

**SPENCERPORT 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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**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, 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.

***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, 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.

*Raymond F. Wager, CPA, PC*

Rochester, New York  
December 17, 2019

**SPENCERPORT CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**For Year Ended June 30, 2019**

<b><u>High School:</u></b>	<b><u>Cash Balance</u></b> <b><u>July 1, 2018</u></b>	<b><u>Receipts</u></b>	<b><u>Disburse-</u></b> <b><u>ments</u></b>	<b><u>Cash Balance</u></b> <b><u>June 30, 2019</u></b>
Class of 2016	\$ 3,365	\$ -	\$ 3,365	\$ -
Class of 2017	3,553	-	3,553	-
Class of 2018	3,731	-	1,001	2,730
Class of 2019	14,729	12,987	25,716	2,000
Class of 2020	6,002	12,895	12,394	6,503
Class of 2021	2,836	12,990	9,576	6,250
Class of 2022	-	2,343	399	1,944
Academy	29	-	-	29
Band Jazz	(1,636)	93,811	91,331	844
Best Buddies	120	-	69	51
Business Honor Society	454	21	-	475
Conservation	(132)	384	252	-
Chorus	317	-	-	317
DECA	954	4,060	3,878	1,136
Environmental	(53)	2,568	2,515	-
Fashion Club	-	105	-	105
First Priority	86	300	-	386
French Club	3,409	3,544	2,350	4,603
French Honor Society	649	353	559	443
Hispanic Honor Society	226	720	788	158
History Club	52	-	-	52
Italian Club	566	45	49	562
Math Madness	194	260	225	229
Model UN	(66)	167	101	-
Newspaper / The Voice	-	203	-	203
National Honor Society	188	-	-	188
Panorama HS Yearbook	3,017	6,554	5,834	3,737
RC Club	179	-	169	10
Robotics Club	130	19,756	15,656	4,230
Sales Tax	4,890	7,646	8,209	4,327
School Store	24,172	41,782	42,325	23,629
Service	3,586	12,527	15,478	635
Show Choir	738	1,424	1,728	434
Snowsports Co-Ed	1,240	4,680	5,301	619
Spanish	4,869	7,733	9,322	3,280
Treble Choir	-	1,500	1,500	-
<b>Subtotal</b>	<b>\$ 82,394</b>	<b>\$ 251,358</b>	<b>\$ 263,643</b>	<b>\$ 70,109</b>

<u>High School (Continued):</u>	<u>Cash Balance</u> <u>July 1, 2018</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2019</u>
<b>Carryover Total</b>	\$ 82,394	\$ 251,358	\$ 263,643	\$ 70,109
Stage	16,594	12,805	20,169	9,230
Step	205	99	-	304
Student Government	13,645	41,618	36,236	19,027
Athletics -				
Bowling Co-Ed	10	795	784	21
Soccer Girls	86	200	286	-
Varsity/Pride Club	9,491	13,230	14,278	8,443
<b>Total High School</b>	<b>\$ 122,425</b>	<b>\$ 320,105</b>	<b>\$ 335,396</b>	<b>\$ 107,134</b>
 <u>Middle School:</u>				
MS Cave Theatrical	\$ 7,772	\$ 20,707	\$ 16,759	\$ 11,720
Justo Lamas	313	2,782	2,927	168
Library	1,798	-	-	1,798
MS FACS	4,362	308	73	4,597
MS Boston Trip	8,703	23,973	14,624	18,052
Music Darien Trip	(40)	10,767	10,385	342
School Store	3,813	8,260	5,563	6,510
MS Service	1,050	1,874	2,229	695
Ski Club	360	3,750	3,677	433
Student Government	3,350	-	445	2,905
Yearbook	4,663	1,199	5,151	711
<b>Total Middle School</b>	<b>\$ 36,144</b>	<b>\$ 73,620</b>	<b>\$ 61,833</b>	<b>\$ 47,931</b>
 <b>GRAND TOTAL</b>	<b>\$ 158,569</b>	<b>\$ 393,725</b>	<b>\$ 397,229</b>	<b>\$ 155,065</b>

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

**SPENCERPORT 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 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 disbursements pertaining to the 2018-19 fiscal year which were not transacted or recorded until the 2019-20 fiscal year as follows:

<u>School</u>	<u>Activity</u>	<u>Amount</u>
Middle School	Boston Trip	\$5,229
High School	Yearbook	353
<b>Total</b>		<b><u>5,582</u></b>

If these amounts had been paid prior to year end, the effect would have been a reduction of the total cash balance in the amount of \$5,582 at June 30, 2019.

**(Note 4)      Related Party Transactions:**

The extraclassroom fund did business with a company owned by the brother of the Superintendent. During the 2018-19 fiscal year, approximately \$15,217 was spent with this vendor.

**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, 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.

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 –**

**Profit and Loss Statements**

Our examination revealed the following clubs held fundraising activities, however, did not prepare profit and loss statements during the 2018-19 fiscal year:

**High School**  
Student Government – Powder Puff

**Middle School**  
MS Cave Theatrical - Production

**Student Participation**

During our interviews, we noted the following:

1. The Middle School Boston Trip did not have a Student Treasurer.
2. The Student Treasurers for the High School DECA, High School Stage and Middle School Cave Theatrical Club were not always involved in counting cash.
3. The Student Treasurers of the High School Stage and MS Cave were not involved in maintaining a separate set of books.



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

**Late Payments**

Our examination revealed a payment to Jostens for the final High School Yearbook and a payment to World Strides OnStage Programs for the High School Band Jazz Nashville trip which were paid subsequent to the due date.

**Current Year Deficiency in Internal Control –**

**IRS 1099-Misc**

During the course of our examination, we noted that there is no procedure in place to monitor payments to individuals exceeding \$600 in the aggregate and for which an IRS Form 1099 would be required

**High School:**

**Current Year Deficiency in Internal Control –**

**Meeting Minutes**

Our examination revealed one instance in the Student Government and one instance in the Bookstore in which a scholarship was paid to a student out of extraclassroom funds and there were not club minutes to support the payments. In addition, our examination revealed one instance in Varsity Pride Club in which there were no club minutes to support a payment of approximately \$4,000 for a coach's gift and pride t-shirts.

**Middle School:**

**Prior Year Deficiencies Pending Corrective Action –**

**Employee Compensation**

Our examination revealed that an employee of the District was paid a stipend for services provided to the Middle School Cave Theatrical Club, however, the payment was not processed through the District's payroll.

**Payment Orders**

Our examination revealed one instance in the School Band and four instances in the Boston Trip in which payment orders were not signed by the Student Treasurer, Faculty Advisor, or the Chief Faculty Advisor.

**(Middle School) (Continued)**

**Current Year Deficiencies in Internal Control –**

**MS Cave Theatrical**

During our interview with the Faculty Advisor, we were informed that the change fund for the production was established from cash receipts.

**Reconciliation**

Our examination revealed one instance in the MS Service Club for which we were unable to examine a reconciliation of concession items sold to total cash collected at the Dady Brothers Concert.

**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 High School Academy, High School Chorus, High School History Club, High School National Honor Society , and the Middle School Library Club were financially inactive during the 2018-2019 fiscal year:

**Prior Year Recommendations:**

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

1. For those items tested, sales tax was paid on taxable purchases.
2. The High School Jazz Band did not make cash payments to teacher volunteers for miscellaneous supplies purchased for the club.
3. Supporting invoices were available for our review for the Middle School disbursements tested.
4. We noted no discrepancies between the supporting documentation and the validated bank deposit slips for the MS School Store.
5. We noted no clubs with deficit cash balances at June 30, 2019.

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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.

*Raymond F. Wager, CPA, PC*

Rochester, New York  
December 17, 2019