



**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, 2024 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 Extraclassroom Activity Funds' 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 11, 2024 on the financial statements of the Extraclassroom Activity Funds.

## **OTHER MATTERS**

### **Recurring Findings**

#### Profit and Loss Statements

##### Finding:

During our current year audit, 1 of 6 applicable receipts were missing profit and loss statements for a fundraising event. During our prior year audit, 4 of 7 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:

In the current year, we were unable to determine whether 5 of 10 receipts examined were submitted to the Central Treasurer timely due to inadequate supporting documentation. During our prior year audit, 3 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 2 clubs were financially inactive, including 1 inactive for 3 straight years and 1 inactive for 4 straight years. In the prior year, 7 clubs were financially inactive.

##### Recommendation:

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

### **Prior Year Findings Resolved**

#### Sales Tax

##### Prior Year Finding:

During our prior year audit, sales tax was not collected and remitted for 1 of 3 receipts that required collection of sales tax. Also, during our prior year audit, sales tax was not paid for 1 of 6 disbursements for purchases of taxable items.

Resolution:

During our current year audit, the Student Treasurers, Faculty Advisors, and the Central Treasurer were aware of the requirements for the payment, collection, and remittance of sales tax. We noted no instances of sales tax not being collected or remitted properly.

Cash Disbursements - Authorized Signatures

Finding:

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

Resolution:

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

Club Minutes

Finding:

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

Resolution:

During our current year audit, the clubs did not have any activities that required approval in the minutes.

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,

A handwritten signature in dark ink that reads "Inero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
October 11, 2024