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Frederick J. Ciaschi, C.P.A.

### EXTRACLASSROOM ACTIVITY FUNDS MANAGEMENT COMMENT LETTER

Board of Education  
Chenango Valley  
Central School District  
Binghamton, New York

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of the Chenango Valley Central School District (School District) for the year ended June 30, 2015, 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 our auditing procedures for the purpose of expressing 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 first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. 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.

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.

During 2015, the State Education Department released an updated version of the official guidance for definition, conduct, and administration of the Extraclassroom Activity Funds. This official release, "**The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds,**" provides detailed guidance for documentation of financial transactions, sales tax compliance, and accounting for club activities.

During our current year audit, we became aware of the following 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 September 30, 2015 on the financial statements of the Extraclassroom Activity Funds of the Chenango Valley Central School District.

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## OTHER MATTERS

### Current and Prior Year Findings

#### Untimely Submission of Receipts

##### Finding:

During our current year audit, for 2 of 20 receipts examined, we were unable to determine whether funds were timely received by the Central Treasurer.

During our prior year audit, 1 of 20 receipts examined was not timely received by the Central Treasurer. Additionally, as dates of receipt of funds were unclear, we were unable to determine whether 6 of 20 receipts were submitted in a timely manner to the Central Treasurer.

##### Recommendation:

We recommend Student Treasurers or faculty advisors submit receipts to the Central Treasurer throughout fundraisers, always within three business days of receipt of funds.

#### Profit and Loss Statements

##### Findings:

During our current year audit, Profit and Loss Statements were not submitted as required for 2 of 7 fundraisers examined. During our prior year audit, 3 of 10 fundraisers examined were missing Profit and Loss Statements.

##### Recommendation:

In accordance with "*The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*" School District policy, a Profit and Loss Statement should be completed for all fundraising activities. This enables students to determine actual profit earned.

#### Cash Receipts - Supporting Documentation

##### Finding:

During our current year audit, 2 of 20 receipts tested were lacking adequate supporting documentation, primarily unit and price calculations. During our prior year audit, 10 of 10 receipts tested lacked adequate supporting documentation.

##### Recommendation:

Adequate supporting documentation should be attached to each cash receipt, clearly indicating unit and price calculations to reconcile to the deposit.

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, the Board of Education, and the New York State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.



September 30, 2015  
Ithaca, New York