

September 7, 2017

Board of Education  
Coxsackie-Athens Central School District

Dear Board Members:

In planning and performing our audit of the financial statement of Coxsackie-Athens Central School District's Extraclassroom Activity Fund (the Fund), as of and for the year ended June 30, 2017 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, during our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 7, 2017 on the financial statement of Coxsackie-Athens Central School District's Extraclassroom Activity Fund. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control and other operational efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

1. ACCOUNTING CONTROLS OVER CASH RECEIPTS

Finding

The Extraclassroom Activity Clubs receive funds from a variety of sources, including donations, ticket sales, field trips, event admissions and product sales. However, controls over these receipts are limited.

Recommendation

The District should review NYSED's Finance Pamphlet 2 for all aspects of control over Extraclassroom Activity Funds. However, as it relates to cash receipts, the District should consider the following:

- All donations should be documented in the minutes of each Club receiving donations as soon as they are received. The minutes should be signed by the Club officers and maintained as part of the official records of the club. In addition, the copy of the check or other documentation, such as a letter from the donor, should be filed with the cash receipts documentation.

- The District should consider issuing pre-numbered receipts to all Clubs with directions as to when a receipt should be issued, i.e. anytime an individual collects money from another individual. Periodically, the pre-numbered receipt books should be collected and reconciled to the cash receipts recorded.
- The District should require all fundraising activity to be supported by a ticket reconciliation for events for which admission is charged. Any fundraisers involving the sale of inventory should be supported by an inventory reconciliation form which should be attached to the cash receipt.
- To provide a system of checks and balances, all clubs should be required to prepare a statement of profit and loss for each fundraising event held. This will institute a sense of accountability as each event will be reviewed for effectiveness and efficiency.

## 2. CLUB LEDGERS

### Finding

Club ledgers are an important and required part of the accounting records for Extraclassroom activities. The purpose of these ledgers is for the Club to be responsible for recording and monitoring their activity and for providing a system of checks and balances against the Central Treasurer. The District was unable to provide Club ledgers for all of the Clubs tested.

In some cases the ledgers were provided, however they did not include activity through the end of the fiscal year, or the Clubs supporting documentation was provided but only included the ledgers that had been provided by the Central Treasurer throughout the year, separate ledgers were not maintained by the Club.

Additionally, some of the ledgers provided did not include all Club activity.

### Recommendation

To help ensure that each Club is aware of the balance available to them, Club ledgers should be prepared and maintained by the student treasurers of each Club. These ledgers should be periodically compared to the Central Treasurer's ledger with any discrepancies investigated and resolved.

## 3. CASH DISBURSEMENTS/CASH RECEIPTS

### Finding

We noted that the District was able to provide supporting documentation for all of the sixty cash disbursements tested during the audit, however there were five instances in which the student treasurer's signoffs were missing.

### Recommendation

Prior to payment, proper documentation for disbursements should be obtained and submitted with the check request to the Central Treasurer. Also, prior to payment, all required signoffs should be obtained and submitted with the check request to the Central Treasurer. Every effort should be made to ensure all required signoffs present before cutting a check. Additionally, a policy should be established for ECAF disbursements made when school is out of session.

## Finding

The District was able to provide supporting cash receipt documentation for all of the sixty cash receipts tested during the audit, however there were seven instances in which the student treasurer's signoffs were missing, and one instance in which the student activities treasurer were missing.

## Recommendation

Prior to deposit, all required signoffs should be obtained and submitted with the deposit slip to the Central Treasurer. Every effort should be made to ensure all required signoffs present before depositing the funds. Additionally, a policy should be established for ECAF deposits made when school is out of session.

## 4. CHECK SIGNING

### Finding

During our testing, we noted that when the Principal signs as the second signer, they do not have access to any invoices or other evidence for the check payment being made.

### Recommendation

We recommend that the Principal has access to the support for the checks they are signing. This helps reduce the risk of checks being written for unauthorized purchases. We noted that payment request forms may sometimes be signed by the Principal, but when the Principal does not sign the payment request form, they will not know what they are signing off for when they sign the checks.

## 5. EXTRACLASSROOM PROCEDURES

### Finding

During our testing, we noted that some "clubs" were not actually considered or operating as Extraclassroom clubs, but were still accounted for as Extraclassroom Activities.

### Recommendation

We recommend that any club accounted for as Extraclassroom Activities and listed in the Extraclassroom financial statements be required to follow the same guidelines as all other clubs. This includes being assigned an advisor and required to use the various forms for collecting and disbursing funds.

We would like to thank the management and staff of Coxsackie-Athens Central School District for their cooperation during the course of the audit. There are many favorable areas within the District upon which we have not made comment. Please understand that the nature of this letter is to recommend improvements.

This communication is intended solely for the information and use of the management, audit committee and Board of Education of Coxsackie-Athens Central School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Marvin and Company, P.C.*