

September 22, 2020

To the President and Members of
the Board of Education of the
Averill Park Central School District

Dear Board Members:

In planning and performing our audit of the financial statement of Averill Park Central School District's Extraclassroom Activity Fund (the Fund), as of and for the year ended June 30, 2020, we considered the Fund'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 22, 2020 on the financial statement of Averill Park 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

We noted there are limited accounting controls over the collection of receipts by clubs prior to initial entry of these receipts in the accounting records. This means there could be amounts collected that are not deposited into the Fund bank account.

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 Fund 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 Fund 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 Fund 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.

We would like to thank the management and staff of Averill Park Central School District for their cooperation during the course of the audit. There are many favorable areas within the Fund upon which we have not made comment. Please understand that the nature of this letter is to recommend improvements and comment on compliance with NYSED guidance.

This communication is intended solely for the information and use of the management, audit committee and Board of Education of Averill Park 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.