

**DERUYTER CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**FINANCIAL REPORT**

**For Year Ended June 30, 2022**



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

## **T A B L E   O F   C O N T E N T S**

Independent Auditors' Report	1 – 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2022	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 – 6

## **INDEPENDENT AUDITORS' REPORT**

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

### ***Qualified and Unmodified Opinions***

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the DeRuyter Central School District for the year ended June 30, 2022 and the related notes to the financial statement.

### ***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 DeRuyter Central School District for the year ended June 30, 2022, in accordance with the cash basis of accounting as described in Note 1.

### ***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.

### ***Emphasis of Matter – 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.

## ***Responsibility of Management for the Statement of Cash Receipts and Disbursements***

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; and for 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 Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
December 20, 2022

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

**For Year Ended June 30, 2022**

	<b>Cash Balance</b>				<b>Cash Balance</b>
	<b><u>July 01, 2021</u></b>	<b><u>Receipts</u></b>	<b><u>Disbursements</u></b>		<b><u>June 30, 2022</u></b>
Class of 2020	\$ 5,772	\$ -	\$ 5,772	\$	-
Class of 2021	534	75	-		609
Class of 2022	8,706	18,353	26,942		117
Class of 2023	4,214	17,894	11,005		11,103
Class of 2024	6,557	7,795	4,053		10,299
Class of 2025	-	5,450	1,968		3,482
Drama Club	6,862	4,802	4,534		7,130
Elementary Student Council	1,021	3,881	3,398		1,504
FFA	17,747	33,424	32,407		18,764
Honor Society	1,268	-	-		1,268
SADD	1,052	859	337		1,574
Student Council	2,971	6,551	1,402		8,120
Yearbook	8,363	7,159	11,357		4,165
<b>TOTAL</b>	<b><u>\$ 65,067</u></b>	<b><u>\$ 106,243</u></b>	<b><u>\$ 103,175</u></b>	<b><u>\$</u></b>	<b><u>68,135</u></b>

(See accompanying notes to financial statement)

# DERUYTER CENTRAL SCHOOL DISTRICT

## EXTRACLASSROOM ACTIVITY FUNDS

### NOTES TO FINANCIAL STATEMENT

June 30, 2022

**(Note 1)      Accounting Policy:**

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the DeRuyter Central School District. Consequently, the cash balances are included in the financial statements of the School District as part of the Custodial Fund.

The accounts of the Extraclassroom Activity Funds of the DeRuyter 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)      Subsequent Events:**

Our examination disclosed a disbursement pertaining to the 2021-22 fiscal year which was not transacted and recorded until the 2022-23 fiscal year as follows:

<u>Club</u>	<u>Disbursements</u>
Yearbook	\$ 2,574
<b>Total</b>	<b><u>\$ 2,574</u></b>

If the amount had been recorded prior to year-end, the net effect would have been a reduction of the total cash balance in the amount of \$2,574 at June 30, 2022.

**(Note 4)      Related Parties:**

During the course of our examination, we noted that the Central Treasurer was related to the Faculty Advisor for the Class of 2023.

Our testing did not reveal any irregularities and the Faculty Advisor for the Class of 2023 has left the district.

## **DERUYTER CENTRAL SCHOOL DISTRICT**

### **EXTRACLASSROOM ACTIVITY FUNDS**

### **AUDITORS' FINDINGS AND EVALUATION**

We have examined the statement of cash receipts and disbursements of the DeRuyter Central School District's Extraclassroom Activity Funds for the year ended June 30, 2022. 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.

#### **Current Year Deficiencies in Internal Control:**

##### **Sales Tax –**

During the course of our examination we noted two instances in Drama Club and one instance in Student Council in which sales tax was not paid on taxable items.

We recommend the District continue to monitor this situation in order to conform with New York State Sales Tax Law.

##### **Receipts –**

During the course of our examination, we noted one instance in Class of 2022, one instance in Class of 2023, one instance in Class of 2024, one instance in Class of 2025 and one instance in FFA in which receipts were deposited to the bank account several days after the end of the fundraiser when cash was received.

In an effort to safeguard cash, we recommend a continued effort to submit all receipts to the Central Treasurer for deposit on a timely basis.

**Prior Year Recommendations:**

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

1. There were no cash advances without proper receipts to support purchases made.
2. Cash from fundraising events was not taken home overnight.

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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 20, 2022





# DeRuyter Central School

*Home of the Rockets*

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Phone: 315-852-3400 Fax: 315-852-9600

**David M. Brown, Ed. D.**

Superintendent of Schools

**Kimberly O'Brien**

Director of Elementary Education/  
District Professional Development

**Stephen Rafferty**

6-12 Principal/District  
Enrichment Programs

**Amanda Graham-Quirk**

School Business Executive

**Jenny Valente**

Director of Special Education/  
Director of Mental Health

January 6, 2023

**To:** Dr. David Brown, Superintendent  
**From:** Amanda Graham-Quirk, Business Administrator  
**Re:** Corrective Action Plan for 2021-2022 Extra Classroom Activities

Below are the findings from the 2021-22 Extra Classroom Audit and the Corrective Action Plan for each finding.

## **Finding 1:**

**Sales Tax-** During the course of our examination we noted two instances in Drama Club and one instance in Student Council in which sales tax was not paid on taxable items. We recommend the District continue to monitor this situation in order to conform with NYS Sales Tax Law.

## **Corrective Action Plan:**

The district has done an Extra Classroom Auditor training with the advisors and the student officers to ensure there is an understanding of sales tax in regards to extra class. We also plan to note this for our claims auditor to try and ensure that any extra class receipts is being charged sales tax accordingly.

## **Implementation Dates:**

By January 31<sup>st</sup>, 2023

## **Finding 2:**

**Receipts-** During the course of our examination, we noted one instance in Class of 2022, one in Class of 2023, one in Class of 2024, one instance in Class of 2025 and one instance in FFA in which receipts were deposited to the bank account several days after the end of the fundraiser when cash was received. In an effort to safeguard cash, we recommend a continued effort to submit all receipts to the Central Treasurer for deposit on a timely basis.

## **Corrective Action Plan:**

The district has done an Extra Classroom Auditor training with the advisors and the student officers to ensure there is an understanding of timely deposits and turning money into the central treasurer. The Central Treasurer will also be keeping track of closing dates and following up with emails and getting the Principal involved when necessary to ensure we have a 3 school day turn around after fundraisers have ended.

## **Implementation Dates:**

By January 31<sup>st</sup>, 2023

*DeRuyter Central School = District Committed to Success*

*Board of Education: Dean Hathaway, President; Daniel Degear, Vice President; Members – Melanie Ackley, Lisa Benedict, Jodi Wiesing*