

SPENCERPORT 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

TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2020	3 - 4
Notes to Financial Statement	5 - 6
Auditors' Findings and Evaluation	7 - 8

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Spencerport 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 Spencerport 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 9, 2020

SPENCERPORT CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2020

<u>High School:</u>	<u>Cash Balance</u> <u>July 1, 2019</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2020</u>
Class of 2018	\$ 2,730	\$ -	\$ -	\$ 2,730
Class of 2019	2,000	-	1,000	1,000
Class of 2020	6,503	384	6,822	65
Class of 2021	6,250	2,850	2,934	6,166
Class of 2022	1,944	3,897	3,638	2,203
Class of 2023	-	3,758	1,538	2,220
Academy	29	-	-	29
Band Jazz	844	77,897	30,939	47,802
Best Buddies	51	-	-	51
Business Honor Society	475	-	-	475
Chorus	317	-	-	317
DECA	1,136	1,230	1,740	626
Fashion Club	105	-	-	105
First Priority	386	-	-	386
French Club	4,603	1,513	2,044	4,072
French Honor Society	443	1,247	33	1,657
Hispanic Honor Society	158	-	125	33
History Club	52	1,034	-	1,086
Italian Club	562	129	160	531
Math Madness	229	340	225	344
Model UN	-	648	541	107
Newspaper / The Voice	203	-	-	203
National Honor Society	188	-	-	188
Panorama HS Yearbook	3,737	1,491	353	4,875
RC Club	10	-	-	10
Robotics Club	4,230	5,560	5,790	4,000
Sales Tax	4,327	5,223	3,431	6,119
School Store	23,629	10,211	12,835	21,005
Service	635	6,666	6,300	1,001
Show Choir	434	75	-	509
Snowsports Co-Ed	619	3,600	3,799	420
Spanish	3,280	2,361	1,500	4,141
Subtotal	\$ 70,109	\$ 130,114	\$ 85,747	\$ 114,476

<u>High School (Continued):</u>	<u>Cash Balance</u> <u>July 1, 2019</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2020</u>
Carryover Total	\$ 70,109	\$ 130,114	\$ 85,747	\$ 114,476
Stage	9,230	33,186	23,915	18,501
Step	304	-	-	304
Student Government	19,027	37,061	39,257	16,831
Athletics -				
Bowling Co-Ed	21	460	460	21
Varsity/Pride Club	8,443	13,924	12,260	10,107
Total High School	\$ 107,134	\$ 214,745	\$ 161,639	\$ 160,240
 <u>Middle School:</u>				
MS Cave Theatrical	\$ 11,720	\$ 7,469	\$ 9,703	\$ 9,486
Justo Lamas	168	463	489	142
Library	1,798	1,401	1,406	1,793
MS FACS	4,597	-	-	4,597
MS Boston Trip	18,052	13,725	24,452	7,325
Music Darien Trip	342	84	84	342
School Store	6,510	2,964	7,149	2,325
MS Service	695	1,235	732	1,198
Ski Club	433	11,495	11,602	326
Student Government	2,905	1,000	500	3,405
Yearbook	711	190	-	901
Total Middle School	\$ 47,931	\$ 40,026	\$ 56,117	\$ 31,840
 GRAND TOTAL	\$ 155,065	\$ 254,771	\$ 217,756	\$ 192,080

(See accompanying notes to financial statement)

SPENCERPORT 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 Spencerport 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 Spencerport 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 receipts and disbursements pertaining to the 2019-20 fiscal year which were not transacted or recorded until the 2020-21 fiscal year as follows:

<u>School</u>	<u>Activity</u>	<u>Receipts</u>	<u>Disbursements</u>
Middle School	Yearbook	\$ -	\$2,805
High School	Yearbook	2,999	-
High School	Band Jazz	12,925	-
Total		<u>\$15,924</u>	<u>\$2,805</u>

If these amounts had been recorded prior to year end, the net effect would have been an increase of the total cash balance in the amount of \$13,119 at June 30, 2020. In addition, the Middle School Yearbook Club would have a deficit balance of \$1,904 at June 30, 2020.

(Note 4) Related Party Transactions:

The extraclassroom fund did business with a company owned by the brother of the Superintendent. During the 2019-20 fiscal year, approximately \$6,300 was spent with this vendor.

(Note 5) 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 transactions from the date of closure to the end of the fiscal year.

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

We have examined the statement of cash receipts and disbursements of the Spencerport 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.

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.

General Findings:

Prior Year Deficiencies Pending Corrective Action –

Student Participation

During our interviews, we noted the following:

1. The Student Treasurers for the High School Stage, Middle School Service/Interact, and Middle School Cave Theatrical Club were not always involved in counting cash.
2. The Student Treasurers of the High School DECA, Middle School Service/ Interact and Middle School Cave were not involved in maintaining a separate set of books.

Late Payments

Our examination revealed a payment to Jostens for the final Middle School Yearbook, Sam's Club credit card which was used to purchase supplies for the Middle School Bookstore, and a payment to Trophies & Awards BY NYRA for High School Varsity-Pride awards were paid subsequent to the due date.

Middle School:

Prior Year Deficiency Pending Corrective Action –

Change Fund

We were unable to examine the change fund for the MS Cave Club redeposited into the extraclassroom 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 following were financially inactive during the 2019-20 fiscal year

	<u>High School</u>	<u>Middle School</u>
Academy	First Priority	MS FACS
Best Buddies	Newspaper/The Voice	
Business Honor Society	National Honor Society	
Chorus	RC Club	
Fashion Club	Step	

Prior Year Recommendations:

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

1. All clubs had a Student Treasurer during the 2019-20 fiscal year.
2. All fundraising events which were reviewed, prepared profit and loss statements.
3. A process for tracking individuals paid over \$600 in a calendar year has been implemented to ensure issuance of an IRS Form 1099 when required.
4. We examined club meeting minutes for all scholarships and donations made during the year.
5. Employee compensation is no longer being paid as stipends through the Clubs, but instead, were processed through the District’s payroll.
6. All payment orders examined prior to the school closure for the pandemic, were signed by the Student Treasurer, Faculty Advisor, and the Chief Faculty Advisor.

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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, 2020