

**SKANEATELES 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  
Skaneateles Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Skaneateles 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 Skaneateles 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.



Rochester, New York  
October 24, 2019

**SKANEATELES CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**For Year Ended June 30, 2019**

	<b>Cash Balance July 1, 2018</b>	<b>Receipts</b>	<b>Disburse- ments</b>	<b>Cash Balance June 30, 2019</b>
<b>High School:</b>				
Senior Activities	\$ 8	\$ -	\$ -	\$ 8
Class of 2017	1,000	-	1,000	-
Class of 2018	2,707	-	2,707	-
Class of 2019	6,404	8,843	13,343	1,904
Class of 2020	5,084	12,318	13,423	3,979
Class of 2021	328	5,970	1,085	5,213
Class of 2022	-	3,316	1,564	1,752
Band	668	28	236	460
Comet (Yearbook)	10,043	13,276	14,694	8,625
DECA	1,363	10,293	11,221	435
Drama / Choral	4,704	34,518	35,688	3,534
Ecos / Environmental Club	1,393	12,902	980	13,315
French Club	75	-	75	-
Interact	1,877	1,315	1,761	1,431
Junior Classical League	2,862	-	-	2,862
Model UN	93	2,820	2,483	430
National Honor Society	4,405	180	109	4,476
National Honor Art Society	4,128	2,996	6,924	200
Olympics of the Mind	580	1,005	1,029	556
Olympics of the Mind (OMWB)	7,343	-	710	6,633
Orchestra	579	-	267	312
S.A.D.D.	293	173	195	271
Student Government	20,256	7,281	4,189	23,348
Technology Club	778	973	354	1,397
<b>Total High School</b>	<b>\$ 76,971</b>	<b>\$ 118,207</b>	<b>\$ 114,037</b>	<b>\$ 81,141</b>
<b>Middle School:</b>				
Drama Club	\$ 8,676	\$ 10,343	\$ 5,691	\$ 13,328
Music Club	425	8,859	8,971	313
National Junior Honor Society	1,606	-	182	1,424
Ski Club	138	4,852	3,715	1,275
Student Council	9,320	25,211	25,313	9,218
Yearbook	161	1,709	191	1,679
<b>Total Middle School</b>	<b>\$ 20,326</b>	<b>\$ 50,974</b>	<b>\$ 44,063</b>	<b>\$ 27,237</b>
<b>GRAND TOTAL</b>	<b>\$ 97,297</b>	<b>\$ 169,181</b>	<b>\$ 158,100</b>	<b>\$ 108,378</b>

(See accompanying notes to financial statement)

**SKANEATELES 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 Skaneateles 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 Skaneateles 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 two checking accounts. The balance in these accounts is fully covered by FDIC Insurance.

**(Note 3)      Subsequent Events:**

Our examination disclosed disbursements relating to the 2018-19 fiscal year which were not transacted and recorded until the 2019-20 fiscal year as follows:

<u>School</u>	<u>Activity</u>	<u>Disbursements</u>
Middle School	Yearbook	\$ 1,103
<b>Total</b>		<b><u><u>\$ 1,103</u></u></b>

If this amount had been recorded prior to year end, the effect would have been a reduction of the total cash in the amount of \$1,103 at June 30, 2019.

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**AUDITORS' FINDINGS AND EVALUATION**

We have examined the statement of cash receipts and disbursements of the Skaneateles 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. 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 Deficiency Pending Corrective Action:**

**Receipts –**

During the course of our examination we noted the following weaknesses related to the receipt recording, and depositing of cash collected:

1. Amounts collected and submitted to the Central Treasurer for deposit are not always supported by a reconciliation of sales, or other documentation to verify the amount to be deposited.
2. Due to the lack of sales reconciliations, it is difficult to ascertain whether, or not, proper sales tax has been collected and remitted to New York State.

We recommend the Administration review these items, and implement the appropriate corrective action during this next fiscal year.

**Current Year Deficiencies in Internal Control:**

**IRS Form 1099 –**

During the course of our examination, we noted that there is currently no procedure in place to monitor payments to individuals exceeding \$600 in the aggregate and to issue IRS Form 1099 when necessary.

We recommend the District implement procedures to monitor payments to individuals of \$600 or more and if necessary, to issue IRS Form 1099.

**Yearbook Club –**

Our interviews with the Middle and High School Yearbook Faculty Advisors revealed the following:

1. Profit and loss statements are not prepared
2. Faculty advisors maintain the separate ledger
3. The Middle School Yearbook Faculty Advisor received a laptop from the Yearbook company, which is brought home with her and is not tracked by the District.

We recommend profit and loss statements be prepared for yearbook sales. In addition, the Student Treasurers should be involved in the bookkeeping for the Club, and any equipment bought by or donated to the Club should be properly tracked and kept on District property.

**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 Senior Activities Club and the Junior Classical League at the High School were financially inactive during the 2018-19 fiscal year.

We recommend the status of these clubs be reviewed. If future financial transactions are not 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. There were no gift cards purchased during the 2018-19 fiscal year.
2. Significant improvement has been made with the preparation of profit and loss statements.

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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.

Rochester, New York  
October 24, 2019

