

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

For Year Ended June 30, 2021



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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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, 2021 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, 2021, 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
January 7, 2022

DANSVILLE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For Year Ended June 30, 2021

	<u>Cash Balance</u> <u>July 01, 2020</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2021</u>
Class of 2019	\$ 725	\$ -	\$ 725	\$ -
Class of 2020	5,619	-	4,813	806
Class of 2021	4,132	14,287	16,576	1,843
Class of 2022	7,913	16,134	8,305	15,742
Class of 2024	-	700	353	347
Best Friends Forever	434	-	-	434
Clay Target Club	400	320	-	720
Danua Staff - H.S. Yearbook	5,500	5,963	1,080	10,383
Dansville Archers	970	-	-	970
DHS Chorus	194	1,128	250	1,072
DHS National Art Honor Society	399	-	-	399
Drama Club	13,966	-	151	13,815
Elementary Band	11,329	-	-	11,329
Elementary School Library	3,404	128	104	3,428
Elementary School Ski Club	5	-	-	5
Elementary School Student Council	4,923	1,527	545	5,905
Elementary Yearbook	-	2,183	2,096	87
Extraclassroom Tax and Interest	488	51	83	456
Gaming Club	355	-	-	355
International Club	19,116	-	1,545	17,571
Junior High National Honor Society	2,854	1,100	2,022	1,932
Middle Memories - DMS Yearbook	236	947	800	383
National Honor Society	362	1,275	1,675	(38)
Primary School Student Council	4,420	1,130	2,477	3,073
Senior High Tech Club	1,514	5,547	3,460	3,601
Senior High FBLA	195	590	579	206
Senior High Awards	1,296	3,051	1,479	2,868
Senior High Student Council	1,152	725	-	1,877
Spring Water Funds	857	77	130	804
TOTAL	<u>\$ 92,758</u>	<u>\$ 56,863</u>	<u>\$ 49,248</u>	<u>\$ 100,373</u>

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

DANSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2021

(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 Custodial 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 are 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 2020-21 fiscal year which were not transacted and recorded until the 2021-22 fiscal year as follows:

<u>Club</u>	<u>Amount</u>
Danua Staff – H.S. Yearbook	<u>\$3,449</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 \$6,933 at June 30, 2021.

(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.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, limited activities and student involvement in the Extraclassroom activities and transactions have resulted from the date of closure through the end of the 2020-21 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, 2021. 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 there is no Student Treasurer for the Primary School Student Council.

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

Profit and Loss Statements –

Our examination revealed that profit and loss statements were not prepared for the Primary School Student Council and the Elementary Yearbook. In addition, there were three instances in which the profit and loss statements 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.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Current Year Deficiencies in Internal Control:

Profit and Loss Statements –

We commend the Class of 2022 and Tech Club for preparing profit and loss statements, however, these were not completed individually for each fundraiser held by the clubs but were done for all fundraisers held by each club for the year.

We recommend a separate profit and loss statement be prepared for each fundraiser in order to effectively evaluate those fund raisers.

Disbursements –

Our examination revealed four instances where payment order lacked one of three required authorizing signatures and two instances there was no payment order. Also, we noted one instance in which the disbursement was not support by a vendor invoice or receipt.

In an effort to improve internal accounting control, all payments order should be adequately supported by original vendor invoices or receipts and should contain each of the three required authorizing signatures as prerequisite to being processed for payment by the Central Treasurer.

Deficit Balance –

As indicated on the statement of cash receipts and disbursements, National Honor Society had a deficit balance of \$38 at June 30, 2021.

We recommend the Administration review this item during this next fiscal year to determine the reasons for the excess of expense over revenue and to develop the correct action necessary to eliminate this deficit.

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 Best friends Forever Club, the Dansville Archers Club, the DHS National Art Honor Society, the Elementary Band, the Elementary School Ski Club, and the Gaming Club were financially inactive during the 2020-21 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.

Prior Year Recommendations:

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

1. We did not identify any stipends paid to faculty or staff.
2. The Drama Club did not sell tickets for a performance this year.
3. The Primary School Central Treasurer is no longer the faculty advisor for the Primary School Student Council.
4. For the profit and loss statements we tested, detail of revenues and expenses could be properly traced to the general ledger.
5. We did not identify any changed funds utilized in the 20-21 fiscal 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, Baw & Co. LLP

Rochester, New York
January 7, 2022