

**LAFAYETTE CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
FINANCIAL REPORT**

**For Year Ended June 30, 2023**



BUSINESS  
ADVISORS  
AND CPAS

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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, 2023 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, 2023, 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 12, 2023

LAFAYETTE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2023

<b>High School:</b>	<b>Cash Balance <u>July 1, 2022</u></b>	<b><u>Receipts</u></b>	<b><u>Disbursements</u></b>	<b>Cash Balance <u>June 30, 2023</u></b>
Class of 2022	\$ 5	\$ -	\$ 5	\$ -
Class of 2023	3,084	-	3,062	22
Class of 2024	4,814	13,544	14,429	3,929
Class of 2025	3,681	1,967	1,188	4,460
Class of 2026	1,092	2,020	1,054	2,058
Class of 2027	380	3,796	2,693	1,483
Class of 2028	-	3,195	2,018	1,177
Big Picture	3,267	2,439	1,630	4,076
Cross Country	1,027	255	10	1,272
Drama	9,269	3,776	2,509	10,536
Garlic Project	1,045	-	-	1,045
Jr. Honor Society	4,875	2,685	3,522	4,038
Music Club	6,707	75	99	6,683
National Honor Society	410	416	238	588
Native Club	879	991	133	1,737
Outdoor Ed	2,866	556	257	3,165
Robotics	452	-	-	452
Spanish Club	778	5,749	4,034	2,493
Student Council	6,908	4,129	4,534	6,503
Teen Institute	389	15	76	328
V. Basketball	168	63	179	52
Yearbook Account	9,397	14,528	18,785	5,140
<b>Total High School</b>	<b>\$ 61,493</b>	<b>\$ 60,199</b>	<b>\$ 60,455</b>	<b>\$ 61,237</b>

	<u>Cash Balance</u> <u>July 1, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance</u> <u>June 30, 2023</u>
<b><u>Onondaga Nation School:</u></b>				
Box Tops for Education	\$ 35	\$ 177	\$ -	\$ 212
Bridges	3,030	75	75	3,030
Edu Share	282	-	-	282
Grade K-3	347	416	300	463
Grade 4-5	17	-	-	17
Grade 6-8	5,459	1,525	1,388	5,596
Incentive	1,109	1,483	1,904	688
Yearbook	3,967	253	1,110	3,110
<b>Total Onondaga Nation School</b>	<b><u>\$ 14,246</u></b>	<b><u>\$ 3,929</u></b>	<b><u>\$ 4,777</u></b>	<b><u>\$ 13,398</u></b>
 <b><u>Grimsaw Elementary School:</u></b>				
Grade 6	\$ 841	\$ 620	\$ -	\$ 1,461
Council PE	1,542	-	-	1,542
Kids	(739)	739	-	-
Play	1,968	-	-	1,968
Student Council	8,131	14,142	10,654	11,619
Yearbook	6,623	1,236	6,407	1,452
<b>Total Grimsaw Elementary School</b>	<b><u>\$ 18,366</u></b>	<b><u>\$ 16,737</u></b>	<b><u>\$ 17,061</u></b>	<b><u>\$ 18,042</u></b>
<b>GRAND TOTAL</b>	<b><u>\$ 94,105</u></b>	<b><u>\$ 80,865</u></b>	<b><u>\$ 82,293</u></b>	<b><u>\$ 92,677</u></b>

( ) Denoted red figure  
 (See accompanying notes to financial statement)

**LAFAYETTE CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**NOTES TO FINANCIAL STATEMENT**

**June 30, 2023**

**(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, 2023. 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:**

**General Findings –**

**Student Ledgers**

Our examination revealed that throughout the High School and Grimshaw Elementary School, 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.

**(Prior Year Deficiencies Pending Corrective Action) (General Findings) (Continued)**

**Profit and Loss Statements**

Our examination revealed that profit and loss statements were not being prepared for fundraising activities at Onondaga Nation School. In addition, we noted a profit and loss statement prepared for the Grimshaw Elementary Student Council that was not signed by the Student Treasurer and Faculty Advisor.

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.

**High School** –

**Deposits**

Our examination revealed one instance in the Class of 2026 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.

**Onondaga Nation School** –

**Student Involvement**

Our examination revealed that there are multiple accounts at Onondaga Nation School that do not have an appointed Student Treasurer. In addition, there are multiple accounts that should be reviewed to ensure they meet the criteria to be an extraclassroom activity according to New York State Finance Pamphlet No. 2, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*.

In an effort to comply with New York State guidelines, we recommend a Student Treasurer and Faculty advisor be appointed for all clubs. In addition, we recommend the Administration review all of the activities to ensure if they meet the criteria as an extraclassroom activity account.

**Disbursements**

Our examination revealed three instances, one in the Grade K-3 Club, one in the Grade 6-8 Club, and one in the Incentive Club where the payment order did not have the Student Treasurer and/or 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.

## **Current Year Deficiencies in Internal Control:**

### **General Findings –**

#### **Sales Reconciliations**

During the course of our examination, we noted three instances in the High School, one in the Class of 2024, one in the class of 2026, and one in the National Junior Honor Society, as well as one instance in the Grimshaw Elementary Student Council, and one instance in the Onondaga Nation School Grade 6-8 Club, in which sales reconciliations were not prepared to support the deposit.

We recommend deposits be supported with a reconciliation of items sold to cash collected.

### **High School –**

#### **Sales Tax**

Our examination revealed the following:

1. There were two instances, one in Big Picture Club, and one in Drama Club, in which sales tax was not paid on purchases for items that were not being resold.
2. There was one instance in the Class of 2027 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.

### **Grimshaw Elementary School –**

#### **Raffle –**

During the course of our examination, we noted that the Student Council held a raffle during the year.

We recommend the Administration review this item to determine if it is in accordance with District guidelines as well as the Laws of New York State and develop the necessary corrective action during the 2023-24 fiscal year.

### **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 High School Robotics and Garlic Project, the Onondaga Nation School Edu Share and Grade 4-5, and the Grimshaw Elementary School Council PE and Play Club were financially inactive during the 2022-23 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:

**High School**

1. Profit and loss statements were signed by the Student Treasurer.
2. Sales tax is now being remitted on the gross sales instead of the profit.
3. The District has developed a standard document for profit and loss statements.

**Onondaga Nation School**

1. Original supporting documentation or receipts were attached to payment orders.

**Grimshaw Elementary School:**

1. Profit and loss statements are now being prepared for fundraisers.
2. The Kids Account no longer had a deficit balance as of June 30, 2023.
3. All clubs now have a Student Treasurer and Faculty Advisor.
4. Deposits were made timely.

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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, Baw & Co. LLP*

Rochester, New York  
December 12, 2023