

ANDOVER CENTRAL SCHOOL DISTRICT

EXTRACLASROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2019

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, 2019	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 6

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, 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 Andover 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
November 5, 2019

Raymond F. Wager, CPA, PC

ANDOVER CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For Year Ended June 30, 2019

	<u>Cash Balance</u> <u>July 1, 2018</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2019</u>
Class of 2018	\$ 53	\$ -	\$ 53	\$ -
Class of 2019	17,370	13,808	29,827	1,351
Class of 2020	12,675	7,555	5,648	14,582
Class of 2021	7,706	8,489	4,175	12,020
Class of 2022	6,057	10,393	4,832	11,618
Class of 2023	1,674	15,075	10,469	6,280
Class of 2024	-	10,555	6,204	4,351
Band Club	652	1,887	1,284	1,255
Cheerleading	84	-	-	84
Color Guard Club	84	-	-	84
Drama Club	7,443	2,733	2,283	7,893
Fine Arts Club	2,408	1,706	289	3,825
National Honor Society	5,437	2,378	1,782	6,033
National Honor Store	4,441	178	40	4,579
Sr. High Chorus	2,045	2,697	3,519	1,223
Students Against Drunk Driving	502	-	55	447
Student Council	3,761	1,528	1,834	3,455
Tax Fund	-	2,257	2,257	-
Yearbook Club	19,690	5,585	6,322	18,953
TOTAL	<u>\$ 92,082</u>	<u>\$ 86,824</u>	<u>\$ 80,873</u>	<u>\$ 98,033</u>

(See accompanying notes to financial statement)

ANDOVER 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 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.

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, 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.

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 winter and spring concession sales run by the Class of 2020 and Class of 2023 were held for several weeks prior to being deposited.
2. There were four instances of deposits from fundraising events in the Class of 2019, Class of 2022, Class of 2024, and National Honor Society 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.

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 Cheerleading and Color Guard Club 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. Cash receipts from the Student Council fundraiser were not taken home by the Faculty Advisor prior to being turned into the Central Treasurer for deposit.
2. For the profit and loss statements which were examined, sales tax was properly calculated and remitted on the gross receipts from the sale.

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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 5, 2019

Raymond F. Wager, CPA, PC