



**EXTRACLASSROOM ACTIVITY FUNDS
MANAGEMENT COMMENT LETTER**

Board of Education
Greene Central School District
Greene, New York

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of the Greene Central School District (the School District) 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 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

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 a 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 12, 2022 on the financial statements of the Extraclassroom Activity Funds of the Greene Central School District.

OTHER MATTERS

Current and Prior Year Findings

Cash Receipts - Student Signatures

Finding:

During our current year testing, 1 out of 10 receipts tested in the High School and 5 of 5 receipts tested in the Primary and Intermediate Schools lacked student authorizing signatures. This compares to the prior year, where there were 6 of 10 receipts tested in the High School, 1 out of 5 receipts tested in the Middle School, and 3 of 5 receipts tested in the Primary and Intermediate Schools lacked student authorizing signatures. The reason given for the lack of student signatures in the High School was the unavailability of students due to COVID-19. The reason given for the lack of student signatures in the Primary and Intermediate Schools is the lack of student treasurers.

Recommendation:

While we recognize the difficulties posed by absences due to COVID-19, we recommend student signatures be obtained whenever possible. This might require devising alternative ways of obtaining approval, such as using electronic or virtual means, such as email. Please see the finding entitled, "Primary and Intermediate School Clubs."

Cash Receipts - Profit and Loss Statements

Finding:

During our current year audit, 6 of 6 applicable receipts tested for the High School, 4 of 4 applicable receipts tested for the Middle School, and 4 of 4 applicable receipts tested for Primary and Intermediate were lacking profit and loss statements. During our prior year audit, 3 of 3 receipts tested for the High School were lacking profit and loss statements.

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 Disbursements - Payment Authorization

Finding:

During our current year audit, 5 of 5 disbursements examined for the Primary and Intermediate Schools lacked adequate signatures for authorization. During our prior year audit, 3 of 10 disbursements examined in the High School and 5 of 5 disbursements examined for the Primary and Intermediate Schools lacked adequate signatures for authorization. The reason given for the lack of student signatures in the High School was the unavailability of students due to COVID-19. The reason given for the lack of student signatures in the Primary and Intermediate Schools is the lack of student treasurers.

Recommendation:

While we recognize the difficulties posed by absences due to COVID-19, we recommend student signatures be obtained whenever possible. This might require devising alternative ways of obtaining approval, such as using electronic or virtual means, such as email. Please see the finding entitled "Primary and Intermediate School Clubs."

Cash Disbursements - Supporting Documentation

Finding:

During our current year audit, we noted supporting documentation for 1 of 10 disbursements examined in the High School was not received by the Central Treasurer until after the disbursement had been made. During our prior year audit, we noted supporting documentation for 1 of 10 disbursements examined in the High School was not received by the Central Treasurer until after the disbursement had been made.

Recommendation:

We recommend the Central Treasurer obtain adequate supporting documentation prior to making any disbursements.

Financially Inactive Clubs

Finding:

During our current year audit, we determined 8 of 34 clubs were financially inactive. During the prior year audit, we determined 13 of 34 clubs were financially inactive.

Recommendation:

We recommend inactive clubs be reviewed to ensure clubs are closed out after two years. If clubs are inactive for longer than two years, funds should be transferred and the account closed per Board policy.

Primary and Intermediate School Clubs

Finding:

During our current and prior year audits, we noted the School District had clubs in the Primary and Intermediate Schools. New York State does not provide for the establishment of extraclassroom activities before sixth grade. §172.2, Regulation of Activities and Moneys, of *Regulations of the Commissioner of Education on Financial Accounting of Extraclassroom Activity Funds*, states the Board of Education of each school district having a population of less than one million and an educational program beyond the sixth grade, shall make rules and regulations for establishment, etc. of extraclassroom activities.

Recommendation:

We recommend the School District consult with their attorney as to whether extraclassroom activities should be conducted in the Primary and Intermediate Schools.

Prior Year Finding Resolved

Cash Receipts - Timeliness

Prior Year Finding:

During our prior year audit, 1 of 17 receipts examined in the High School did not appear to be deposited in a timely manner. The range of the physical checks received spanned a time period longer than recommended.

Resolution:

During our current year audit, all receipts selected for testing in the High School, and both the Middle and Primary and Intermediate schools, selected for testing were deposited within a timely manner.

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

This report 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, 2022