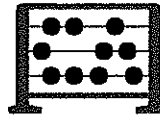


Cooper Arias, LLP

Accounting & Accountability



October 1, 2020

To the Board of Education of the
Peekskill City School District
1031 Elm St.
Peekskill, New York 10566

In planning and performing our audit of the financial statements of the Peekskill City School District as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Peekskill City School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements in accordance with *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The management of the Peekskill City School District is responsible for establishing and maintaining an internal control structure. An internal control system consists of five elements: the control environment, risk assessment, information and communication, monitoring, and control activities. Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 1, 2020 on the financial statements of the Peekskill City School District. Certain matters involving the internal control structure and its operation, of a more routine nature, have been discussed with the appropriate administrative personnel. Our comments are summarized as follows:

INTERNAL CONTROLS

During our review of the District's cash disbursements we noted that, during the COVID-19 shutdown, the Claims Auditor was only reviewing a sampling of claims. The Claims Auditor must review all claims for payment. We recommend that the District ensure that all claims are being reviewed by the Claims Auditor before payment.

Management's Response - The Claims Auditor continues with an analytic review of a sample of claims scanned for review, plus all of the Federal claims scanned under the present COVID -19 environment. The External Auditor shared an "Office of State Comptroller," Common Issues and Responses dated July 14, 2020, (Updated from May, 2020), that states the following:

Audit of Claims - Given that many local government offices are closed, do we still need to audit claims prior to payment? In most cases, the requirement to audit claims is set in statute, and, to date, these requirements have not been suspended or modified. Under the circumstances, local government and school district officials should explore ways to remotely share the necessary claim package documents so that the auditing body or official is supplied with sufficient information to make a determination that the claim is a legal obligation and proper charge against the local government or school district.

The District feels the key phrase "is in most cases", it doesn't state all cases. The Claims Auditor expressed a concern where he referenced labor law and HIPPA law for the rationale in how he is proceeding with his claims audit review based on the current environment. One can argue if the Claims Auditor is suggesting a medical condition or/and age protected class under HIPPA or Labor Law, a modification might be necessary.

COMPLIANCE

During our review of the District's federal payroll certifications we noted that employees being paid stipends that are charged to federal programs were not completing payroll certifications. The amounts noted were minor and we were able to document that the employee stipends were properly charged to the federal programs. However, we recommend that all employees who receive stipends that are charged to federal programs complete a payroll certification.

Management's Response - Moving forward the District will complete personal activity reports for all stipend positions.

EXTRACLASSROOM ACTIVITIES

During our review of the District's extraclassroom activities we noted that many cash receipts only contain a "Deposit Receipt" but do not contain documentation to support the amount being deposited. We recommend that each cash receipt include more detailed documentation of the money collected.

Management's Response - Moving forward the District will request Central Treasurers to provide more detail for deposits.

The District has addressed our previous recommendations.

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October 1, 2020

We would like to thank the staff that assisted us during our examination and provided us with all the necessary records.

Very truly yours,

A handwritten signature in cursive script that reads "Cooper Arias LLP". The signature is written in dark ink and is positioned above a horizontal line.

COOPER ARIAS, LLP