

**LYNDONVILLE 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  
Lyndonville Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Lyndonville 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 Lyndonville 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 11, 2019

**LYNDONVILLE CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**For Year Ended June 30, 2019**

	<b>Cash Balance</b> <b><u>July 1, 2018</u></b>	<b><u>Receipts</u></b>	<b>Disburse-</b> <b><u>ments</u></b>	<b>Cash Balance</b> <b><u>June 30, 2019</u></b>
Class of 2018	\$ 893	\$ -	\$ 893	\$ -
Class of 2019	1,200	2,031	3,095	136
Class of 2020	2,859	6,493	7,209	2,143
Class of 2021	2,060	2,789	1,844	3,005
Class of 2022	1,175	917	722	1,370
Class of 2023	503	13,793	13,897	399
Class of 2024	-	2,352	1,537	815
Cheerleading	231	3,032	1,973	1,290
Baseball	1,553	3,235	1,629	3,159
Wrestling	-	13,655	10,939	2,716
Academic Decathlon	49	-	-	49
Agriculture/Technology	1,232	-	797	435
Elementary Student Council	-	1,352	1,352	-
High School Student Council	1,468	1,846	2,833	481
Junior High Honor Society	381	-	-	381
Leo Club	374	183	106	451
National Honor Society	172	1,459	1,459	172
Sales Tax	1,228	1,186	936	1,478
Spanish/ Diversity	-	600	451	149
Yearbook	3,364	7,979	5,830	5,513
<b>TOTAL</b>	<b><u>\$ 18,742</u></b>	<b><u>\$ 62,902</u></b>	<b><u>\$ 57,502</u></b>	<b><u>\$ 24,142</u></b>

(See accompanying notes to financial statement)

**LYNDONVILLE 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 Lyndonville 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 Lyndonville 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 Wrestling Club did business with a company owned by the parents of the Faculty Advisor. During the 2018-19 fiscal year, \$1,600 was spent with this vendor.

**LYNDONVILLE CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**AUDITORS' FINDINGS AND EVALUATION**

We have examined the statement of cash receipts and disbursements of the Lyndonville 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 Deficiencies Pending Corrective Action:**

**Reconciliation of Sales –**

Our examination revealed one instance in the Yearbook Club where a reconciliation of items sold to total cash collected was not prepared.

We recommend a reconciliation of items sold to total cash collected be prepared for all receipts submitted to the Central Treasurer for deposit.

**Current Year Deficiency in Internal Control:**

**Sales Tax –**

Our examination revealed the following:

1. There was one instance in the in the Spanish/Diversity Club in which sales tax was paid on the purchase of items intended for resale.
2. There was one instance in the Class of 2020 where sales tax was not paid on a taxable purchase.

We recommend every effort continue to be made to issue resale certificates (Form ST-120) to vendors when making purchases of merchandise intended for resale. In addition, every effort should continue to be made to comply with New York State Sales Tax Law regarding the payment of sales tax on those purchases which are not intended for resale.

**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 Club –**

As indicated on the statement of cash receipts and disbursements, the Academic Decathlon Club was financially inactive for two years.

We recommend the status of this club be reviewed. If no future financial transactions are anticipated, it should be closed in accordance with the Board of Education policy.

**Prior Year Recommendation:**

We are pleased to report that the following prior year recommendation has been implemented to our satisfaction:

1. Student Council faculty Advisor is no longer taking cash receipts home before submitting them to the Central Treasurer for deposit.
2. We were able to examine documentation signed by individuals receiving cash prizes acknowledging receipts.

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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  
December 11, 2019