



**EXTRACLASSROOM ACTIVITY FUNDS
MANAGEMENT COMMENT LETTER**

Board of Education
Mexico Academy and Central School District
Mexico, New York

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of Mexico Academy and 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. 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 11, 2023, on the financial statements of the Extraclassroom Activity Funds of Mexico Academy and Central School District.

OTHER MATTERS

Mexico High School

Recurring Findings

Inactive Clubs

Finding:

In the current and prior years, the Rocket Club and the SADD Club had no financial activity.

Recommendation:

We recommend the School District determines if the clubs are still active; if not, the balance in the clubs' accounts should be closed in accordance with Board policy.

Profit and Loss Statements

Finding:

During our current year audit, 2 of 7 school fundraisers examined did not have a completed profit and loss statement. In the prior year, 1 of 3 fundraisers examined did not have a completed profit and loss statement.

Recommendation:

We recommend profit and loss statements be completed for every fundraising event and submitted to the Central Treasurer to determine profitability of events.

Current Year Findings

Student Ledgers

Finding:

During our current year audit, 2 of the 3 student ledgers examined did not agree with the Central Treasurer's balance.

Recommendation:

We recommend student ledgers be reconciled with the Central Treasurer periodically and at year end.

Cash Receipts - Adequate Documentation

Finding:

During our current year audit, 3 of 11 receipts examined did not have sufficient supporting documentation to determine timeliness of deposits.

Recommendation:

We recommend that deposit information include supporting documentation related to the timing of the receipt of funds.

Cash Receipts - Timely Deposit from Student to Central Treasurer

Finding:

During the current year audit, 1 of 11 receipts examined were not submitted to the Central Treasurer timely.

Recommendation:

We recommend deposits be made with the Central Treasurer within 3 to 5 business days as funds are collected.

Cash Receipts - Timeliness from Central Treasurer to Bank

Finding:

During our current year audit, 3 of 11 receipts examined were not deposited timely to the bank by the Central Treasurer.

Recommendation:

We recommend deposits be made with the bank within 3 to 5 business days as funds are collected by the Central Treasurer.

Cash Disbursements - Adequate Documentation

Finding:

During our current year audit, 2 of 11 examined disbursements did not have an accompanying invoice.

Recommendation:

We recommend the Club Treasurer verify the proper invoice is attached to the disbursement form and ensure the correct amount was paid.

Club Minutes

Finding:

During the current year audit, 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.

Prior Year Findings - Resolved

Negative Club Balances

Finding:

During our prior year audit, we noted the Class of 2023 ended the fiscal year with a negative balance of \$(233).

Resolution:

During our current year audit, we noted no clubs with overdrawn balances.

Cash Disbursements

Finding:

During the prior year audit, 1 of 10 receipts examined were missing required signatures.

Resolution:

During our current year audit, we noted no transactions lacking proper approval.

Mexico Middle School

Recurring Findings

Club 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

Cash Receipts - Profit and Loss Statements

Finding:

During our current year audit, 1 of 2 applicable receipts were missing profit and loss statements for fundraising events.

Recommendation:

We recommend profit and loss statements be completed and submitted to the Central Treasurer for each fundraiser in order to determine profitability.

Cash Disbursements - Shipping

Finding:

2 of 10 disbursements examined had goods shipped to the advisor's home, not the School District.

Recommendation:

To avoid any appearance of impropriety, we recommend all goods purchased be shipped to the School District and be checked in by two people.

Prior Year Findings - Resolved

Cash Receipts - Timeliness to Central Treasurer

Finding:

During our prior year audit, 2 of 5 receipts were not submitted to the Central Treasurer in a timely fashion.

Resolution:

During our current year audit, all receipts examined were submitted timely to the Central Treasurer.

Cash Receipts - Missing Receipt Numbers

Finding:

During our prior year audit, 5 of 5 receipts examined were missing an identifying receipt number.

Resolution:

During our current year audit, all receipts examined had receipt numbers.

This communication is intended solely for the information and use of School District 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 dark ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 11, 2023