

**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, 2022 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 entity'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 dated October 13, 2022 on the financial statements of the Extraclassroom Activity Funds of the Deposit Central School District.

OTHER MATTERS

Current Year Findings

Profit and Loss Statements

Finding:

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

Recommendation:

We 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, 1 of 10 applicable receipts were not deposited timely to the Central Treasurer.

Recommendation:

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

Supporting Documentation

Finding:

During our current year audit, 5 of 10 receipts selected provided inadequate supporting documentation.

Recommendation:

In accordance with *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Clubs*, we recommend all cash receipts have supporting documentation indicating: the source of funds, including, if applicable, admission ticket numbers; the activity to which the cash receipts should be credited and total amount of cash received; fundraising status; and whether the sale is subject to the collection of sales tax, as well as dates of collection.

Authorizing Signatures

Finding:

During our current year audit, 2 of 10 receipts selected were missing an acceptance signature from the Central Treasurer.

Recommendation:

We recommend all deposits include an endorsement signature by the Central Treasurer.

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Inactive Clubs

Finding:

During our current year audit, we noted 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 considers the dissolution of the fund along with the disbursement of its funds.

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 black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York

October 13, 2022