

CHAPPAQUA CENTRAL SCHOOL DISTRICT

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

September 9, 2016

To: O'Connor Davies, LLP
External Auditor

From: John L. Chow

Re: Response to Management Letter for Fiscal Year Ended June 30, 2016

This is the District's response to the above-mentioned management letter issued by the external auditing firm, O'Connor Davies. On September 14, the District's Audit Committee will meet with auditors to review the management letter and financial statements. On September 27, 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 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 summer handicapped program year of \$187,236, \$244,748, \$201,030, \$345,166 and \$286,756, 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 May 4, 2016 meeting, the Board of Education approved the write-off of \$117,636.76 which was the

amount that was uncollectable from school year 2010-11. 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.

Timeline: Ongoing

Cc: Lyn McKay
Audit Committee Members