

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

**For Year Ended June 30, 2019**

**MENGEL METZGER BARR & CO. LLP**  
RAYMOND F. WAGER, CPA, P.C. DIVISION

## TABLE OF CONTENTS

Independent Auditors' Report	1 – 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2019	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 6

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Letchworth Central School District for the year ended June 30, 2019 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

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; this includes 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's Responsibility*

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statement 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***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.

***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 Letchworth Central School District for the year ended June 30, 2019, in accordance with the cash basis of accounting as described in Note 1.

***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.

Rochester, New York  
November 26, 2019



**LETCHWORTH CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For Year Ended June 30, 2019**

	<b>Cash Balance</b> <b><u>July 1, 2018</u></b>	<b><u>Receipts</u></b>	<b>Disburse-</b> <b><u>ments</u></b>	<b>Cash Balance</b> <b><u>June 30, 2019</u></b>
Class of 2019	\$ 6,514	\$ 46,891	\$ 53,405	\$ -
Class of 2020	1,611	11,627	6,915	6,323
Class of 2021	-	1,080	-	1,080
C.F.A.	304	-	16	288
Drama Club	7,171	7,308	9,195	5,284
F.F.A.	19,235	21,307	23,053	17,489
Foreign Language Club	50,319	37,174	45,694	41,799
Legend - Yearbook	2,346	6,300	5,067	3,579
Music Dept. (Band Fund)	8,410	56,359	57,084	7,685
National Honor Society Jr.	2,012	14	54	1,972
National Honor Society Sr.	848	301	214	935
Petty Cash	200	-	-	200
Prom Account	1,595	8,400	7,915	2,080
Sales Tax	1,822	5,355	4,206	2,971
Snow Ball Express	-	3,333	3,333	-
Student Council MS	(204)	4,202	2,740	1,258
Student Council HS	365	10,411	10,101	675
Varsity Club	10,093	11,627	9,850	11,870
Whale Watch	2,197	73,469	73,141	2,525
<b>TOTAL</b>	<b><u>\$ 114,838</u></b>	<b><u>\$ 305,158</u></b>	<b><u>\$ 311,983</u></b>	<b><u>\$ 108,013</u></b>

(See accompanying notes to financial statement)  
( ) Denotes red figure.

**LETCHWORTH CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**NOTES TO FINANCIAL STATEMENT**

**June 30, 2019**

**(Note 1)      Accounting Policy:**

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

The accounts of the Extraclassroom Activity Funds of the Letchworth 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 one checking account. The balance in this account is fully covered by FDIC Insurance.

**LETCHWORTH CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**AUDITORS' FINDINGS AND EVALUATION**

We have examined the statement of cash receipts and disbursements of the Letchworth Central School District's Extraclassroom Activity Funds for the year ended June 30, 2019. 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 Deficiency Pending Corrective Action:**

**Profit and Loss Statements –**

Our examination revealed that an apparel/merchandise sale held by the Varsity Club incurred a loss of \$116 as compared to an \$133 loss in the prior year.

We recommend the Administration continue to review this situation and develop the necessary corrective action during this next fiscal year.

**Prior Year Recommendations:**

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

1. For those items tested, sales tax appeared to be paid on taxable purchases.
2. The donations which were tested included meeting minutes that specified the recipient and approval for the amount donated.
3. There were no deficit cash balances at June 30, 2019.

\*

\*

\*

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

Rochester, New York  
November 26, 2019

*Raymond F. Wager, CPA, PC*