

**CENTRAL SQUARE 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

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## INDEPENDENT AUDITORS' REPORT

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

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

Rochester, New York  
November 30, 2020

*Mengel, Metzger, Baw & Co. LLP*

**CENTRAL SQUARE CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For Year Ended June 30, 2020**

	<b>Cash Balance</b> <b><u>July 1, 2019</u></b>	<b><u>Receipts</u></b>	<b>Disburse-</b> <b><u>ments</u></b>	<b>Cash Balance</b> <b><u>June 30, 2020</u></b>
Class of 2019	\$ 15	\$ -	\$ 15	\$ -
Class of 2020	11,161	16,409	27,516	54
Class of 2021	6,066	8,590	9,269	5,387
Class of 2022	4,212	6,163	4,723	5,652
Class of 2023	-	7,753	3,816	3,937
High School Change	519	1	188	332
High School FLOCK	320	2,811	2,577	554
High School DECA	9,725	10,639	9,449	10,915
High School Drama Club	22,640	37,265	39,478	20,427
High School National Honor Society	2,374	5,712	4,686	3,400
High School Science Club	88	920	419	589
High School Ski Club	1,497	9,365	10,200	662
High School Student Council	40,559	8,952	13,122	36,389
High School Yearbook	1,311	5,537	6,636	212
Middle School 8th Grade Trip	9,712	876	8,856	1,732
Middle School Art Club	1,031	4,581	3,602	2,010
Middle School Drama	3,404	1,186	1,739	2,851
Middle School Library	1,350	848	816	1,382
Middle School Ski Club	1,534	19,763	18,998	2,299
Middle School Spirit Store	3	-	1	2
Middle School Student Council	5,320	8	-	5,328
Middle School Yearbook	7,781	1,669	5,515	3,935
Robotics Club	215	664	300	579
Show Account	11,645	7,921	2,980	16,586
<b>TOTAL</b>	<b><u>\$ 142,482</u></b>	<b><u>\$ 157,633</u></b>	<b><u>\$ 174,901</u></b>	<b><u>\$ 125,214</u></b>

(See accompanying notes to financial statement)

# **CENTRAL SQUARE 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 Central Square 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 Central Square 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)      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.

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

We have examined the statement of cash receipts and disbursements of the Central Square 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.

**Prior Year Deficiency Pending Corrective Action:**

**Profit and Loss Statements –**

We noted significant improvement regarding preparation of profit and loss statements, however, our examination revealed four instances where the amounts on the profit and loss statements which were prepared, could not be traced completely to the general ledger maintained by the Central Treasurer.

We recommend the Student Treasurer together with the Faculty Advisor prepare profit and loss statements for each fund-raising activity and that the items appearing on the profit and loss statements should be traceable to the general ledger maintained by the Central Treasurer.

**Current Year Deficiency in Internal Control:**

**Untimely Deposits –**

During the course of our examination we noted three instances in which funds were not deposited to the bank in a timely manner.

In an effort to maintain accountability and control over receipts, we recommend every effort continue to be made to deposit cash collections on a more timely basis.

### **Other Items:**

The following items are not considered to be deficiencies in internal control, however, we consider them other items which we would like to communicate to you as follows:

#### **Financial Administration –**

The District Treasurer is currently serving as the Central Treasurer for the extraclassroom activity funds. In addition, the District also has a Faculty Auditor who is involved in the oversight of the financial transactions for various clubs.

We have been informed that the District has begun the process of distributing some of the responsibilities from the District Treasurer in the next fiscal year.

#### **High School Student Council –**

We commend the High School Student Council for reducing the cash balance by \$4,170 during the year. We continue to encourage the members of the organization to monitor and reduce the cash balance in the future.

### **Prior Year Recommendations:**

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

1. Profit and loss statements were prepared for all fundraising activities examined.
2. The Middle School 8<sup>th</sup> Grade Trip had a Student Treasurer.
3. The District implemented a process to track the distribution of gift cards purchased.

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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  
November 30, 2020

*Mengel, Metzger, Barw & Co. LLP*