

## REPORT TO THE BOARD

October 9, 2018

The Board of Education  
Oysterponds Union Free School District in Orient  
Orient, New York:

We have audited the financial statements of the governmental activities, each major fund, and the fiduciary funds of the Oysterponds Union Free School District in Orient (the District) for the year ended June 30, 2018 and have issued our report thereon dated October 9, 2018. Professional standards requires that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government 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 April 24, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in note 1 to the financial statements. As described in note 2 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," during the year ended June 30, 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Useful life of capital assets - Management's estimate of the useful life of capital assets is based on the historical asset life information for the District's capital assets and industry standards, in order to determine the value and period of time over which individual capital assets are to be depreciated.
- Accounting for pensions (ERS/TRS) - Management's estimate for the accounting and disclosures related to pensions is based upon audited information provided directly to the District.
- Compensated absences liability - Management's estimate of the liability for compensated absences is based on vested accumulated sick, vacation and/or leave payouts.
- Total other postemployment benefits obligation - Management's estimate of the liability for other postemployment benefits is based on an actuarial valuation report prepared by a third party.

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

#### Significant Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of pension plans in note 13 to the financial statements.
- The disclosure of other postemployment benefits in note 15 to the financial statements.
- The disclosure of risk management in note 16 to the financial statements.
- The disclosure of restatement of net position in note 18 to the financial statements.
- The disclosure of commitments and contingencies in note 19 to the financial statements.

#### Difficulties Encountered in Performing the Audit

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

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements detected as a result of our audit.

### Disagreements with Management

For purposes of this report, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that 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.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the 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.

### Other Audit Findings or Issues

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

### Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of revenues, expenditures and changes in fund balance - budget and actual - general fund, the schedule of funding progress - other postemployment benefits, the schedule of the District's proportionate share of the net pension asset/liability, and the schedule of District contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquires of management and evaluated the form content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Very truly yours,

*EFPR Group, CPAs, PLLC*

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