

# CHAPPAQUA CENTRAL SCHOOL DISTRICT

P.O. BOX 21, CHAPPAQUA, NEW YORK (914) 238-7200

September 5, 2017

To: O'Connor Davies, LLP  
External Auditor

From: John L. Chow

Re: Response to Management Letter for Fiscal Year Ended June 30, 2017

This is the District's response to the above-mentioned management letter issued by the external auditing firm, O'Connor Davies. On September 6, the District's Audit Committee will meet with auditors to review the management letter and financial statements. On October 11, the auditors will make a presentation to the Board of Education at an open meeting after which the Board will accept the report.

We discussed this management letter with personnel from the areas that are affected and collectively came up with this response. We believe that all the internal controls, operational/procedural issues, and recommendations made in the management letter either have been or will be addressed through corrective action plans presented below:

## **Special Aid Fund**

### ***Finding: Amounts Due from State***

The auditor noted that District had outstanding amounts due from the state for the 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 summer handicapped program year of \$142,294, \$183,649, \$266,797, \$224,060 and \$273,049, respectively.

### ***Recommendation***

The District monitors these outstanding amounts and presents all write-offs to the Board including records relating to these programs identifying the rate setting costs and the amounts actually paid by the School District. If such amounts are ultimately deemed uncollectable, they should be written off with board approval and funded by the General Fund.

### ***Response***

Responsible: Director for Special Education, Educational and Management Services, Inc. (contractor who files District's special education claims), and Business Office

Action: We do monitor these collectables closely. All the above-mentioned collectibles are still considered active. At the June 14, 2017 meeting, the Board of Education approved the write-off of \$187,235.53 which was the

amount that was uncollectable from school year 2011-12. This issue is an ongoing problem, not unique to our district, and is totally out of the control of the District. The Advocacy Committee has been working with various groups to get the State to make payments on a timely basis and in full amount.

Timeline: Ongoing

### **Extra Classroom Activities**

#### ***Finding: Cash Receipts***

Auditor's review indicated a receipt within the Extra classroom activities fund that was not deposited timely.

#### ***Recommendation***

It is recommended that all monies be deposited within 72 business hours upon receipt as mandated by New York State.

#### ***Response***

Responsible: High School Administrators and Club Treasurers

Action: We informed the above-mentioned responsible individuals and also informed all the principals that all monies must be deposited within 72 hours of receipt.

Timeline: Completed

### **Cash**

#### ***Finding: Amounts Due from State***

The auditor noted that there were outstanding checks that were over 1 year old.

#### ***Recommendation***

The District follow up on all outstanding checks over 1 year old to see why it was not paid out. It is also recommended that all outstanding checks over 1 year old be written off if there is no response from the vendor.

#### ***Response***

Responsible: Business Office

Action: We do monitor and contact those check recipients. In the future, we will write off those checks that are older than 1 year.

Timeline: Ongoing

Cc: Christine Ackerman  
Audit Committee Members