**Millbrook Central School**

**Millbrook, New York**

**Report to the Board of Education**

**June 30, 2026**

RBT

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

October 27, 2026

Board of Education
Millbrook Central School
P.O. Box AA
Millbrook, NY 12545

We are pleased to present this report related to our audit of the basic financial statements of Millbrook Central School (the "District") as of and for the year ended June 30, 2026. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Education and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Sincerely,

*RBT CPAs, LLP*

Shannon M Mannese, CPA, CFE

Shannon M. Mannese, CPA, CFE
Partner

# Contents


| | Page |
|---|---|
| Required Communications | 1 - 3 |
| Summary of Significant Accounting Estimates | 4 |
| Summary of Recorded Audit Adjustments | 5 |
| Exhibit A - Letter Communicating Compliance Findings | 6 - 7 |
| Exhibit B - Significant Written Communications Between Management and Our Firm | |
| Representation Letter | 8 - 11 |
| Representation Letter - Extraclassroom Activity Funds | 12 - 15 |

# Required Communications

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance)* require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

| Area | Comments |
|---|---|
| **Our Responsibilities With Regard to the Financial Statement Audit** | Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated April 6, 2026. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter. |
| **Overview of the Planned Scope and Timing of the Financial Statement Audit** | We have issued a separate communication dated April 6, 2026 regarding the planned scope and timing of our audit and identified significant risks. |
| **Accounting Policies and Practices** | **Preferability of Accounting Policies and Practices**<br><br>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.<br><br>**Adoption of, or Change in, Accounting Policies**<br><br>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District adopted GASB 103, *Financial Reporting Model Improvements*, and GASB 104, *Disclosure of Certain Capital Assets*, as of July 1, 2025.<br><br>The following is a description of significant accounting policies or their application that were either initially selected or changed during the year: GASB Statement No. 103, *Financial Reporting Model Improvements*, updates the governmental financial reporting model to improve the clarity, consistency, and usefulness of the financial statements. The statement includes changes to Management's Discussion and Analysis (MD&A), fund financial statements, budgetary comparison information, and proprietary fund reporting. It also provides additional guidance on presenting information in the basic financial statements and is intended to make financial information easier for users to understand and compare. For governments, one notable change is the budgetary comparison schedule, which requires governments to present significant variences between the original budget, final and actual results, along with explanations of significant variences.<br><br>GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires leases, intangible right-to-use assets, and subscriptions based information technology arrangements to be disclosed seperately in the capital assets note disclosures. Additionally, this statement mandates the seperate disclosure of all other intangible assets by major class, excluding the aforementioned types. |

| Area | Comments |
|---|---|
| | **Significant or Unusual Transactions or Policies**<br><br>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. |
| **Audit Adjustments** | A summary of audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the District are shown in the attached Summary of Recorded Audit Adjustments. |
| **Uncorrected Misstatements** | We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial. |
| **Observations About the Audit Process** | **Disagreements With Management**<br><br>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.<br><br>**Consultations With Other Accountants**<br><br>We are not aware of any consultations management had with other accountants about accounting or auditing matters.<br><br>**Significant Issues Discussed With Management**<br><br>No significant issues arising from the audit were discussed or the subject of correspondence with management.<br><br>**Significant Difficulties Encountered in Performing the Audit**<br><br>We did not encounter any significant difficulties in dealing with management during the audit. |
| **Shared Responsibilities for Independence** | Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For RBT to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Education, and RBT each play an important role.<br><br>**Our Responsibilities**<br><br>• AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. RBT is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.<br><br>• Maintain a system of quality management over compliance with independence rules and firm policies. |

| Area | Comments |
| --- | --- |
| | **The District's Responsibilities**<br>• Timely inform RBT, before the effective date of transactions or other business changes, of the following:<br>  ° New affiliates, directors, or officers.<br>  ° Change in the organizational structure or the reporting entity impacting affiliates such as related entities, investments, joint ventures, component units, and jointly governed organizations.<br>• Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.<br>• Understand and conclude on the permissibility, prior to the District and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with RBT.<br>• Not entering into arrangements for nonaudit services resulting in RBT being involved in making management decisions on behalf of the District.<br>• Not entering into relationships resulting in close family members of RBT covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the District. |
| **Letter Communicating Compliance Findings** | We have separately communicated the compliance findings over financial reporting identified during our audit of the financial statements as required by *Government Auditing Standards*. This communication is attached as Exhibit A. |
| **Significant Written Communications Between Management and Our Firm** | Copies of significant written communications between our firm and the management of the District, including the representation letter provided to us by management, are attached as Exhibit B. |

## Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the District's June 30, 2026 financial statements.

| Estimate | Accounting Policy | Management's Estimation Process | Basis for Our Conclusions on Reasonableness of Estimate |
|---|---|---|---|
| Lease Liability and Right of Use Asset | Management must record the present value of the Right of Use Asset for Leases in accordance with GASB 87. | Lease information is imported into Dutchess County BOCES' software and the software outputs the present value and lease liability amounts. | Appears reasonable based on the use of software to determine the estimate and RBT's review of the calculation and inputs into the software. |
| Defined Benefit Pension and OPEB Plans | Estimates are performed by actuaries. | Estimates for OPEB are performed by actuaries and KPMG audits pension system. Although the estimates are complex, they are handled by reputable professionals with specialized skills which lowers the degree of complexity/ subjectivity. | Appears reasonable based on review of pension and OPEB assets/liabilities and review of actuarial reports as of June 30, 2026. |

## Summary of Recorded Audit Adjustments

Management corrected the following material misstatements that were identified as a result of our audit procedures

| Description | Net Effect-Increase (Decrease) | | | | |
|---|---|---|---|---|---|
| | Assets | Liabilities | Fund Balance | Revenues | Expenditures |
| General Fund | $ - | $ (34,509) | $ 34,509 | $ - | $ - |
| Cafeteria Fund | 49 | (49) | - | - | - |
| Results of Operations and Changes in Fund Balance Effect | | | | $ - | $ - |
| Balance Sheet Effect | $ 49 | $ (34,558) | $ 34,509 | | |

The amounts above reflect the net increase/(decrease) to the indicated account classes as a result of 2 entries proposed during our audit procedures. These includes 1 reclassifying entry in the Cafeteria Fund which has a $0 net effect. These entries have been reviewed and accepted by Elliot Garcia, Assistant Superintendent for Business and Personnel.

# Exhibit A - Letter Communicating Compliance Findings

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

October 27, 2026

Board of Education
Millbrook Central School
P.O. Box AA
Millbrook, NY 12545

In planning and performing our audit of the financial statements of Millbrook Central School (the "District") as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

A significant deficiency is a deficiency, or 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 audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. 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.

As part of our audit we considered compliance with certain provisions of laws, regulations, contracts and grant agreements. As discussed below, we identified certain compliance finding with respect to provisions of laws, regulations, contracts or grant agreements.

**Millbrook Central School**
**Report to the Board of Education**
**October 27, 2026**

## We consider the following to be a compliance finding:

Finding 2026-001: Unassigned Fund Balance

| | |
|---|---|
| Condition: | The School District's unassigned fund balance as of June 30, 2026, was approximately 5.16% of the 2027 budgeted expenditures. |
| Criteria: | Section 1318 of the NYS Real Property Tax Law requires school districts maintain no more than 4% of the subsequent year's budgeted expenditures in unassigned fund balance in the General Fund. |
| Cause: | The School District continuously monitors spending, to reduce costs and eliminate wasteful spending, thereby resulting in a surplus over several years. |
| Effect: | The School District was not in compliance with Section 1318 of the NYS Real Property Tax Law. |
| Recommendation: | RBT recommends that the School District maintain an unassigned fund balance percentage in accordance with Section 1318 of the NYS Real Property Tax Law |
| Client Response: | See corrective action plan. |

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

Sincerely,

*RBT CPAs, LLP*

Shannon M Mannese, CPA, CFE

Shannon M. Mannese, CPA, CFE
Partner

## Exhibit B - Significant Written Communications Between Management and Our Firm

MILLBROOK
CENTRAL SCHOOL DISTRICT
Office of the Superintendent

Caroline Hernández Pidala
Superintendent

PO Box AA
43 Alden Place
Millbrook, NY 12545
845.677.4200 x1100
caroline.hernandez@millbrookcsd.org

October 27, 2026

RBT CPAs, LLP
4071 Route 9, Stop 1
Hudson, NY 12534

This representation letter is provided in connection with your audit of the basic financial statements of the Millbrook Central School District ("District") which comprise the governmental activities, each major fund and the aggregate remaining fund information as of and for the year ended June 30, 2026, and the respective changes in the financial position and the disclosures, (collectively the "basic financial statements"); for the purpose of expressing an opinion on 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").

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be 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, as of October 27, 2026, the following representations made to you during your audit.

**Financial Statements**

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 6, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. 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 entity.

3) We acknowledge our responsibility for 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP, if appliable.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts. We identified no unrecorded misstatements in the financial statements.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

**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 (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

   b) Additional information that you have requested from us for the purpose of the audit.

   c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) 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.

14) We have no knowledge of any fraud or suspected fraud that affects the District and involves:

   - Management,
   - Employees who have significant roles in internal control, or
   - 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 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 waste or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have taken timely and appropriate steps to remedy identified and suspected fraud, or noncompliance with provisions of laws, regulations, contracts, and grant agreements, that you have reported to us, if applicable.

21) We have a process to track the status of audit findings and recommendations, if applicable.

22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report, if appliable.

25) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

26) 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.

27) We have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement (GASBS) No. 87.

28) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.

29) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.

30) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101.

31) We have appropriately considered and disclosed all vulnerabilities due to certain concentrations or constraints in accordance with GASBS No. 102, if applicable.

32) Inventory quantities at the financial statement dates were determined from physical counts or from the governmental unit's perpetual inventory records, which have been adjusted on the basis of physical inventories taken by the competent employees during the year.

33) 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.

34) As part of your audit, you assisted with preparation of the financial statements and disclosures. 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 within senior management, who possesses suitable skill, knowledge, and/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 disclosures.

35) The 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.

36) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

37) 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.

38) The financial statements include all fiduciary activities required by GASBS No .84, as amended.

39) The financial statements properly classify all funds and activities in accordance with GASBS No .34, as amended.

40) All funds that meet the quantitative criteria in GASBS 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.

41) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

42) Provisions for uncollectible receivables have been properly identified and recorded.

43) 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.

44) 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.

45) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

46) Special and extraordinary items (unusual items or infrequent items after implementing GASBS No. 103) are appropriately classified and reported, if applicable.

47) Unusual or infrequent items are appropriately classified and reported.

48) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

49) Capital assets, including intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

50) We have appropriately disclosed the 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.

51) We are following our established accounting policy regarding which resources (that is, nonspendable, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

52) 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.

53) With respect to management's discussion and analysis, schedule of funding progress – post employment benefits, schedule of proportionate share of net pension liability and related ratios, schedule of employer contributions, budgetary comparison, and notes to the budget information presented as required by the Governmental Accounting Standards Board to supplement the financial statements:

    a) We acknowledge our responsibility for presenting the required supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the management's discussion and analysis, schedule of funding progress – post employment benefits, schedule of proportionate share of net pension liability and related ratios, schedule of employer contributions, budgetary comparison, and notes to the budget, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the required supplementary information 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.

    b) If the required supplementary schedules is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

54) With respect to the following other information expected to be issued, combining balance sheet of non-major funds, combining statements of revenues, expenditures, and changes in fund balance of non-major funds, schedule of indebtedness, schedule of change from adopted budget to final budget section 1318 of real property tax law limit calculation, project length schedule for the capital projects fund, and the schedule of net investment in capital assets:

    a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.

    b) With regard to the other information that will be included in the annual report that has not been obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.

Millbrook Central School District

Elliot Garcia,
Assistant Superintendent for Business and Personnel

Caroline Hernandez Pidala,
Superintendent of Schools

MILLBROOK
CENTRAL SCHOOL DISTRICT
Office of the Superintendent

Caroline Hernández Pidala
Superintendent

PO Box AA
43 Alden Place
Millbrook, NY 12545
845.677.4200 x1100
caroline.hernandez@millbrookcsd.org

October 27, 2026

RBT CPAs, LLP
4071 Route 9, Stop 1
Hudson, NY 12534

This representation letter is provided in connection with your audit of the cash basis financial statements of the Extraclassroom Activity Funds (the "Funds") of the Millbrook Central School District, ("District") which comprise the statement of assets, liabilities and fund balance arising from cash transactions as of June 30, 2026, the related statement of receipts and disbursements paid for the year then ended and the related notes to the financial statements, (collectively the "cash basis financial statements"), for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with the cash basis of accounting.

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, that as of October 27, 2026:

*Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 6, 2026, for the preparation and fair presentation of the financial statements referred to above in accordance with the cash basis of accounting.

2. The financial statements referred to above are fairly presented in conformity with the cash basis of accounting and include all properly classified funds and other financial information of the Extra Classroom Activity Fund required by the cash basis of accounting to be included in the financial reporting entity.

3. We acknowledge our responsibility for 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.

4. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.

5. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of cash basis accounting, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements with the cash basis of accounting Types of related party transactions engaged in by the Funds include:

    a. Those with the primary government having accountability for the Funds.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the cash basis of accounting.

9. Guarantees, whether written or oral, under which the Funds are contingently liable, if any, have been properly recorded or disclosed.

*Information Provided*

10. 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. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the Funds and District from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of the Board of Education, and Extra Classroom Activity Clubs or summaries of actions of recent meetings for which minutes have not yet been prepared.

11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of allegations of fraud or suspected fraud affecting the Funds' financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Funds' financial statements received in communications from employees, former employees, analysts, regulators, or others.

15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

16. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

17. We have disclosed to you the identity of all of the Funds' related parties and all the related-party relationships and transactions of which we are aware.

*Government-specific*

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

20. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

21. The Funds have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, and fund balance.

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 of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

24. 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.

25. As part of your audit, you assisted with preparation of the financial statements and disclosures. 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 within 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.

26. The Funds have satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

27. The Funds have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

28. 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.

29. Provisions for uncollectible receivables have been properly identified and recorded.

30. Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

Millbrook Central School District

Elliot Garcia,
Assistant Superintendent for Business and Personnel

Caroline Hernandez Pidala,
Superintendent of Schools