
John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Horner, C.P.A.
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

**CHENANGO VALLEY
CENTRAL SCHOOL DISTRICT**

Binghamton, NY

EXECUTIVE SUMMARY

June 30, 2011

CORTLAND

39 Church Street
Cortland, New York 13045
607-753-7439
fax 607-753-7874

ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
607-272-4444
fax 607-273-8372
www.cdilm.com

WATKINS GLEN

108 West Fourth Street
Watkins Glen, New York 14891
607-535-4443
fax 607-535-6220

CHENANGO VALLEY CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2011 AUDIT REPORT AND FINDINGS

Basic Financial Statements

Report of Independent Auditors on Basic Financial Statements.

Report of Independent Auditors on Supplemental Financial Information.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Single Audit (OMB A-133) Report

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.

Communication with Those Charged with Governance.

Report of Independent Auditors on Extraclassroom Activity Funds.

Description of Report and Findings

Unqualified opinion on Chenango Valley Central School District's (the School District) basic financial statements for the year ended June 30, 2011.

Unqualified report on supplemental financial information in relation to primary audit report.

Report on the School District's compliance with laws and regulations that may have a direct and material effect on the basic financial statements, and on the School District's internal control structure, policies and procedures based on the auditor's understanding of the internal control structure and assessment of control risk obtained as part of the audit of the basic financial statements. This report identified **no material instances of noncompliance and no material internal control weaknesses** at the financial statement level.

Report on 1) the School District's internal control structure policies and procedures used in administering federal award programs; 2) compliance with general requirements of the School District's federal awards; and 3) compliance with specific requirements applicable to each major program. This report identified **no material instances of noncompliance and no material internal control weaknesses** regarding compliance in accordance with OMB Circular A-133.

There are several federal award program expenditures that amounted to a total of \$2,496,438.

A letter that specifically addresses certain required communications to the Board of Education in accordance with professional standards - there were **no comments of concern** to be reported regarding the following:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected or Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Matters or Issues

Unqualified opinion on the School District's Extraclassroom Activity Fund financial statements for the year ended June 30, 2011.

Letter of comments dated September 21, 2011 discusses several issues.

CHENANGO VALLEY CENTRAL SCHOOL DISTRICT

5 YEAR FINANCIAL STATEMENT ANALYSIS - FUND BASIS

	JUNE 30, 2011	JUNE 30, 2010	JUNE 30, 2009	JUNE 30, 2008	JUNE 30, 2007
ASSETS					
Cash	\$ 5,282,561	\$ 3,214,666	\$ 5,627,539	\$ 3,127,096	\$ 2,228
Receivables and prepaid items	<u>1,951,660</u>	<u>2,762,998</u>	<u>1,652,410</u>	<u>2,260,927</u>	<u>3,277,990</u>
Total Assets	<u>\$ 7,234,221</u>	<u>\$ 5,977,664</u>	<u>\$ 7,279,949</u>	<u>\$ 5,388,023</u>	<u>\$ 3,280,218</u>
LIABILITIES					
Accounts payable and accruals	\$ 194,191	\$ 410,311	\$ 711,186	\$ 360,202	\$ 199,384
Revenue Anticipation Notes	-0-	-0-	2,000,000	7,500,000	4,500,000
Due to other funds	-0-	16,998	301,740	71,018	686,338
Due to other governments	772,354	868,071	-0-	-0-	-0-
Due to retirement systems	<u>1,043,978</u>	<u>776,853</u>	<u>927,884</u>	<u>1,028,871</u>	<u>938,213</u>
Total Liabilities	<u>2,010,523</u>	<u>2,072,233</u>	<u>3,940,810</u>	<u>8,960,091</u>	<u>6,323,935</u>
FUND BALANCE					
Restricted (Reserved)	2,699,561	2,011,406	1,617,343	1,543	28,847
Assigned (Appropriated and Encumbrances)	805,262	250,675	60,940	-0-	-0-
Unassigned (Unreserved and Tax Reduction)	<u>1,718,875</u>	<u>1,643,350</u>	<u>1,660,856</u>	<u>(3,573,611)</u>	<u>(3,072,564)</u>
Total Fund Balances	<u>5,223,698</u>	<u>3,905,431</u>	<u>3,339,139</u>	<u>(3,572,068)</u>	<u>(3,043,717)</u>
Total Liabilities and Fund Balances	<u>\$ 7,234,221</u>	<u>\$ 5,977,664</u>	<u>\$ 7,279,949</u>	<u>\$ 5,388,023</u>	<u>\$ 3,280,218</u>
REVENUES					
Real property taxes (including STAR)	\$ 17,179,632	\$ 16,502,243	\$ 16,057,696	\$ 14,324,158	\$ 13,550,594
State and Federal aid	13,472,712	13,629,597	14,637,335	14,073,349	11,659,338
Other	<u>1,106,326</u>	<u>947,627</u>	<u>1,650,390</u>	<u>867,321</u>	<u>678,885</u>
Total Revenues	<u>31,758,670</u>	<u>31,079,467</u>	<u>32,345,421</u>	<u>29,264,828</u>	<u>25,888,817</u>
EXPENDITURES					
General support	3,366,262	3,457,359	2,963,372	3,490,314	3,275,435
Instruction	14,632,637	14,707,361	14,362,667	14,757,422	13,613,243
Transportation	852,291	866,501	796,159	850,577	797,370
Community services	6,232	6,603	5,611	4,354	2,211
Employee benefits	7,978,870	7,861,129	7,314,136	7,416,658	7,080,467
Debt service	3,482,120	3,591,509	3,182,918	3,239,241	3,028,369
Interfund transfers and other	<u>121,991</u>	<u>22,713</u>	<u>309,351</u>	<u>34,613</u>	<u>205,789</u>
Total Expenditures	<u>30,440,403</u>	<u>30,513,175</u>	<u>28,934,214</u>	<u>29,793,179</u>	<u>28,002,884</u>
Excess of Revenues (Expenditures)	1,318,267	566,292	3,411,207	(528,351)	(2,114,067)
Issuance of debt - deficit financing	<u>-0-</u>	<u>-0-</u>	<u>3,500,000</u>	<u>-0-</u>	<u>-0-</u>
Net Fund Balance Change	<u>\$ 1,318,267</u>	<u>\$ 566,292</u>	<u>\$ 6,911,207</u>	<u>\$ (528,351)</u>	<u>\$ (2,114,067)</u>
Capital Outlay	<u>\$ 397,168</u>	<u>\$ 2,222,840</u>	<u>\$ 572,113</u>	<u>\$ 374,386</u>	<u>\$ 511,093</u>
Special Aid Fund: Revenues	<u>\$ 1,803,162</u>	<u>\$ 1,780,512</u>	<u>\$ 1,206,453</u>	<u>\$ 1,127,186</u>	<u>\$ 1,273,899</u>
Special Aid Fund: Expenditures	<u>\$ 1,803,162</u>	<u>\$ 1,780,512</u>	<u>\$ 1,206,389</u>	<u>\$ 1,138,650</u>	<u>\$ 1,267,678</u>
School Lunch Fund: Revenues (including transfers)	<u>\$ 664,202</u>	<u>\$ 648,867</u>	<u>\$ 912,839</u>	<u>\$ 612,016</u>	<u>\$ 580,324</u>
School Lunch Fund: Expenditures	<u>\$ 605,571</u>	<u>\$ 648,867</u>	<u>\$ 619,465</u>	<u>\$ 668,085</u>	<u>\$ 632,620</u>

Note: Abstracted from audited financials - See audit reports for complete information

CHENANGO VALLEY CENTRAL SCHOOL DISTRICT

EXECUTIVE SUMMARY OF 2011 AUDIT

AUDIT FOCUS - REPORTING OBJECTIVES

1) Basic Financial Statements

*Management's Discussion and Analysis

*District-wide Financial Statements

*Statement of Net Assets

*Statement of Activities

*Governmental Fund Financial Statements

*Notes to Financial Statements

*Supplemental Financial Information

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

2) Single Audit (OMB A-133) Requirements for Federal Awards

*Schedule of Federal Award Expenditures

*Compliance with Applicable Requirements

*Internal Control Over Compliance

AUDIT APPROACH

*Preliminary Planning

*Consideration of Internal Control Over Financial Reporting

*Tests of Controls

*Tests of Compliance with Laws and Regulations

*Substantive Testing of Financial Information (Includes Analytical Review)

*Single Audit Tests of Compliance with Applicable Requirements

*Consideration of Internal Control Over Compliance Requirements

UNDERSTANDING THE DISTRICT'S OPERATIONS

*Services Provided

*Assessment of Accounting and Reporting System

*Nature of Activities

*Special Reporting Requirements

*Nature of Compliance Requirements

*Assessment of Management

FACTORS AFFECTING THE SCOPE OF THE AUDIT

*Effectiveness of Overall Financial Controls

*Qualifications of Key Personnel

*Appropriate Segregation of Duties

*Ability to Demonstrate Compliance with Laws and Regulations

*Effectiveness of Budget Process Administration

*Accuracy and Comprehensiveness of Internal Reporting

*Existence of Adequate Policies and Procedures

*Ability to Issue Timely and Accurate Financial Reports