

November 16, 2022

To the Board of Education  
Board of Cooperative Educational Services of Rockland County  
65 Parrott Road  
West Nyack, NY 10994

We have audited the financial statements of the governmental activities and each major fund of the Board of Cooperative Educational Services of Rockland County (the “BOCES”) for the fiscal year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards 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 letter to you dated June 16, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the BOCES are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the BOCES adopted the provision of Governmental Accounting Standards Board Statement No. 87, *Leases*, in 2022. Accordingly, the cumulative effect of the accounting change as of July 1, 2021 is reported in the BOCES-Wide financial statements. Other than as noted previously, there were no new accounting policies adopted and the application of existing policies was not changed during fiscal year 2022. We noted no transactions entered into by the BOCES during the fiscal 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 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 BOCES’ financial statements were:

- Lease Receivable and Deferred Inflows of Resources – Management’s estimate of the lease receivable and deferred inflows of resources is based on an estimate of the discount rate, lease term, and lease payments received. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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- Useful Life of Capital Assets and Intangible Assets – Management’s estimate of the useful life of capital assets and intangible assets are based on the historical asset life information for the BOCES capital assets and intangible assets, and industry standards, in order to determine the value and period of time over which individual capital assets and intangible assets are to be depreciated or amortized.
- Compensated Absences Liability – Management’s estimate of the liability for compensated absences is based on historical information regarding employees who have separated from BOCES and their terminal payout amounts, in order to determine the probability and amount of future payouts to employees for vested accumulated sick, vacation and/or leave terminal payouts. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Other Post-Employment Benefits (OPEB) Obligation – Management’s estimate of the liability for OPEB is based on an actuarial valuation report prepared by a third party. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Net Pension Asset/Liability – Management’s estimate of the asset/liability for retirement systems is based on an actuarial valuation report prepared by a third party. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Lease Liability – Management’s estimate of the lease liability is based on an estimate of the discount rate, lease term, and lease payments. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We encountered no such misstatements during the course of our audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting,

or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 16, 2022.

### *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 BOCES' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Finding or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the BOCES' 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

As it relates to the presumed risk of management override of controls, we determined that there are no matters to report related to the internal controls over management override as of June 30, 2022.

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

We were engaged to report on the schedule of change from adopted budget to final budget – general fund, schedule of project expenditures - capital projects fund, schedule of A431 school district accounts, and net investment in capital assets, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of

management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

*R.S. Abrams & Co., LLP*

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