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October 13, 2020

To the Board of Education
Newburgh Enlarged City School District

Dear Board Members:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Newburgh Enlarged City School District (School District) for the year ended June 30, 2020. 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

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in the notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. 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.

Significant 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 compensated benefits (DBEB) and related deferred

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accrued time at the end of the year per employee in accordance with the existing collective bargaining agreements in place at the time.

- Management's estimate of the net pension asset, net pension liability, and related deferred inflows/outflows of resources is based on actuarial assumptions utilized by an actuary applied to the pension plans' census information.

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

Financial Statement 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 the School District's long-term debt describes all of the debt the School District has outstanding at year end including the amounts that are due in the next fiscal year.
- The disclosure of the School District's pension plans describes the plans and the related pension asset or liability along with the deferred inflows/outflows of resources.
- The disclosure of the School District's OPEB liability in the footnotes to the financial statements describes the total OPEB liability along with the deferred inflows/outflows of resources related to OPEB.
- The disclosure of the School District's contingencies describes the School District's possible litigation and other contingencies.

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Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability (asset), schedule of contributions – pension plans, and schedule of changes in total OPEB liability and related ratios which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing

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