

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

**For Year Ended June 30, 2020**

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

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## 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, 2020 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 Dansville Central School District for the year ended June 30, 2020, 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.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
December 3, 2020

**DANSVILLE CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**For Year Ended June 30, 2020**

	<u>Cash Balance</u> <u>July 01, 2019</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2020</u>
Class of 2017	\$ 337	\$ -	\$ 337	\$ -
Class of 2018	147	-	147	-
Class of 2019	725	-	-	725
Class of 2020	8,745	9,824	12,950	5,619
Class of 2021	1,841	7,406	5,115	4,132
Class of 2022	5,697	6,031	3,815	7,913
Best Friends Forever	234	200	-	434
Clay Target Club	-	400	-	400
Danua Staff - H.S. Yearbook	4,631	6,612	5,743	5,500
Dansville Archers	867	700	597	970
DHS Chorus	830	3,752	4,388	194
DHS National Art Honor Society	399	-	-	399
Drama Club	14,407	11,239	11,680	13,966
Elementary Band	4,351	14,945	7,967	11,329
Elementary Café to Go	101	-	101	-
Elementary School Library	2,452	3,882	2,930	3,404
Elementary School Ski Club	5	6,513	6,513	5
Elementary School Student Council	5,060	2,757	2,894	4,923
Extraclassroom Tax and Interest	432	56	-	488
Gaming Club	-	2,000	1,645	355
International Club	22,462	606	3,952	19,116
Junior High National Honor Society	2,505	4,974	4,625	2,854
Middle Memories - DMS Yearbook	83	648	495	236
National Honor Society	247	500	385	362
Primary School Student Council	3,205	5,052	3,837	4,420
Senior High Tech Club	675	1,325	486	1,514
Senior High FBLA	556	6,494	6,855	195
Senior High Awards	1,560	2,192	2,456	1,296
Senior High Student Council	1,897	5,274	6,019	1,152
Senior High Yorkers (History Club)	1,771	-	1,771	-
Spring Water Funds	486	537	166	857
<b>TOTAL</b>	<b><u>\$ 86,708</u></b>	<b><u>\$103,919</u></b>	<b><u>\$ 97,869</u></b>	<b><u>\$ 92,758</u></b>

(See accompanying notes to financial statement)

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

**June 30, 2020**

**(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 2019-20 fiscal year which were not transacted and recorded until the 2020-21 fiscal year as follows:

<u>Club</u>	<u>Disbursements</u>
Class of 2020	<u><u>\$2,730</u></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 \$2,730 at June 30, 2020.

**(Note 4)      COVID-19**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

This outbreak and the continuing effects of the COVID-19 health crisis resulted in limited activities and student involvement in the Extraclassroom activities and transaction from the date of closure to the end of the fiscal year.

**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, 2020. 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:**

**General Accountability –**

Our examination revealed that 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**

The District will follow your recommendation and with follow up on your request to see that a Faculty Advisor and Student Treasurer are appointed.

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

**Reconciliations –**

Our examination revealed that the Drama Club held a performance during the 2019-20 school year. We examined a reconciliation of presale tickets sold to cash collected, however, a final reconciliation of tickets sold to total cash collected was not prepared.

We recommend the Student Treasurer together with the Faculty Advisor prepare a reconciliation of items/tickets sold to total cash collected at the conclusion of all events.

**District's Response**

The District will assure that this reconciliation is completed and will have this be a policy for all clubs.

**Current Year Deficiencies in Internal Control:**

**Stipends –**

During the course of our examination, we noted that the Drama Club paid an employee a stipend for work performed. While there were meeting minutes to support this payment, the employee was paid through the club rather than through the District's payroll.

All employees of the District should be paid through the District's payroll for extra duties performed. In addition, the respective club should reimburse the District for these costs.

**District's Response**

The District will see that all employees are paid for work through our payroll system.

**Profit and Loss Statements –**

Our examination revealed that profit and loss statements were not prepared for the Spring Water Club's Cookie Cart and the Elementary Band's Cherrydale fundraiser. In addition, there were four instances in which items include don the profit and loss statements could not clearly be traced to the general ledger and were not signed by the Student Treasurer and Faculty Advisor.

We recommend a profit and loss statement be prepared and signed by the Student Treasurer and the Faculty Advisor after each fundraiser. In addition, the items included on the profit and loss statements should be traceable to the general ledger maintained by the Central Treasurer.

**District's Response**

The District will assure the recommendation is followed.



## **(Current Year Deficiencies in Internal Control) (Continued)**

### **Change Fund –**

Our examination revealed that there is no formal procedure regarding the establishment of the change fund needed for the Primary School Student Council book fair.

We recommend all change funds deemed necessary be established by a check made payable to the Faculty Advisor or Board authorized change fund and subsequently, be redeposited into the bank account at the conclusion of the event.

### **District's Response**

Advisors will request a check following normal procedures and once the event is finished the money will be redeposited back to the bank account at the conclusion of the event.

### **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 Class of 2019 and DHS National Art Honor Society were financially inactive during the 2019-20 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**

The District will follow the recommendation.

### **Prior Year Recommendations:**

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

1. We did not note any payment orders for the Primary Student Council that were signed by the building secretary as the Student Treasurer
2. The Elementary Café to Go Club was closed during the 2019-20 fiscal year.
3. The National Honor Society did not hold a fundraiser during the 2019-20 school year and had no untimely deposits.

**(Prior Year Recommendations) (Continued)**

4. The Class of 2021 prepared a reconciliation of items sold to total cash collected for the fundraiser which was held.
5. The Drama Club did not hold a basket raffle during the 2019-20 school year.

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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, Barz & Co. LLP*

Rochester, New York  
December 3, 2020