

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

For Year Ended June 30, 2022



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

Qualified and Unmodified Opinions

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, 2022 and the related notes to the financial statement.

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, 2022, in accordance with the cash basis of accounting as described in Note 1.

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.

Emphasis of Matter – 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.

Responsibility of Management for the Statement of Cash Receipts and Disbursements

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; and for 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 Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 9, 2022

DANSVILLE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2022

	<u>Cash Balance</u> <u>July 01, 2021</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2022</u>
Class of 2020	\$ 806	\$ -	\$ 806	\$ -
Class of 2021	1,843	-	1,843	-
Class of 2022	15,742	34,169	50,862	(951)
Class of 2023	-	4,472	3,381	1,091
Class of 2024	347	4,674	1,901	3,120
Class of 2025	-	12,313	8,049	4,264
Best Friends Forever	434	-	-	434
Clay Target Club	720	1,520	413	1,827
Danua Staff - H.S. Yearbook	10,383	7,865	8,732	9,516
Dansville Archers	970	-	-	970
DHS Chorus	1,072	609	385	1,296
DHS National Art Honor Society	399	-	-	399
Drama Club	13,815	17,312	9,619	21,508
Elementary Band	11,329	2,885	1,996	12,218
Elementary School Library	3,428	2,955	3,051	3,332
Elementary School Ski Club	5	-	-	5
Elementary School Student Council	5,905	1,440	903	6,442
Elementary Yearbook	87	2,656	2,516	227
Extraclassroom Tax and Interest	456	45	-	501
Gaming Club	355	-	-	355
International Club	17,571	2,849	5,823	14,597
National Junior Honor Society	1,932	885	1,160	1,657
Middle Memories - DMS Yearbook	383	1,175	1,134	424
National Honor Society	(38)	1,345	1,138	169
Primary School Student Council	3,073	4,521	6,422	1,172
DHS Tech Club	3,601	1,198	1,735	3,064
DHS FBLA	206	3,853	3,254	805
DHS Awards	2,868	1,215	207	3,876
DHS Student Council	1,877	806	-	2,683
DHS Funds	804	105	116	793
TOTAL	\$ 100,373	\$ 110,867	\$ 115,446	\$ 95,794

(See accompanying notes to financial statement)

DANSVILLE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENT

June 30, 2022

(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 is comprised of one checking account. The balance in this account is fully covered by FDIC Insurance.

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, 2022. 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.

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 Elementary Yearbook. In addition, there was one instance in the Future Business Leaders Club, one instance in the Class of 2024 and one instance in the Yearbook 7th - 8th Grade Club in which the profit and loss statements were not signed by the Student Treasurer and Faculty Advisor. We also commend the DHS Tech Club for preparing profit and loss statements, however, these were not completed individually for each fundraiser held.

We recommend a profit and loss statement be prepared for each fund raiser, and that they are signed by the Student Treasurer and the Faculty Advisor.

Current Year Deficiencies in Internal Control:

Receipts –

Our examination revealed one instance in the Class of 2023, one instance in the Class of 2024, one instance in the DHS FBLA Club and one instance in the National Honor Society where deposits were not made in a timely manner.

In an effort to maintain internal accounting control over receipts, we recommend remitting cash receipts to the Central Treasurer for deposit in a more timely manner.

Disbursements –

Our examination revealed two instances in the Primary School Student Council where student minutes indicating student approval of donations or gifts could not be examined.

We recommend all donations and gifts be approved on by student members and be documented in the respective clubs meeting minutes.

Deficit Balance –

As indicated on the statement of cash receipts and disbursements, the Class of 2022 had a deficit cash balance of \$951 at June 30, 2022. Based upon our discussions with staff, this is due to a cash deposit that had been misplaced. The Administration has already conducted an investigation into the missing deposit and efforts are currently being made to have checks reissued to recover at least a portion of the balance.

Change Fund –

Our examination revealed one instance in the Primary School Student Council where the starting change fund was established from personal funds.

We recommend that change funds be established by a check made payable to the Faculty Advisor or a Board authorized change fund. At the conclusion of the event, the change fund should be redeposited into the extraclassroom activity bank account.

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 School Ski Club, and the Gaming Club were financially inactive during the 2021-22 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 noted no instances where a payment order lacked one of three required authorizing signatures.
2. We noted no instances where a payment order was not prepared.
3. We noted no instances where a disbursement was not supported by proper documentation.
4. The National Honor Society did not have a deficit cash balance at year-end.

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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, Barw & Co. LLP

Rochester, New York
December 9, 2022