

LaFayette Central School District

Four Schools, Three Buildings, Two Nations, One Goal: Excellence!

LaFayette Jr./Sr. High School
3122 Route 11 North
LaFayette, NY 13084

Big Picture School
3122 Route 11 North
LaFayette, NY 13084

C. Grant Grimshaw Elementary
5957 Route 20 West
LaFayette, NY 13084

Onondaga Nation School
Route 11A RR#1 Box 270
Nedrow, NY 13120

Response to Required Communications Letter 10-8-2020 **10-8-2020**

Our responses to the Required Communications Letter and Financial Statement Schedule of Findings and Questioned Costs are below:

Issue: Schedule of Findings and Questioned Costs

Criteria:

The District is required to report all transactions within the District's accounting system in the proper fund, in the proper period, and in accordance with generally accepted accounting principles.

Cause/Condition:

The general fund made a payment on a bond anticipation note (BAN) during the fiscal year through interfund loan activity with the capital projects fund and did not reflect the expenditure in the general fund or the ban redeemed from appropriations in the capital projects fund.

Accounts payable and the related expenditures in the capital projects fund were not complete and did not include all of the transactions related to June 30, 2020 that were paid subsequent to year end.

Effect:

Material audit adjustments were proposed in the following funds as a result of our audit that are summarized on page 69 of the financial statements:

Recommendation:

Financial information for all funds of the District should be monitored and reviewed on a timely basis. The financial closing process should be formally documented and reviewed.

Action:

A bond anticipation note was missed being recorded in the general fund and capital projects fund. We were provided with a summary of entries relating to this debt payment by our fiscal advisors. It was not realized that part of the entry was not addressed in their summary. This entry related to a debt payoff with Native American building aid. Native American building aid works very differently than regular building aid. We will plan to hold quarterly meetings with our Fiscal Advisors to review our debt service schedules to ensure all entries to be made are known and verified prior to year-end. Additionally, we will work on providing additional training for all business office staff related to Native American aids. At the same time, a summary of transactions related to

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Vision: *Inspire, empower, and prepare all students to achieve excellence.*

Native American building aid will be created as a guide to follow. Additionally, the School Business Manager will review all debt entries to ensure they are complete and accurate.

Accounts payable and the related expenditures in the capital projects fund were not all recorded in 2019-2020 as they should be. This is primarily due to a change in staffing right at year-end. We will create written guidance regarding the accounts payable year end process. All business office staff will attend NYSASBO training and we will meet prior to year-end to ensure everyone understands their role with year-end and the importance of accruals. Year-end written guidance will be created for review. Additionally, at year end, the School Business Manager will review the expected accruals to ensure they flow through to the correct accounts.

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