

**EXTRACLASSROOM ACTIVITY FUNDS  
MANAGEMENT COMMENT LETTER**

Board of Education  
Little Falls City School District  
Little Falls, New York

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of the Little Falls City School District (School District) for the year ended June 30, 2022, 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.

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.

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 or significant deficiencies. 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 12, 2022 on the financial statements of the Extraclassroom Activity Funds of the Little Falls City School District.

## **OTHER MATTERS**

### **Current Year Findings**

#### Disbursement Not Approved in Minutes

**Finding:**

During our current year audit, 1 out of the 6 applicable disbursements was not approved in the student's minutes for the club.

**Recommendation:**

We recommend that the clubs keep as detailed minutes as possible to ensure controls are being followed and that the students are making the decisions with the funds.

#### Student Ledger Balance Does Not Match Central Treasurer's Report

**Finding:**

During our current year audit, 1 out of the 2 selected club ledgers for testing did not balance the Central Treasurer's report.

**Recommendation:**

We recommend that the students keep the ledgers updated for their respective clubs.

### **Current and Prior Year Findings**

#### Timely Transfer of Funds to Central Treasurer

**Finding:**

During our current year audit, 6 out of 8 receipts tested were not submitted to the Central Treasurer in a timely manner; 7 of 8 receipts were not turned over to the Central Treasurer in a timely manner in the prior year as well.

**Recommendation:**

We recommend funds be submitted to the Central Treasurer as soon as possible so that they can be deposited by the Central Treasurer within 3 to 5 days of receipt.

#### Inactive Clubs

**Finding:**

During our current year audit, 1 out of 16 clubs were financially inactive; the one inactive club was financially inactive in the prior year as well. During our prior year audit, 4 out of 16 clubs were financially inactive.

**Recommendation:**

We recommend clubs that are financially inactive for 2 years be dissolved per School District policy.

Little Falls City School District

October 12, 2022

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### Profit and Loss Statements

#### Finding:

During our current year audit, 2 of 4 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.

This letter is intended solely for the use of the Audit Committee, the Board of Education, management, New York State Department of Education, and others within the School District and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York

October 12, 2022