

Glen Cove City School District, New York
Report to Those Charged with Governance
June 30, 2025

October 16, 2025

Prepared by

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Partner

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**KNOW
GREATER
VALUE**

October 16, 2025

The Board of Education
Glen Cove City School District
150 Dosoris Lane
Glen Cove, New York 11542

We have audited the financial statements of Glen Cove City School District, New York as of and for the year ended June 30, 2025 and have issued our report thereon dated October 16, 2025.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated March 26, 2025. Professional standards also require that we communicate to you the following information related to our audit

We are pleased to be of service to you and the Glen Cove City School District, New York and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Glen Cove City School District, New York and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 16, 2025

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Contents

Status of the Audit	4
Required Communications and Other Matters.....	5
Internal Control Over Financial Reporting	11
On the Horizon.....	16

Appendices

- 1 – Corrected Misstatements
- 2 – Management Representation Letter
- 3 – About PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.

Federal Compliance Audit in Accordance with Uniform Guidance

- The compliance audit in accordance with the Single Audit Act as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* will be completed when the 2025 OMB Compliance Supplement is issued by the Federal Office of Management and Budget
- The Data Collection Form will be submitted to the Federal Audit Clearinghouse upon issuance of compliance audit

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	We have communicated such information in our engagement letter to you dated March 26, 2025. Generally, these responsibilities include: • Forming and expressing an opinion on the financial statements. • Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.
Required supplementary information accompanying the financial statements	We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Item	Comments
Other information in documents containing audited financial statements	Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.
Our responsibilities under the Yellow Book	In connection with our audit we performed tests of the School District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.
Responsibilities of management and TCWG	Management's responsibilities include: • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. TCWG are responsible for communicating with the auditors and overseeing the financial reporting process

Required Item	Comments
Qualitative aspects of accounting practices - Accounting Policies	Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 101, "Compensated Absences" and 102, "Certain Risk Disclosures". The accounting policies of the School District conform to U.S. generally accepted accounting principles as applicable to state and local governments. The School District's reports are based on all applicable GASB pronouncements. We noted no transactions entered into by the 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.
Qualitative aspects of accounting practices – Significant Unusual Transactions	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.
Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment	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 financial statements and their susceptibility to change. The most sensitive estimates affecting the School District's financial statements were: • Actuarial assumptions related to the Other Post Employment Benefit Liability ("OPEB") • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for compensated absences liabilities • Estimates for certain operating and long-term liabilities

Required Item	Comments
Qualitative aspects of accounting practices - 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 disclosure affecting the financial statements are: • Other postemployment benefit liabilities payable • Pension plan information • Outstanding bonded indebtedness • Fund balances The financial statement disclosures are neutral, consistent and clear.
Going Concern	The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time. We concur with management's assessment that the School District will continue as a going concern for one year from the balance sheet date.
Significant risks	Significant risks are defined as risks that require special audit consideration without regard to identified controls related to those risks. In most audits, one of more significant risks normally arise. We have identified the following significant risks in connection with our audit: Management override of internal controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating efficiently. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Our audit procedures did not identify any management override of internal controls. Improper revenue recognition to due to fraud Auditing standards require the auditor to ordinarily presume that improper revenue recognition is a fraud risk on all audit engagements unless the auditor can conclude that the risk is not applicable to the entity. Our audit procedures did not identify any improper revenue recognition due to fraud. The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.

Required Item	Comments
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 (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.
Disagreements with management	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.
Management representations	We have requested certain representations from management that are included in the management representation letter (see Appendix 2).
Management's consultations with other 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 School District's financial statements or a determination of the type of auditors' 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.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the School District in accordance with relevant professional standards.

Required Item	Comments
Significant issues discussed with management prior to retention	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 School District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Glen Cove City School District, New York ("School District") 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 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.
- 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

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

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP
Harrison, New York
October 16, 2025

Glen Cove City School District, New York

Control Deficiencies

- **Accounts Payable**

Accounts payable balances should be supported by complete and accurate documentation at the time of audit, including proper invoice coding, approval, and timely recording in the general ledger. During our audit, we noted a few instances where the accounts payable amount was not properly stated and was adjusted during fieldwork.

Recommendation

We recommend management review and strengthen controls over accounts payable documentation and review procedures. All entries should be thoroughly reviewed and reconciled with supporting documentation prior to posting in the accounting system. Additionally, School District staff should receive refresher training on applicable policies and procedures to ensure consistent application.

- **Payments in Lieu of Taxes ("PILOT's")**

PILOT's are one of the main tools local Industrial Development Agencies ("IDA's") use to encourage businesses to locate in their jurisdictions. Under such agreement, a company makes some fixed yearly contribution to the School District rather than pay property taxes. The amount paid is typically lower than what the company would have paid if it was taxed normally. Under the State's tax cap formula, PILOT payments are an integral part of the School District's tax cap calculation, which can have an impact on the tax levy.

During our audit, we noted that for one PILOT, the amount per the City of Glen Cove, New York's ("City") allocation spreadsheet was not received by the School District during the period audited. The City provides the School District with PILOT payments pursuant to an agreement that outlines the amounts that the School District should receive. However, these amounts are not guaranteed, as the actual payments are based on the needs of the School District as determined by the City.

Recommendation

We recommend that the School District obtain current PILOT agreements from the participating municipalities and prepare a tracking schedule to determine actual amounts received and the amount of taxes abated. Such schedule will then determine that the School District has received its PILOT revenue and such amounts are in agreement to the adopted budget amount.

Glen Cove City School District, New York

Control Deficiencies

- **Other Postemployment Benefits - Census Data**

During our audit, we noted that one employee's information was incorrect on the census data provided to the actuary.

Recommendation

We recommend that the School District review and provide a comprehensive list of all employees to the actuary for the census data calculations. This will ensure that the liability of the School District is accurately stated.

- **Extraclassroom Activity Fund**

Extraclassroom Activity Funds

Extraclassroom Activity Funds, which are authorized by the New York State Department of Education, are an integral part of the educational program of the School District. The following areas were not in compliance with the regulations of the Commissioner of Education:

Inactive Clubs

There were two High School clubs (Tri M Honor Society and X-Country) and two Middle School clubs (Cheer and Fashion Club) that had no financial activity during the current fiscal year with aggregate balances of approximately \$261. State Education Regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization or the student council and shall be expended in accordance with that organization's constitution.

Recommendation

We recommend that the School District investigate and review these balances and take the appropriate action to close out these old amounts. A determination of the status of a club with no financial activity should be made to determine the proper disposition of funds. This action will deter clubs from being inactive in future years.

Absence of Club Treasurer Signature

During our audit of cash receipts, we noted that eight of the twenty cash receipts did not have a student treasurer present at the time of the deposit.

Glen Cove City School District, New York

Control Deficiencies

- **Extraclassroom Activity Fund (Continued)**

Absence of Club Treasurer Signature (Continued)

Recommendation

We recommend that the cash receipts process to be enhanced to adhere to “The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds”, published by the New York State Education Department to have a student treasurer assigned to each student body or any subdivision. The extraclassroom activities should be operated by and for the students. Having a student assigned as treasurer will enforce the delineation between extraclassroom activities to the general operations of the school.

- **Cash and Cash Equivalents**

During our testing of cash we noted three outstanding checks over a year old in the operating account amounting to \$243,834. Tracking outstanding checks is an important control procedure that ensures that all outgoing checks are accounted for.

Recommendation

We recommend that the School District follow up on these outstanding checks to either re-issue them or write them off if no longer valid.

- **Federal Emergency Management Agency (“FEMA”) Amounts Not Reconciled**

Management acknowledges that amounts related to FEMA disaster assistance have not been reconciled for several years. This was primarily due to delays in receiving final award documentation, complex cost adjustments, and turnover in key personnel responsible for federal grant reporting. As a result, discrepancies remain between FEMA records and the School District’s general ledger.

Management recognizes that the absence of timely reconciliations affects the accuracy and completeness of the Schedule of Expenditures of Federal Awards (SEFA). Specifically, FEMA-related expenditures reported on the SEFA may not fully reflect actual eligible costs or adjustments made by FEMA. This could impact compliance with federal reporting requirements and the audit of federal programs.

Glen Cove City School District, New York

Control Deficiencies

- **Federal Emergency Management Agency (“FEMA”) Amounts Not Reconciled** (*Continued*)

To address this matter, management has initiated the following corrective actions:

- Engaging with FEMA and state pass-through agencies to obtain final award reconciliations and closeout documentation.
- Assigning dedicated staff to perform detailed reconciliations of FEMA accounts going back to prior years.
- Implementing new procedures to ensure FEMA transactions are reconciled on a quarterly basis going forward.
- Enhancing oversight by senior finance leadership to ensure SEFA reporting is supported by reconciled and verifiable records.

Recommendation

We recommend that Management continue its commitment to completing historical reconciliations and ensuring that all FEMA-related activity is accurately reflected in future SEFA submissions.

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On the Horizon

GASB Statement No. 103 – *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues as follows:

- Management's Discussion and Analysis ("MD&A") - This Statement requires that the information presented in the MD&A be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions or Conditions. The Statement requires that the detailed analyses within the MD&A should not only present the amounts or percentages of changes from the prior year, but also include explanations as to the reasons for the changes. The Statement emphasizes that only the most relevant information be presented by eliminating duplicative explanations and removing "boilerplate" discussions.
- Unusual or Infrequent Items - This Statement describes unusual or infrequent items as transactions and other events that are either unusual or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements.
- Presentation of Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position – This Statement requires that proprietary fund statements continue to distinguish between operating and nonoperating revenues and expenses as in the past. However, in addition to the subtotals currently presented, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.
- Major Component Unit Information - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is reduced, combining statements of major component units should be presented after the fund financial statements.
- Budgetary Comparison Information – This Statement requires governments to present budgetary comparison information as Required Supplementary Information (similar to pension and other postemployment benefits reporting). Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to the Required Supplementary Information.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the School District's financial statements for the year ended June 30, 2026).**

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

GASB Statement No. 104, “*Disclosure of Certain Capital Assets*”, provides guidance on disclosures for capital assets to be presented by major class. The objective of this Statement is to provide government financial statement users with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Leased assets recognized in accordance with GASB Statement No. 87, “*Leases*” and subscription assets recognized in accordance with GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements*” should be separately disclosed. In addition, this Statement requires any other intangible assets other than these types to also be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the School District’s financial statements for the year ended June 30, 2026).**

Appendix 1

Corrected Misstatements

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Glen Cove City School District
Corrected Misstatement's
June 30, 2025

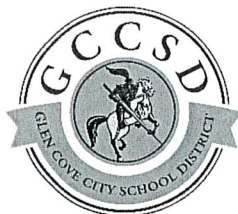
ACCOUNT	DESCRIPTION	DEBIT	CREDIT
General Fund			
Adjusting Journal Entries JE # 11			
Client Entry: To record transfer to Capital Projects Fund.			
A 5031	INTER FUND TRANSFERS	9,000,000.00	
A 9950.900	TRANSFER TO CAPITAL PROJECTS	9,000,000.00	
A 391-G	DUE TO CAPITAL FUND		9,000,000.00
A 5999	APPROP FUND BAL - PY MOD		9,000,000.00
Total		18,000,000.00	18,000,000.00
Adjusting Journal Entries JE # 23			
To record additions to TRS reserve.			
A 909	FUND BALANCE, UNRESERVED	812,879.00	
A 828	RESERVE FOR TRS CONTRIBUTIONS		812,879.00
Total		812,879.00	812,879.00
Adjusting Journal Entries JE # 24			
To record additions to capital reserves.			
A 909	FUND BALANCE, UNRESERVED	6,003,415.00	
A 878.01	CAPITAL RESERVE - FACILITIES IMPROV		240,569.00
A 890	CAPITAL RESERVE		5,762,846.00
Total		6,003,415.00	6,003,415.00
Capital Projects Fund			
Adjusting Journal Entries JE # 1			
Client Entry: To record transfer from General Fund to the Capital Projects Fund.			
G 391	DUE FROM GENERAL FUND	9,000,000.00	
G 5031	INTERFUND TRANSFERS		9,000,000.00
Total		9,000,000.00	9,000,000.00
Adjusting Journal Entries JE # 3			
To record new installment purchase debt agreements.			
G 1310.321.1	New - IPD - Chromebooks	421,492.00	
G 5700.2	New Proceeds from Debt - IPD - Chromebooks		421,492.00
Total		421,492.00	421,492.00
Adjusting Journal Entries JE # 4			
To accrue capital expenditures relating to 2024-25.			
G 1310.SSB-A	SMART SCHOOLS BOND ACT	208,612.00	
G 600	ACCOUNTS PAYABLE		208,612.00
Total		208,612.00	208,612.00
Agency Fund			
Adjusting Journal Entries JE # 1			
To record activity for real property taxes owed to other governments.			
T 5999	Payments of real property taxes	3,293,199.00	
T 4999	Real Property Taxes Collected for other gov		3,293,199.00
Total		3,293,199.00	3,293,199.00

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Appendix 2

Management Representation Letter

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Theresa Kahan
Assistant Superintendent for Business and Operations
154 Dosoris Lane, Glen Cove, NY 11542
tkahan@glencoveschools.org
516-801-7030

October 16, 2025

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of the Glen Cove City School District, New York ("School District"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2025, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

This representation letter is also provided in connection with your audit of the financial statements of the Extraclassroom Activity Funds of the School District, which comprise the statement of cash receipts, cash disbursements and cash balances as of June 30, 2025 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the basis of accounting prescribed by the New York State Department of Education.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, (having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves) as of the date of this letter, the following representations made to you during your audit.

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated March 26, 2025 for:
 - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting School District.

- b) The preparation and fair presentation of the financial statements of the School District's Extraclassroom Activity Funds in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than US GAAP.
 - c) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
 - d) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.
- 3) In regard to the financial statement preparation services performed by you, we have:
- a) Assumed all management responsibilities.
 - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the result of the services.
- 4) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 5) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 6) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
- a) The School District's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) There have been no changes during the period audited in the School District's accounting policies and practices.
 - c) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 8) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
- a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the School District is contingently liable, if any.
 - c) The effects of all known actual, possible, pending or threatened litigation, claims, and assessments.
- 9) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 10) We are in agreement with the adjusting journal entries that you have proposed and they have been posted to the School District's accounts.

Information Provided

- 11) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the School District from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - f) All significant contracts and agreements.
 - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the School District's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the School District's financial statements communicated by employees, former employees, regulators, or others.

- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 17) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- 18) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

- 19) We have a process in place to track the status of audit findings and recommendations and have provided our views on reported findings, recommendations or conclusions.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The School District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as

it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them.

- 28) The School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The School District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements include all fiduciary activities required by GASB Statement No. 84.
- 33) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments and land are properly valued.
- 37) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and any other specialists utilized and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

- 41) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 42) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 43) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 44) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 46) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 47) We have appropriately disclosed the School District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 48) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 50) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 51) The School District has agreements that meet the definition of subscriptions contained in GASB Statement No. 87, "Leases". However, the total value of the subscriptions agreements for the year ended June 30, 2025 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financial statements.
- 52) The School District has agreements that meet the definition of subscriptions contained in GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*". However, the total value of the subscription agreements for the year ended June 30, 2025 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financial statements.
- 53) The School District has employment contracts that require implementation of GASB Statement No. 101 "*Compensated Absences*". The School District made available all relevant information and estimates related to the compensated absences. The related amounts and disclosures have been included in the financial statements.
- 54) In accordance with GASB Statement No. 102, "*Certain Risk Disclosures*", we have evaluated the School District's exposure to risks arising from concentrations or externally imposed constraints. Management has determined that no concentration or constraint exists that

makes the School District vulnerable to a substantial impact, nor has any related event occurred, begun to occur, or is more-likely-than-not to begin within 12 months of the date the financial statements are issued. Accordingly, no disclosure under GASB Statement No. 102 is required.

55) With respect to federal award programs, an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") is required. The schedule of expenditures of federal awards is not presented with the audited financial statements. However, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date we issue the supplementary information and the auditors' report thereon.

Signature: Alexa Querschner

Title: Superintendent

Signature: Sheresa Kalan

Title: Asst. Superintendent for Business + Operations

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Appendix 3

About PKF O'Connor Davies, LLP

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Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,700 professionals and 21 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2025 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

INDUSTRY RECOGNITION

#25 of "Top 100 Firms"

"Top Tax Firm"

"Leader in Audit & Attest and Tax"

#5 of "Top Firms in the Mid-Atlantic"

— *Accounting Today*, 2025

"Best of Accounting Client Satisfaction"

— *ClearlyRated*, 2024

"Top Accountancy Advisory"

— *Family Wealth Report*, 2025

"America's Best Tax and Accounting Firms"

— *Forbes*, 2023

"Accounting/Due Diligence Firm of the Year"

— *The M&A Advisor*, 2024

#9 on "Vault's Accounting 25 List"

— *Vault*, 2026

#1 in Five Categories: Best in Accounting and Overall Internships, Quality of Life, Compensation and Overall Diversity

— *Vault*, 2025

"Best Company to Work for in New York"

— *Rochester Business Journal* and *NYS Society for Human Resources Management*, 2025

"Best Places to Work in NYC"

— *Crain's New York Businesses*, 2024

"Best Places to Work in Westchester"

— *914INC.*, 2025

"Top Workplaces in Western Connecticut"

— *Hearst Connecticut Media Group*, 2024

"Best Places to Work in New Jersey"

— *NJBIZ*, 2024

KNOW GREATER VALUE

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



ACCOUNTING & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting



TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning



BUSINESS CONSULTING

- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
 - Internal Audit
 - Regulatory Solutions (AML and SOX)
- Strategy and Transaction Advisory
 - Bankruptcy
 - Employee Stock Ownership Plans (ESOPs)
 - PKF Investment Banking
 - Acquisition Advisory
 - Exit Readiness and Transaction Planning
 - M&A Cybersecurity and Data Privacy Advisory
 - Sell-Side Advisory
 - Turnaround and Restructuring
- Strategy and Transformation



TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
 - Cybersecurity Maturity Model Certification (CMMC)
 - Dark Web Monitoring
 - Digital Forensic Services
 - General Data Protection Regulation (GDPR)
 - M&A Cybersecurity and Data Privacy Advisory
 - Penetration Testing
 - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory



PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning



OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
 - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



pkfod.com