

CAMDEN CENTRAL SCHOOL DISTRICT

**Extraclassroom Activity Funds
Communication of Management Letter Comments
For the Year Ended June 30, 2019**

October 2, 2019

Dr. Ravo Root, Superintendent and
Karl Keil, Assistant Superintendent for Business
Camden Central School District

In planning and performing our audit of the financial statements of the Camden Central School District's (the District) Extraclassroom Activity Funds as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The list that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated October 2, 2019, on the financial statements of the Camden Central School District.

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

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

CAMDEN CENTRAL SCHOOL DISTRICT

**EXTRA-CLASSROOM ACTIVITY FUNDS
COMMUNICATION OF MANAGEMENT LETTER COMMENTS**

1) Observation:

Per the New York State manual, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds* (the New York State Manual), extraclassroom activity funds (ECA) are defined as funds raised other than by taxation or through charges of a board of education, for, by or in the name of school, student body or any subdivision thereof. In other words, the ECA funds are those funds collected voluntarily by the students and operated by and for the students. We observed instances where cash receipts included Box Tops for Education receipts, Coca-Cola commissions, and Save-On Book receipts that may not meet the definition of ECA funds.

Recommendation:

We recommend management periodically review each activity maintained within the ECA Funds, and determine it meets the definition as prescribed in the New York State Manual.

2) Observation:

There were instances (3 of 30 tested) where invoices or receipts for disbursements were not included with the disbursing order.

Recommendation:

We recommend that the invoice or receipt is kept with the backup documentation for every purchase made.

3) Observation:

Currently the bank reconciliations are not signed and dated by the preparer indicating when the reconciliation was completed. In addition, review by an independent third party is not always completed timely.

Recommendation:

We recommend all monthly bank reconciliations be prepared within the first 2 weeks of the following month. The preparer should both sign and date indicating their completion of the reconciliation. Furthermore, management should determine an appropriate and timely due date for monthly bank reconciliations to be provided to an independent third party for review.

4) Observation:

Deposits are not always made timely. In certain instances, we observed deposits collected and not deposited for a period in excess of 6 months.

Recommendation:

We recommend the District implement policies and procedures that require timely deposit of cash receipts. This will mitigate risk of fraud or error.

5) Observation:

It was noted that pre-numbered tickets are not utilized for the Middle School 8th Grade Dinner Dance.

Recommendation:

We recommend pre-numbered sales tickets be used for events of this type in order to accurately track the number of tickets sold.

6) Observation:

It was noted that goods were purchased for resale without the use of a resale certificate in order to avoid paying sales tax twice.

Recommendation:

We recommend the Central Treasurer acquire a resale certificate so that goods being purchased for resale can be purchased without having to pay sales tax.

7) Observation:

A statement of deposit was not signed by the activity treasurer (1 instance in 30 tested).

Recommendation:

We recommend all necessary signatures are included on each statement of deposit.

8) Observation:

A prenumbered receipt was not included with a cash receipt as part of supporting documentation (1 instance in 30 tested).

Recommendation:

We recommend that a prenumbered receipt be included with all cash receipts and retained as supporting documentation.

9) Observation:

It was noted that funds are transferred and moved when a group of students changes grades.

Recommendation:

We recommend the District designate all class clubs by graduation year so there is no longer a need to transfer these funds each academic year.