

**ANDOVER 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  
Andover Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Andover 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 Andover 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 8, 2020

**ANDOVER 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 01, 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	\$ 1,351	\$ 30	\$ 1,381	\$ -
Class of 2020	14,582	38,316	52,898	-
Class of 2021	12,020	7,692	6,430	13,282
Class of 2022	11,618	7,705	5,238	14,085
Class of 2023	6,280	3,195	1,534	7,941
Class of 2024	4,351	13,690	9,307	8,734
Class of 2025	-	1,448	1,166	282
Band Club	1,255	496	227	1,524
Cheerleading	84	-	18	66
Color Guard Club	84	150	18	216
Drama Club	7,893	174	918	7,149
Fine Arts Club	3,825	3,981	6,654	1,152
National Honor Society	6,033	2,662	4,165	4,530
National Honor Store	4,579	-	209	4,370
Sr. High Chorus	1,223	3,663	3,714	1,172
Students Against Drunk Driving	447	-	18	429
Student Council	3,455	1,293	978	3,770
Tax Fund	-	1,851	1,851	-
Yearbook Club	18,953	7,094	9,501	16,546
<b>TOTAL</b>	<b><u>\$ 98,033</u></b>	<b><u>\$ 93,440</u></b>	<b><u>\$ 106,225</u></b>	<b><u>\$ 85,248</u></b>

(See accompanying notes to financial statement)

**ANDOVER 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 Andover 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 Andover 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.

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

We have examined the statement of cash receipts and disbursements of the Andover 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:**

**Deposits –**

During the course of our examination we noted the following:

1. Receipts from the fall concession sales run by the Class of 2020 and Class of 2021 were held for several weeks prior to being deposited.
2. There were four instances of deposits from fundraising events in the Class of 2020, Class of 2023, Sr. High Chorus, and Yearbook Club that were not deposited in a timely manner.

In an effort to improve internal accounting controls over receipts, we recommend every effort continue to be made to deposit receipts on a more timely basis.

**Current Year Deficiencies in Internal Control:**

**Sales Tax** –

During the course of our examination, we noted one instance in the Drama Club and two instances in the Sr. High Chorus in which sales tax was not paid on taxable purchases.

We recommend every effort continue to be made to comply with New York Sales Tax Law.

**Gift Cards** –

Gift cards were purchased by the National Honor Society and Yearbook Club with a total value of \$1,155 to be given out to school staff who continued to work during the school shutdown, however, there was no indication who these gift cards were given to or if they actually received them.

We recommend a listing be prepared and signed by the recipient acknowledging receipt of all gift cards.

**Prior Year Recommendation:**

The prior year recommendation has been noted above.

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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, Baw & Co. LLP*

Rochester, New York  
December 8, 2020