



**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 the Mexico Academy and Central School District (the School District) as of and for the year ended June 30, 2024, 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 14, 2024, 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 had no financial activity.

###### **Recommendation:**

We recommend the School District determines if the Rocket Club is still active; if not, the balance in the club's accounts should be closed in accordance with Board policy.

##### **Cash Receipts - Documentation Missing Dates**

###### **Finding:**

During our current year audit, 4 of 14 receipts examined did not have sufficient supporting documentation to determine timeliness of deposits. During our prior year audit, 3 of 11 receipts examined did not have sufficient supporting documentation to determine timeliness of deposits.

###### **Recommendation:**

We recommend deposit information include supporting documentation related to the date funds were received.

##### **Cash Receipts - Timely Submission from Student to Central Treasurer**

###### **Finding:**

During our current year audit, 3 of 14 receipts examined were not submitted to the Central Treasurer timely. During our prior year audit, 1 of 11 receipts examined was not submitted to the Central Treasurer timely.

###### **Recommendation:**

We recommend funds be submitted to the Central Treasurer within 3 to 5 business days from receipt.

#### **Current Year Findings**

##### **Student Ledgers**

###### **Finding:**

During our current year audit, 1 of 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, 2 of 14 receipts examined did not have sufficient supporting documentation including the amount sold, pricing, or documentation of cash received and deposited.

**Recommendation:**

We recommend all receipts have adequate supporting documentation and receipts be accompanied by supporting documentation detailing collection of funds. Documentation should include the source of the funds, total amount received, number of items sold, price per item, and, if applicable, goods remaining in inventory. This documentation should also indicate whether the activity falls within the New York State Sales Tax Law, with a listing of tax collected and owed, if applicable. Proof of payment should be provided for reimbursements.

#### Cash Receipts - Authorized Signatures

**Finding:**

During our current year audit, 1 of 14 receipts examined did not have the required authorizing signatures on the deposit form.

**Recommendation:**

We recommend authorized individuals sign all required documents for financial transactions.

### **Prior Year Findings - Resolved**

#### Profit and Loss Statements

**Finding:**

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

**Resolution:**

During our current year audit, profit and loss statements were properly prepared for all relevant transactions selected for testing.

#### Cash Receipts - Timeliness from Central Treasurer to Bank

**Finding:**

During our prior year audit, 3 of 11 receipts examined were not deposited by the Central Treasurer.

**Resolution:**

During our current year audit, all receipts selected for testing were deposited timely.

#### Cash Disbursements - Adequate Documentation

**Finding:**

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

**Resolution:**

During our current year audit, all disbursements selected for testing had adequate supporting documentation.

#### Club Minutes

**Finding:**

During our prior year audit, no club minutes were recorded or submitted to the Central Treasurer.

**Resolution:**

During our current year audit, club minutes were prepared and submitted to the Central Treasurer.

### **Mexico Middle School**

#### **Recurring Findings**

##### Cash Receipts - Profit and Loss Statements

**Finding:**

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

**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:**

During our current year audit, 1 of 5 disbursements had goods shipped to an individual's home, not the School District. In the prior year audit, 2 of 5 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.

## **Current Year Findings**

### **Cash Receipts - Timeliness to Central Treasurer**

#### **Finding:**

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

#### **Recommendation:**

We recommend Student Treasurers submit receipts to the Central Treasurer on a regular basis, preferably within 3 to 5 business days of receipt.

### **Cash Receipts - Documentation Missing Dates**

#### **Finding:**

During our current year audit, we were unable to determine if funds were submitted to the Central Treasurer in a timely fashion for 1 of 5 receipts examined.

#### **Recommendation:**

We recommend the Central Treasurer communicate the importance of submitting funds as they are received, as opposed to waiting to submit the funds. Also, we recommend forms submitted by the Student Officer disclose the date funds were received. Faculty advisors should actively monitor the timely submission of funds from Student Officers to the Central Treasurer to ensure safeguarding of student assets.

### **Cash Receipts - Timeliness of Bank Deposit**

#### **Finding:**

During our current year audit, 2 of 5 receipts were not deposited timely by the Central Treasurer.

#### **Recommendation:**

We recommend the Central Treasurer make deposits within 3 business days of receiving funds.

## **Prior Year Findings - Resolved**

### **Club Minutes**

#### **Finding:**

During our prior year audit, no club minutes were recorded or submitted to the Central Treasurer.

#### **Resolution:**

During our current year audit, minutes were properly recorded and submitted.

Mexico Academy and Central School District

October 14, 2024

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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 "Inero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York

October 14, 2024