINERY AND EQUIPMENT		399,404.00
Total		**399,404.00**	**399,404.00**

Adjusting Journal Entries JE # 17			
To correct February State and Federal claims posted to wrong accounts, accounts were flipped.			
C 3190	State Aid	27,989.00	
C 4190	Federal Aid	29,017.00	
C 3190	State Aid		29,017.00
C 4190	Federal Aid		27,989.00
Total		**57,006.00**	**57,006.00**

Adjusting Journal Entries JE # 30			
To record PPA for GASB 101 implementation			
GW 0913	PRIOR PERIOD ADJUSTMENT	2,618,462.00	
GW 0687	Compensated Absences		2,618,462.00
Total		**2,618,462.00**	**2,618,462.00**

Adjusting Journal Entries JE # 31			
GW- To record current portion of compensated absneces.			
GW 0687	Compensated Absences	613,800.00	
GW 0686	Compensated Absences Current Portion		613,800.00
Total		**613,800.00**	**613,800.00**

Adjusting Journal Entries JE # 32			
GW- To record CY retainage payable			

GW 2999-250	TEACH REG SCHOOL - EQUIPMENT	165,364.00	
GW 0650	Retainage Percentages Payable		165,364.00
		165,364.00	**165,364.00**