

**FULTON CITY 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  
Fulton City School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Fulton City 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 Fulton City 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  
December 31, 2019

*Raymond F. Wager, CPA, PC*

**FULTON CITY SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For Year Ended June 30, 2019**

<b><u>G. Ray Bodley High School:</u></b>	<b><u>Cash Balance</u></b> <b><u>July 1, 2018</u></b>	<b><u>Receipts</u></b>	<b><u>Disburse-</u></b> <b><u>ments</u></b>	<b><u>Cash Balance</u></b> <b><u>June 30, 2019</u></b>
Class of 2019	\$ 6,087	\$ 43,441	\$ 49,528	\$ -
Class of 2020	1,388	18,619	14,687	5,320
Class of 2021	2,957	5,823	2,692	6,088
Class of 2022	-	4,920	2,370	2,550
Art Club	795	2,544	3,026	313
ATHS/Tech Student Assoc.	1,984	746	1,731	999
Band Fund	6,278	47,269	48,613	4,934
Chorus Fund	1,282	3,909	4,152	1,039
Drama Club	5,161	10,140	6,990	8,311
Environmental Club	2,131	500	-	2,631
FBLA	1,974	4,466	4,487	1,953
WGRB News	-	4,819	4,577	242
H.O.P.E. Club	152	2,154	2,167	139
Journalism Club	4,547	-	-	4,547
Library Club	1,051	600	-	1,651
LOTE Club	2,220	-	236	1,984
Musical Fund	3,595	22,932	20,457	6,070
National Honor Society	1,186	-	1,162	24
Orchestra Fund	-	1,204	-	1,204
Petal Pals	1,842	2,195	1,924	2,113
Raider's Den	9,593	2,461	4,207	7,847
Raider's Robotics	-	2,948	1,504	1,444
Sales Tax Account	3,403	2,874	2,625	3,652
Science Club	3,438	2,909	2,621	3,726
Ski Club	1,717	5,339	5,288	1,768
Student Reserve	1,543	-	-	1,543
Student Senate	9,718	3,611	4,839	8,490
Yearbook	39,905	18,228	19,895	38,238
<b>Total G. Ray Bodley</b>				
<b>High School</b>	<b>\$ 113,947</b>	<b>\$ 214,651</b>	<b>\$ 209,778</b>	<b>\$ 118,820</b>

<b><u>Fulton Junior High School:</u></b>	<b>Cash Balance <u>July 1, 2018</u></b>	<b><u>Receipts</u></b>	<b><u>Disburse- ments</u></b>	<b>Cash Balance <u>June 30, 2019</u></b>
Band	\$ 3,356	\$ 1,098	\$ 1,315	\$ 3,139
Chorus	3,643	-	-	3,643
8 Green	683	6,716	4,492	2,907
Interest	14	2	-	16
Orchestra	6,353	6,427	11,264	1,516
Sales Tax	215	1,445	1,026	634
Student Council	2,162	12,361	12,737	1,786
Yearbook	4,338	3,332	3,285	4,385
<b>Total Fulton Junior High School</b>	<b><u>\$ 20,764</u></b>	<b><u>\$ 31,381</u></b>	<b><u>\$ 34,119</u></b>	<b><u>\$ 18,026</u></b>
 <b>GRAND TOTAL</b>	 <b><u><u>\$ 134,711</u></u></b>	 <b><u><u>\$ 246,032</u></u></b>	 <b><u><u>\$ 243,897</u></u></b>	 <b><u><u>\$ 136,846</u></u></b>

(See accompanying notes to financial statement)

**FULTON CITY 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 Fulton City 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 Fulton City 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 two checking accounts and one savings account. The balance in these accounts is fully covered by FDIC Insurance.

**FULTON CITY SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUNDS**  
**AUDITORS' FINDINGS AND EVALUATION**

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

**G. Ray Bodley High School –**

**Club Minutes**

During the course of our examination, we noted one instance in the Musical Fund where a payment for an award was made without the support of club minutes indicating student approval.

**Sales Tax**

During the course of our examination, we noted one instance in the Class of 2020 where the invoice paid indicated that the Club was tax exempt. We also noted one instance in the Musical Club and one instance in the Student Senate where sales tax was not paid on taxable purchases.



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

### **General Finding –**

#### **Receipts**

We noted one instance in the H.O.P.E Club and one instance in the Student Senate at the High School and one instance in the Orchestra, one instance in the Student Council, and one instance in the Band at the Junior High School where deposits were made to the bank account several days after the cash was received.

### **G. Ray Bodley High School –**

#### **Class of 2022**

Our examination revealed that a separate set of books for the Club was not maintained by the Student Treasurer.

### **Fulton Junior High School –**

#### **Donations**

During the course of our examination, we noted two instances in the Student Council where donations were made without Club minutes indicating approval by a majority of Club members.

## **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 G. Ray Bodley High School Journalism Club and Student Reserve Club and the Fulton Junior High School Chorus Club were financially inactive during the 2018-19 fiscal year.

## **Prior Year Recommendations:**

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

### **G. Ray Bodley High School**

1. We noted significant improvement in the preparation of profit and loss statements.

**(Prior Year Recommendations) (Continued)**

**Fulton Junior High School**

1. All items listed on the High School H.O.P.E. Club profit and loss statement could be traced to the general ledger.
2. There did not appear to be any gift card purchases in the 2018-19 fiscal year.

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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 31, 2019

*Raymond F. Wager, CPA, PC*