



**EXTRACLASSROOM ACTIVITY FUNDS  
MANAGEMENT COMMENT LETTER**

Board of Education  
Deposit Central School District  
Deposit, New York

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of Deposit Central School District (the Extraclassroom Activity Funds) as of and for the year ended June 30, 2023 in accordance with auditing standards generally accepted in the United States of America, we considered the Extraclassroom Activity Funds' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Extraclassroom Activity Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Extraclassroom Activity Funds' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our current year audit, we became aware of other matters with respect to internal control. This letter summarizes these comments and recommendations regarding these matters. This letter does not affect our report date October 12, 2023 on the financial statements of the Extraclassroom Activity Funds of the Deposit Central School District.

## **OTHER MATTERS**

### **Current Year Findings**

#### **Sales Tax**

##### **Finding:**

During our current year audit, 1 of 3 receipts that required collection of sales tax did not collect and remit sales tax. Also during our current year audit, 1 of 6 disbursements for purchases of taxable items did not pay sales tax.

##### **Recommendation:**

We recommend Student Treasurers, Faculty Advisors, and the Central Treasurer be aware of when the payment, collection, and remittance of sales tax is required.

#### **Cash Disbursements - Authorized Signatures**

##### **Finding:**

During our current year audit, 1 of 10 disbursements did not have approval from the principal, per school policies.

##### **Recommendation:**

We recommend authorized individuals sign all required documents for financial transactions.

#### **Club Minutes**

##### **Finding:**

During the current year audit, 7 of 10 disbursements examined could not be traced to the club minutes and the respective club approving the disbursement.

##### **Recommendation:**

We recommend that clubs that hold meetings prepare minutes and submit them to the Central Treasurer to document a history of approving transactions.

### **Recurring Findings**

#### **Profit and Loss Statements**

##### **Finding:**

During our current year audit, 4 of 7 applicable receipts were missing profit and loss statements for a fundraising event. During our prior year audit, 4 of 4 applicable receipts were missing profit and loss statements for a fundraising event.

##### **Recommendation:**

We continue to recommend profit and loss statements be promptly completed and submitted to the Central Treasurer for each fundraiser in order to determine event profitability.

### Timely Deposits

**Finding:**

During our current year audit, 3 of 10 applicable receipts were not deposited timely to the Central Treasurer. Of the receipts that were untimely, 1 of 3 applicable receipts we were unable to determine timeliness due to inadequate supporting documentation. During our prior year audit, 1 of 10 applicable receipts were not deposited timely to the Central Treasurer.

**Recommendation:**

We continue to recommend receipts be deposited or delivered to the Central Treasurer from the student officers within 3-5 business days.

### Inactive Clubs

**Finding:**

During our current year audit, we noted 7 clubs were financially inactive. In the prior year, 5 clubs were financially inactive

**Recommendation:**

We recommend financially inactive clubs are evaluated for future activity and if no further intent is present, the Board considers the dissolution of the fund along with the disbursement of its funds.

### **Prior Year Findings Resolved**

#### Cash Receipts - Authorized Signatures

**Finding:**

During our prior year audit, 2 of 10 receipts did not include the signature of the Central Treasurer.

**Resolution:**

During our current year audit, all receipts examined had the appropriate authorization.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with School District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Audit Committee, and the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York

October 12, 2023