



**EXTRACLASSROOM ACTIVITY FUNDS
MANAGEMENT COMMENT LETTER**

Board of Education
South Seneca Central School District
Ovid, New York

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of South Seneca Central School District (the School District) 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 School District's 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 dated October 5, 2023 on the financial statements of the Extraclassroom Activity Funds of South Seneca Central School District.

OTHER MATTERS

Current and Prior Year Findings

Financially Inactive Clubs

Finding:

During our current year audit, 5 clubs were financially inactive. During our prior year audit, 3 clubs were financially inactive.

Recommendation:

We continue to recommend inactive clubs be reviewed by the Central Treasurer, and, if determined to be no longer viable, be closed and funds disbursed per School District policy.

Cash Receipts - Profit and Loss Statements

Finding:

During our current year audit, 2 of 3 fundraising event receipts examined lacked a completed Profit and Loss Statement. In the prior year, 2 of 5 fundraising events examined lacked a Profit and Loss Statement.

Recommendation:

Profit and Loss Statements not only constitute good accounting procedures, but also afford excellent instructional opportunities. We recommend Profit and Loss Statements be prepared to enable those collecting money to create a complete report and verify funds submitted to the Central Treasurer. These statements can be used to analyze the success of various fundraisers and prevent unnecessary or unprofitable events.

Cash Receipts - Timely Deposit

Finding:

During our current year audit, 2 of 15 receipts examined had a delay of more than 5 business days in being submitted from the Advisor or Student Officer to the Central Treasurer. In the prior year, 1 of 10 receipts examined had a delay of more than 5 business days in being submitted to the Central Treasurer.

Recommendation:

To safeguard student assets, we recommend all funds be deposited to the Central Treasurer within 5 business days of being collected.

Cash Disbursements - Minutes

Finding:

During the current year and prior year audits, no club minutes were recorded or submitted to the Central Treasurer.

Recommendation:

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

Current Year Findings

Student Ledgers

Finding:

During the current year audit, 2 of 4 student ledgers examined did not match the Central Treasurer's ledgers.

Recommendation:

"The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds" stipulates student ledgers be maintained for all student activities. This is essential for internal control and is part of the learning experience for students. We recommend student ledgers be maintained for all activities and balances be reconciled to the Central Treasurer's records at least quarterly.

Cash Receipts - Supporting Documentation

Finding:

During our current year audit, 1 of 15 receipts tested did not have sufficient supporting documentation to determine timeliness of deposits.

Recommendation:

To safeguard student assets, we recommend that deposit information include supporting documentation related to the timing of the receipt of funds.

Cash Disbursements - Student Signatures

Finding:

During the current year audit, 2 of 15 disbursements tested were missing student signatures.

Recommendation:

To safeguard student assets, we recommend student officers and advisors sign off on every payment request prior to disbursement of funds.

Cash Disbursements - Sales Tax

Finding:

During the current year audit, required sales tax was not paid on 2 of 14 applicable disbursements in the current year.

Recommendation:

To safeguard student assets, we recommend Student Treasurers, Faculty Advisors, and the Central Treasurer be aware of purchases requiring payment of sales tax and when collection of sales tax is required. The Central Treasurer should ensure all taxes are paid either at the time of purchase or when submitting the NYS sales and use tax returns.

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Cash Disbursements - Shipping

Finding:

During our current year audit, 2 of 15 disbursements examined had materials sent to a home address instead of the school address.

Recommendation:

To safeguard student assets, we recommend any Extraclassroom packages be received at the School District to ensure all goods are accounted for.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various 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 senior 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 5, 2023