



BUSINESS
ADVISORS
AND CPAS

October 4, 2024

To the President and Members
of the Board of Education of the
Mechanicville City School District

Dear Board Members:

In planning and performing our audit of the financial statement of Mechanicville City School District's Extraclassroom Activity Fund (the Fund), as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, 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, as discussed below, 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 October 4, 2024 on the financial statement of Mechanicville City 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

The Extraclassroom Activity Clubs receive funds from a variety of sources, including donations, ticket sales, field trips, event admissions and product sales. However, controls over those receipts are limited.

Recommendation

The District should review NYSED's Finance Pamphlet 2 for all aspects of control over Extraclassroom Activity Funds. However, the Fund should consider documenting donations in the minutes of each Club and require all fundraisers be supported by a ticket reconciliation.

2. CLUB LEDGERS

Finding

During our testing of cash disbursements and cash receipts, we noted 9 out of 60 disbursements tested and also 5 out of 60 cash receipts tested where the disbursement or receipt was not included in the student ledger or the ledger was missing.

Recommendation

Club ledgers are an important and required part of the accounting records for extraclassroom activities. The purpose of these ledgers is for the Club to be responsible for recording and monitoring their activity and for providing a system of checks and balances against the ECAF Treasurer. To help ensure that each club is aware of the balance available to them, club ledgers should be prepared and maintained by the student treasurers of each club, ensuring they are correctly accounting for all activity throughout the year. These ledgers should be periodically compared to the Central Treasurer's ledger with any discrepancies investigated and resolved.

3. INACTIVE CLUB

Finding

Our audit procedures identified one club that has been inactive for four years and still carries a balance.

Recommendation

To comply with NYSED guidance, we recommend that the Fund enforce its policy in which funds from inactive clubs are transferred to the student government club account. In doing so, the Fund can help reduce the risk that these funds might be misappropriated.

We would like to thank the management and staff of Mechanicville City 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.

This communication is intended solely for the information and use of the management, audit committee and Board of Education of Mechanicville City School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mengel, Metzger, Barr & Co. LLP

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