

**DANSVILLE 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

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MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Dansville 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.

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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 Dansville 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
December 4, 2019

Raymond F. Wayne, CPA, PC

DANSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2019

	Cash Balance July 1, 2018	Receipts	Disburse- ments	Cash Balance June 30, 2019
Class of 2017	\$ 337	\$ -	\$ -	\$ 337
Class of 2018	147	-	-	147
Class of 2019	4,444	13,256	16,975	725
Class of 2020	5,813	11,219	8,287	8,745
Class of 2021	-	5,011	3,170	1,841
Class of 2022	-	15,636	9,939	5,697
Best Friends Forever	159	187	112	234
Danua Staff - H.S. Yearbook	5,439	9,678	10,486	4,631
Dansville Archers	617	500	250	867
DHS Chorus	990	1,650	1,810	830
DHS National Art Honor Society	563	1,044	1,208	399
Drama Club	10,268	12,159	8,020	14,407
Elementary Band	4,955	17,604	18,208	4,351
Elementary Café to Go	188	379	466	101
Elementary School Library	1,925	4,130	3,603	2,452
Elementary School Ski Club	5	4,714	4,714	5
Elementary School Student Council	3,800	5,057	3,797	5,060
Extracurricular Tax and Interest	388	44	-	432
International Club	22,555	5,950	6,043	22,462
Junior High National Honor Society	2,039	5,850	5,384	2,505
Middle Memories - DMS Yearbook	545	1,275	1,737	83
National Honor Society	244	1,279	1,276	247
Primary School Student Council	2,114	8,869	7,778	3,205
Senior High Tech Club	279	3,275	2,879	675
Senior High FBLA	859	3,857	4,160	556
Senior High Interact Club	684	-	684	-
Senior High Store	233	-	233	-
Senior High Awards	1,209	2,234	1,883	1,560
Senior High Student Council	1,385	4,599	4,087	1,897
Senior High Yorkers (History Club)	1,771	-	-	1,771
Spring Water Funds	582	-	96	486
TOTAL	\$ 74,537	\$ 139,456	\$ 127,285	\$ 86,708

(See accompanying notes to financial statement)

DANSVILLE 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 Dansville 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 Dansville 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.

(Note 3) Subsequent Events:

Our examination disclosed disbursements relating to the 2018-19 fiscal year which were not transacted and recorded until the 2019-20 fiscal year as follows:

<u>Activity</u>	<u>Disbursements</u>
Class of 2020	\$ 308
	<u>\$ 308</u>

If this amount had been recorded prior to year end, the effect would have been a reduction of the total cash balance in the amount of \$308 at June 30, 2019.

DANSVILLE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Dansville 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. In particular, cash being handled by numerous students and faculty advisors at various functions provides an atmosphere of limited control over those receipts.

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.

The District's written responses to the deficiencies identified in our extraclassroom audit have not been subject to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Prior Year Deficiencies Pending Corrective Action:

Disbursements –

Our disbursements examination revealed two instances in the Primary Student Council in which the building secretary signed the payment order as the Student Treasurer.

We recommend the Administration review this item and implement the appropriate corrective action during this next fiscal year.

District's Response –

We will review functions and make necessary changes. Duties of the signatory will be divided among employees in the Primary School to prevent the control concerns.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

General Accountability –

Our examination revealed the following:

1. There is no separate set of books being maintained for the Elementary Café to Go Club .
2. The Primary School Central Treasurer functions as the Faculty Advisor for the Student Council, and there is no Student Treasurer for the club.

We recommend each club have a Faculty Advisor and a Student Treasurer who maintains a separate set of books.

District's Response –

We will separate the duties regarding the Faculty Adviser and Treasurer and advise the Advisor to appoint a Student Treasurer in the Primary School.

According to the EBH principal, EBH Café-to Go is no longer a club so we will move the remaining balance to the EBH Student Council.

Current Year Deficiencies in Internal Control:

Receipts–

During the course of our examination, we noted one instance in the National Honor Society of an untimely deposit that was made several months after the conclusion of a fundraiser. The funds were collected on 10/10/18 in the amount of \$3,435 and were not deposited until 2/26/19.

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

District's Response –

We will work with the Building Treasurers and Advisors regarding the deposits that need to be made in a timely manner.

Reconciliations/Raffles –

Our examination revealed that the Class of 2021 held a candy fundraiser and the Drama Club held a basket raffle. There were no reconciliations of items/tickets sold to total cash collected. In addition, Section 186 of General Municipal Law prohibits students from participating in games of chance (raffles).

We recommend the Student Treasurer together with the Faculty Advisor prepare a reconciliation of items/tickets sold to total cash collected. In addition, student clubs should not participate in games of chance.

District's Response –

The District will request that the Faculty Advisors prepare reconciliation of items/tickets sold so the total cash collected will be balanced. Our District clerk will check our policy to confirm that the District does not participate in games of chance.

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 Senior High Yorkers (History Club), Class of 2017 and Class of 2018 were financially inactive during the 2018-19 fiscal year.

We recommend the status of these clubs be reviewed. If no future financial transactions are anticipated, they should be closed in accordance with the Board of Education policy.

District's Response –

We will review the status of these clubs and close them out before the end of this fiscal year.

Prior Year Recommendations:

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

1. The FBLA Club did not conduct a raffle during 2018-19 fiscal year.
2. The Elementary Student Council and DHS Student Council Awards Club maintained a separate set of books during the for 2018-19 fiscal year.
3. For the various events and fundraisers that were tested, clubs prepared a profit and loss statement.
4. The District remitted sales tax on the gross receipts from the sale of elementary Yearbooks during the year under examination.

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
December 4, 2019

Raymond F. Wagon, CPA, PC.