



# NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

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**TO:** Audit Committee  
**DATE:** 1/6/20  
**FROM:** Robert Magin, Assistant Superintendent for Business and Operations  
**RE:** Extraclassroom Audit for the Year Ending June 30, 2019



The Extraclassroom Activity Funds annual, independent audit report prepared for the Board of Education by Mengel Metzger Barr & Co. LLP was provided to the Board for study. The audit contains statements for the year ending June 30, 2019. The recommendations have been or will be addressed as follows:

## High School

- **Prior Year Deficiency Pending Corrective Action-**

### Varsity Club

During the course of our examination, we noted that concession sales for the Varsity Club were not individually deposited from the corresponding athletic event. In addition, one reconciliation for a concession stand deposit differed from the deposit by \$66.25.

In an effort to enhance internal controls, we recommend a reconciliation of items sold to the total cash collected be prepared and turned into the Central Treasurer with the cash deposit. In addition, we recommend that concession sales be deposited separately for each athletic event.

Going forward, concession sales will be deposited separately for each athletic event.

Advisors will be reminded of items identified on the fundraiser checklist. This includes the importance of congruence between tally sheet counts, deposit slips, and actual deposits (or a statement indicating the reason for a discrepancy) as well as the importance of depositing cash collections in a timely fashion.

For 2019-2020, we have identified funds to pay an experienced advisor to support our other advisors with fundraising matters.

- **Current Year Deficiencies in Internal Control-**

### Classes of 2021 and 2022

During the course of our examination, we noted the following:

1. As a result of fundraising activities being comingled between the clubs, profit and loss statements could not be easily traced to the general ledger.
2. Amounts deposited with the Central Treasurer did not agree with reconciliations of amounts sold.
3. There was a golf tournament fundraiser where items were raffled off.

We recommend these items be reviewed and the appropriate corrective action be implemented during this next fiscal year.

Going forward, fundraisers will only be approved by administration if there is only one club identified on the fundraising approval form.

Advisors will be reminded of items identified on the fundraiser checklist. This includes the importance of congruence between tally sheet counts, deposit slips, and actual deposits (or a statement indicating the reason for a discrepancy) as well as the importance of depositing cash collections in a timely fashion. Advisors will also be reminded that raffles are not allowed.

For 2019-2020, we have identified funds to pay an experienced advisor to support our other advisors with fundraising matters.

### **Deficit Balances**

As indicated on the statement of cash receipts and disbursements the AV Club and the Outdoor Club had deficit cash balances of \$276 and \$646, respectively, at June 30, 2019.

We recommend the Administration review these activities during this next fiscal year to determine the reasons for the excess of expense over revenue and to develop the corrective action necessary to eliminate these deficits.

Due to the receipt of a check, the Outdoor Club balance is now positive. The A/V Club will fundraise this year to make their account balance positive.

### **Receipts**

Our examination revealed one instance in the Student Council, one instance in the Yearbook Club, one instance in the Class of 2019, and one instance in the Varsity Club in which receipts were turned over to the Central Treasurer for deposit several days after the cash was received.

In an effort to maintain accountability and control over receipts, we recommend every effort continue to be made to deposit cash collections on a more timely basis.

Advisors will be reminded of items identified on the fundraiser checklist. This includes the importance of congruence between tally sheet counts, deposit slips, and actual deposits (or a statement indicating the reason for a discrepancy) as well as the importance of depositing cash collections in a timely fashion. Advisors will also be reminded that raffles are not allowed.

We have established and filled a Deputy Central Treasurer position. This will assist in timeliness of transactions when the Central Treasurer is unavailable.

For 2019-2020, we have identified funds to pay an experienced advisor to support our other advisors with fundraising matters.

## **Middle School**

- **Current Year Deficiencies in Internal Control-**

### **Sales Tax**

During the course of our examination, we noted one instance in Yearbook Club and two instances in the Musical Club where sales tax was not paid on taxable purchases.

We recommend every effort continue to be made to comply with New York Sales Tax Law regarding the payment of sales tax on the purchase of items not intended for resale.

The Middle School Principal and Central Treasurer will be sure that all necessary sales tax is collected.

### **Profit & Loss Statements**

Our examination revealed one instance in the Yearbook Club and two instances in the Honor's Trip Club where the profit and loss statements did not include the required signatures. In addition, the Yearbook Club had a loss of approximately \$2,300 on their yearbook sales.

We recommend the Student Treasurer together with the Faculty Advisor prepare and sign profit and loss statements at the close of each fund-raising event. In addition, the Administration should review the Yearbook Club to determine the reasons for the excess of expense over revenue, and to develop a corrective action plan to prevent future losses.

The Middle School Central Treasurer has created a check sheet will be used to ensure all appropriate documentation has been submitted by clubs.

### **Other Item:**

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

#### **Inactive Clubs-**

As indicated on the statement of cash receipts and disbursements, the following clubs were financially inactive during the 2018-2019 fiscal year:

#### **High School**

Dramatic Productions

Ski Club

Band Fund

#### **Middle School**

LTD Charitable

Wrestling Club

Health Club

AV Charitable Club

Foreign Language Club

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

The Middle School Principal is recommending to the Board of Education that the five middle school clubs identified above be closed and that the funds in those accounts be contributed to Student Council.