

**ELBA 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 |
| Notes to Financial Statement | 4 - 5 |
| Auditors' Findings and Evaluation | 6 - 7 |

MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Elba 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 Elba 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, Baw & Co. LLP

Rochester, New York
December 8, 2020

ELBA 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 01, 2019</u> | <u>Receipts</u> | <u>Disburse-</u> <u>ments</u> | <u>Cash Balance</u> <u>June 30, 2020</u> |
|----------------------------------|---|-------------------------|--|---|
| Class of 2019 | \$ 1,126 | \$ 294 | \$ 1,420 | \$ - |
| Class of 2020 | 2,412 | 4,186 | 2,469 | 4,129 |
| Class of 2021 | 1,917 | 1,925 | 1,069 | 2,773 |
| Class of 2022 | 1,141 | 860 | 556 | 1,445 |
| Class of 2023 | 1,303 | - | - | 1,303 |
| Class of 2024 | 261 | 1,093 | 661 | 693 |
| Class of 2025 | - | 887 | 498 | 389 |
| Cheerleading | - | 2,113 | 2,098 | 15 |
| Conservation Club | 2,967 | 200 | 310 | 2,857 |
| Drama Club | 10,391 | 7,053 | 7,003 | 10,441 |
| Future Farmers | - | 11,215 | 2,930 | 8,285 |
| History Club | 1,271 | 3,102 | 4,373 | - |
| Jazz Club | 2,143 | - | 92 | 2,051 |
| Multicultural Club | 2,301 | 16 | 110 | 2,207 |
| National Honor Society | 57 | 205 | - | 262 |
| Revue Club | 2,609 | 3,185 | 1,162 | 4,632 |
| S.A.D.D. Club | 737 | - | - | 737 |
| Student Athletic Association | 7,030 | 6,791 | 7,262 | 6,559 |
| Student Council | 6,347 | 6,454 | 3,738 | 9,063 |
| Boy's Baseball | 566 | 1,012 | - | 1,578 |
| Varsity Girls Softball | 168 | - | - | 168 |
| Total High School | <u>\$ 44,747</u> | <u>\$ 50,591</u> | <u>\$ 35,751</u> | <u>\$ 59,587</u> |
| <u>Elementary School:</u> | | | | |
| Elementary History | \$ - | \$ 11,223 | \$ 6,360 | \$ 4,863 |
| Elementary Student Council Club | 2,802 | 770 | 1,257 | 2,315 |
| Total Elementary School | <u>\$ 2,802</u> | <u>\$ 11,993</u> | <u>\$ 7,617</u> | <u>\$ 7,178</u> |
| GRAND TOTAL | <u>\$ 47,549</u> | <u>\$ 62,584</u> | <u>\$ 43,368</u> | <u>\$ 66,765</u> |

(See accompanying notes to financial statement)

ELBA 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 Elba 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 Elba 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) Related Party Transactions:

The extraclassroom fund did business with a company owned by the spouse of a Faculty Advisor. During the 2019-20 fiscal year, approximately \$804 was spent with this vendor.

(Note 4) Subsequent Events:

Our examination disclosed disbursements pertaining to the 2019-20 fiscal year which were not transacted and recorded until the 2020-21 fiscal year as follows:

| <u>Activity</u> | <u>Amount</u> |
|------------------------------|-----------------------|
| Student Athletic Association | \$1,033 |
| Revue Club (Yearbook) | 2,565 |
| Total | <u>\$3,598</u> |

If these amounts were recorded prior to year end, the effect would have been a reduction of the total cash balances in the amount of \$3,598 at June 30, 2020.

(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.

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

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

Current Year Deficiency in Internal Control:

Raffles –

During the course of our examination, we noted that the Boys Baseball Club and the Class of 2020 conducted raffles during the 2019-20 fiscal year.

We recommend the Administration review this item to determine if it is in accordance with District guidelines and develop the necessary corrective action during the 2020-21 fiscal year.

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 Class of 2023, the S.A.D.D. Club, and the Varsity Girls Softball Club were financially inactive during the 2019-20 fiscal year:

We recommend the status of these clubs be reviewed. If future financial activity is 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. All of the profit and loss statements which were examined were signed by the Faculty Advisor and Student Treasurer.
2. We did not note any gift cards purchased during the 2019-20 fiscal year.
3. Reconciliations of items/tickets sold to total cash collected were prepared for the fundraisers examined.
4. We did not note any scholarship or award payments prior to the school closure in March 2020.

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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 8, 2020