

LAFAYETTE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
FINANCIAL REPORT

For Year Ended June 30, 2024



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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
LaFayette Central School District, New York

Qualified and Unmodified Opinions

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the LaFayette Central School District for the year ended June 30, 2024 and the related notes to the financial statement.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the basis for qualified opinion paragraph, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of LaFayette Central School District for the year ended June 30, 2024, in accordance with the cash basis of accounting as described in Note 1.

Basis for Qualified Opinion

Internal accounting controls are limited over the cash receipts from the point of collection to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibility of Management for the Statement of Cash Receipts and Disbursements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 10, 2024

LAFAYETTE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2024

<u>High School:</u>	<u>Cash Balance</u> <u>July 1, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance</u> <u>June 30, 2024</u>
Class of 2023	\$ 22	\$ 330	\$ 352	\$ -
Class of 2024	3,929	5,312	8,850	391
Class of 2025	4,460	9,371	11,695	2,136
Class of 2026	2,058	2,445	2,812	1,691
Class of 2027	1,483	2,480	1,574	2,389
Class of 2028	1,177	3,736	2,746	2,167
Class of 2029	-	3,221	2,198	1,023
Arts Entrepreneurship	-	1,220	435	785
Big Picture	4,076	9,750	1,632	12,194
Cross Country	1,272	1,709	1,537	1,444
Drama Club	10,536	3,070	2,919	10,687
Garlic Project	1,045	-	1,045	-
Jr. Honor Society	4,038	3,182	3,387	3,833
Music Club	6,683	75	124	6,634
National Honor Society	588	685	837	436
Native Club	1,737	-	284	1,453
Outdoor Ed	3,165	-	-	3,165
Robotics	452	-	449	3
Spanish Club	2,493	10,401	10,513	2,381
Student Council	6,503	5,589	4,267	7,825
Teen Institute	328	-	40	288
V. Basketball	52	-	52	-
Yearbook Account	5,140	13,423	14,388	4,175
Total High School	\$ 61,237	\$ 75,999	\$ 72,136	\$ 65,100

	Cash Balance			Cash Balance
<u>Onondaga Nation School:</u>	<u>July 1, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2024</u>
Box Tops for Education	\$ 212	\$ -	\$ 212	\$ -
Bridges Club	3,030	-	-	3,030
Educational Share Club	282	-	206	76
Grade K-3	463	274	325	412
Grade 4-5	17	-	-	17
Grade 6-8	5,596	635	736	5,495
Incentive Club	688	3,069	1,518	2,239
Yearbook	3,110	150	28	3,232
Total Onondaga Nation School	<u>\$ 13,398</u>	<u>\$ 4,128</u>	<u>\$ 3,025</u>	<u>\$ 14,501</u>
<u>Grimsaw Elementary School:</u>				
Grade 6	\$ 1,461	\$ 1,420	\$ 1,513	\$ 1,368
Council PE	1,542	-	1,542	-
Play Club	1,968	1,405	1,027	2,346
Student Council	11,619	45	5,930	5,734
Yearbook	1,452	1,381	1,046	1,787
Total Grimsaw Elementary School	<u>\$ 18,042</u>	<u>\$ 4,251</u>	<u>\$ 11,058</u>	<u>\$ 11,235</u>
 GRAND TOTAL	 <u><u>\$ 92,677</u></u>	 <u><u>\$ 84,378</u></u>	 <u><u>\$ 86,219</u></u>	 <u><u>\$ 90,836</u></u>

(See accompanying notes to financial statement)

LAFAYETTE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENT

June 30, 2024

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the LaFayette Central School District. Consequently, the cash balances are included in the financial statements of the School District as part of the Custodial Fund.

The accounts of the Extraclassroom Activity Funds of the LaFayette Central School District are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.

(Note 2) Cash and Cash Equivalents:

Cash and cash equivalents is comprised of three checking accounts. The balance in these accounts is fully covered by FDIC Insurance.

LAFAYETTE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the LaFayette Central School District's Extraclassroom Activity Funds for the year ended June 30, 2024. As part of our examination, we made a study and evaluation of the system of internal accounting control to the extent we deemed necessary to render our opinion.

There are inherent limitations in considering the potential effectiveness of any system of internal accounting control. Human errors, mistakes of judgment and misunderstanding of instructions limit the effectiveness of any control system.

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 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Prior Year Deficiencies Pending Corrective Action:

High School –

Sales Tax

Our examination revealed the following:

1. There was one instance in Drama Club in which sales tax was not paid on a taxable purchase.
2. There were two instances, one in Student Council, and one in Spanish Club, where sales tax was paid on items intended for resale.

We recommend every effort continue to be made to comply with New York State Sales Tax Law. We also recommend every effort be made to issue resale certificates (Form ST-120) to vendors when making purchases of merchandise intended for resale and to collect sales tax upon the resale of the merchandise.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Onondaga Nation School –

Student Involvement

There are multiple accounts that should be reviewed to ensure they meet the criteria to be an extraclassroom activity according to the New York State Finance Pamphlet No. 2, *Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*.

We recommend the Administration review all of the activities to ensure they meet the criteria as an extraclassroom activity.

Disbursements

Our examination revealed one instance in the Educational Share Club where the payment order did not have the Faculty Advisor signature present.

In an effort to improve internal accounting control, all payment orders should be signed by the Student Treasurer, the Faculty Advisor and the Chief Faculty Advisor.

Grimshaw Elementary School –

Student Ledgers

Our examination revealed that separate ledgers are not always maintained by the Student Treasurers.

In an effort to conform with New York State guidelines, we recommend Student Treasurers together with Faculty Advisors maintain a separate set of financial records for their organization. In addition, these records should be compared with those maintained by the Central Treasurer on a monthly basis to determine their accuracy.

Profit and Loss Statements

Our examination revealed one instance in Grimshaw Elementary Play Club in which a profit and loss statement was not prepared for a fundraiser.

We recommend the Student Treasurer together with the Faculty Advisor prepare and sign a profit and loss statement for each fund-raising activity and that these statements be submitted to the Central Treasurer to be retained for our review at year end.

Current Year Deficiencies in Internal Control:

Onondaga Nation School –

Deposits

Our examination revealed three instances, two in Incentive Club, and one in Grade K-3, of an untimely deposit.

In an effort to improve internal accounting control over receipts, we recommend remitting cash receipts to the Central Treasurer for deposit in a more timely manner.

High School –

Venmo

We noted two instances, one in Arts Entrepreneurship, and one in the Class of 2028 in which Venmo was being used by the Faculty Advisor, but there was no support from Venmo to agree to the Advisor's spreadsheet of money earned.

We recommend this situation be reviewed to ensure there are internal controls surrounding cash collections through third party cash transfer applications.

Gift Cards

Our examination revealed one instance in the Class of 2024 in which gift cards were given out without record of who received them.

For all payments of this nature, we recommend the club keep a record of who received the gift cards with a formal acknowledgement of receipt.

Cash Payment

Our examination revealed one instance in Cross Country in which the Faculty Advisor paid the vendor in cash instead of with a check.

In an effort to safeguard cash and to improve accountability, all cash receipts should be deposited intact, and all purchases should be made by check.

Grimshaw Elementary School –

Cash –

Our interview revealed that the Student Treasurer and Faculty Advisor were not involved in the counting of cash for the musical, and the Central Treasurer took cash home after the event.

In an effort to help safeguard cash and maintain accountability and control over cash receipts, we recommend all receipts be secured on District property before being counted by the Student Treasurer and Faculty Advisor and then submitted to the Central Treasurer for deposit.

(Current Year Deficiencies in Internal Control) (Continued)

Club Minutes –

Our examination revealed one instance in the Play Club in which a gift card was purchased without meeting minutes indicating approval by club members.

For all payments of this nature, we recommend student meeting minutes or evidence of a vote by the majority of club members to support the expenditure.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item which we would like to communicate to you as follows:

Inactive Clubs –

As indicated on the statement of cash receipts and disbursements, the Outdoor Ed, Bridges Club, and Grades 4-5 were financially inactive during the 2023-24 fiscal year.

We recommend the status of these clubs be reviewed. If future financial transactions are not anticipated, they should be closed in accordance with the Board of Education policy.

Prior Year Recommendations:

We are pleased to report that the following prior year recommendations have been implemented to our satisfaction:

General:

1. Sales reconciliations were prepared for items sold to cash collected.

High School

1. Deposits were made timely.
2. Separate ledgers were being maintained by the Student Treasurers.

Onondaga Nation School

1. All clubs had a Student Treasurer.
2. Profit and loss statements were not applicable this year, as the club received commission checks for all fundraisers.

Grimshaw Elementary School:

1. No raffles were held this year.

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We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 10, 2024