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Extraclassroom Activity Fund **Required Communication of Areas in Need of Improvement**

Board of Education
Unatego Central School District

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of Unatego Central School District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Extraclassroom Activity Funds of Unatego Central School District (the funds) internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Funds' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed in the attached schedule, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The material weakness and significant deficiencies are identified and described in the attached schedule of findings and recommendations.

This communication is intended solely for the use of management, the Board of Education, the New York State Education Department, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

October 15, 2018

Rome, New York

UNATEGO CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS

Current Year Extraclassroom Findings

I. Material Weaknesses

See status of prior year comments.

II. Significant Deficiencies

See status of prior year comments.

UNATEGO CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUND

PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS

Prior Year Extraclassroom Findings

I. Material Weaknesses

2017-1 Cash Receipts

Insufficient accounting controls exist over cash collections prior to the initial entry in the accounting records by the Central Treasurer. Internal accounting control and control over un-deposited cash collections could be strengthened if receipts for cash collections were issued upon the point of sale and a pre-audit of receipts was available for each major event.

Status: Noted again during the current year audit.

II. Significant Deficiencies

2017-2 Control Risk: Extraclassroom Fund Receipts

During our audit, it was brought to our attention that the clubs do not receive receipts upon turning money over to the Central Treasurer but are given the receipt at a later point. As a result, any issues that may arise in the future regarding deposited funds or cash balances will be difficult to resolve.

Even though it was noted that review or reconciliation of the Central Treasurer's books is being performed, we recommend that receipts should be issued to students when money is turned over to the Central Treasurer.

Status: Students are receiving receipts in the current year; however, they are not being issued in a timely manner. Money will be dropped off but is not issued a receipt until a later date.

2017-3 Inactive Clubs

During our audit, we noted one of the high school extraclassroom clubs did not have any financial activity during the school year.

An inactive extraclassroom activity is defined as not having financial activity for one full school year. The Board should review accounts annually for clubs that are inactive. The money in these clubs should be transferred into the main student body if deemed inactive by the Board.

We recommend that if the inactive club does not want to be closed, they should submit a memo noting that they plan for future activity and would like to remain open.

Status: There were no inactive clubs noted during the current year audit.