

Chappaqua Central School District, New York

Auditors' Report

Year Ended June 30, 2020

Alan Kassay, Partner

September 30, 2020

**KNOW
GREATER
VALUE**



2019-20 External Audit

Preliminary Fieldwork – June 1-2, 2020

Audit Planning Meeting – May 20, 2020

Audit – Week of July 27, 2020

Post-Audit Meeting – September 21, 2020

Audit Report – September 30, 2020

- Summary of Communication
- Summary of Financial Statements
- Management Letter- Communication of Internal Control Matters Identified in the Audit to Those Charged With Governance and Management
- Other Comments

Summary of Communications

Auditors' Responsibility Under Auditing Standards Generally Accepted in the USA

- **Forming and Expressing an Opinion on the Financial Statements Based on Audit**
- **Obtain Reasonable, Rather Than Absolute Assurance That the Financial Statements are Free of Material Misstatement.**
- **Maintain Professional Skepticism**
- **Conduct the Audit in Accordance with Auditing Standards Generally Accepted in the United States (US GAAS)**
- **No Material Errors, Fraudulent Financial Reporting or Misappropriation of Assets Noted.**
- **No Instances/Suspicion or Allegations of Fraud were Noted during Conduct of Audit**

Management's Responsibilities

- **Establish and Maintain Effective Internal Control – No Material Weaknesses Noted**
- **Comply With Laws, Regulations, Grants and Contracts**
- **Adequate Management Judgments and Accounting Estimates**
- **No Significant Audit Adjustments**

- **No Disagreements with Management**
- **No Unresolved Difficulties Encountered in Performing Audit**
- **No Consultation by Management with Other Accountants**
- **PKF O'Connor Davies is Independent with Respect to CCSD in Accordance with Relevant Professional Standards**
- **No Irregularities or Illegal Acts Noted**

- **Outstanding Checks-**

Several outstanding checks in the payroll cash account, total amount was not material, issue to be investigated

- **Timeliness of Cash Deposits –**

Several deposits in extra classroom activities fund were not made timely, within 72 hours of receipt.





General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual June 30, 2020

	Original Budget	Final Budget	Actual	Variance to Budget
Revenues				
Real Property Taxes	\$ 106,624,782	\$ 106,624,782	\$ 106,624,781	\$ (1)
Other Tax Items	3,403,781	3,403,781	3,403,781	-
State Aid	9,787,259	9,787,259	9,534,643	(252,616)
Other	2,423,412	2,435,365	3,069,916	634,551
Total Revenues	<u>122,239,234</u>	<u>122,251,187</u>	<u>122,633,121</u>	<u>381,934</u>
Expenditures				
General Support	15,277,847	16,934,965	14,605,406	2,329,559
Instruction	70,739,818	70,915,261	67,822,085	3,093,176
Pupil Transportation	6,969,692	6,087,133	5,048,726	1,038,407
Community Services	21,978	22,747	22,747	-
Employee Benefits	26,522,737	26,158,530	25,071,586	1,086,944
Debt Service	8,409,526	7,834,915	7,652,665	182,250
Refunding bond issuance costs	-	176,242	176,242	-
Total Expenditures	<u>127,941,598</u>	<u>128,129,793</u>	<u>120,399,457</u>	<u>7,730,336</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,702,364)	(5,878,606)	2,233,664	8,112,270
Other Financing Uses	<u>(255,000)</u>	<u>(1,428,758)</u>	<u>(1,428,758)</u>	<u>-</u>
Net Change in Fund Balance	(5,957,364)	(7,307,364)	804,906	8,112,270
Fund Balance				
Beginning of Year	<u>5,957,364</u>	<u>7,307,364</u>	<u>22,166,279</u>	<u>14,858,915</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,971,185</u>	<u>\$ 22,971,185</u>



General Fund Balance Sheet – June 30, 2020

ASSETS

Cash and Equivalents	\$ 27,353,077	
Receivables	3,882,458	
Prepaid Expenditures	1,402,153	
Total Assets	<u>\$ 32,637,688</u>	

LIABILITIES AND FUND BALANCES

Accounts Payable and Accrued Liabilities	\$ 2,624,198	
Due to Retirement Systems	5,402,934	
Other Liabilities	1,639,371	
Total Liabilities	<u>9,666,503</u>	

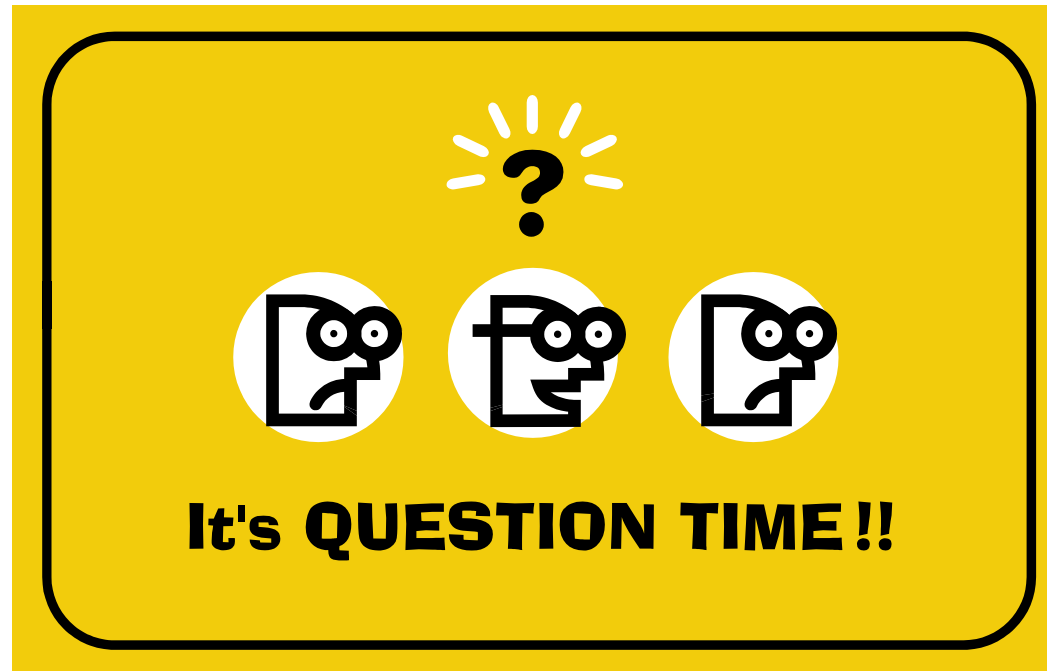
Fund Balance:

Nonspendable (prepaid expenditures)	<u>1,402,153</u>	
Restricted		
Tax Certiorari	2,825,490	
Employee Benefit Accrued Liability	2,613,612	
ERS Retirement Contributions	1,469,697	
Future Capital Projects	1,569,797	
Other	<u>1,523,845</u>	<u>10,002,441</u>
Assigned		
Encumbrances	2,388,110	
Subsequent Year's Expenditures	<u>3,542,865</u>	<u>5,930,975</u>
Unassigned - 4.39% of 2020/2021 Budget	<u>5,635,616</u>	
Total Liabilities and Fund Balance	<u>\$ 32,637,688</u>	

Other Comments - Summary

- **Unmodified (Clean) Opinion on Financial Statements**
- **No Material Weaknesses Noted**
- **School District's Rating from Moody's; AAA**
- **Appropriated Fund Balance \$3.5 million, comparable to prior year's amount, \$3.8 million**
- **Issued Refunding Bonds, Savings of over \$2 million over the life of the bonds.**

Questions



**Thank you
Chappaqua Board of Education,
Management and Staff**



www.pkfod.com

Alan Kassay, Partner

akassay@pkfod.com

665 Fifth Avenue
New York, NY 10022
T: 212.286.2600

20 Commerce Drive
Suite 301
Cranford, NJ 07016
T: 908.272.6200

293 Eisenhower Pkwy
Suite 170
Livingston, NJ 07039
T: 973.535.2880

32 Fostertown Rd
Newburgh, NY 12550
T: 845.565.5400

254 Route 17K
Newburgh, NY 12550
T: 845.567.3600

2 Bethesda Metro Center
Suite 420
Bethesda, MD 20814
T: 301.652.3464

**500 Mamaroneck Avenue
Harrison, NY 10528
T: 914.381.8900**

300 Tice Boulevard
Suite 315
Woodcliff Lake, NJ 07677
T: 201.712.9800

3001 Summer Street
5th Floor East
Stamford, CT 06905
T: 203.323.2400

100 Great Meadow Road
Wethersfield, CT 06109
T: 860.257.1870

40 Westminster Street
Suite 600
Providence, RI 02903
T: 401.621.6200

Four Corporate Drive
Suite 488
Shelton, CT 06484
T: 203.929.3535