

**FULTON CITY 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

TABLE OF CONTENTS

Independent Auditors' Report	1 – 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2020	3 – 4
Notes to Financial Statement	5
Auditors' Findings and Evaluation	6 – 8

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, 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 Fulton City 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 28, 2020

FULTON CITY SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2020

<u>G. Ray Bodley High School:</u>	<u>Cash Balance</u> <u>July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance</u> <u>June 30, 2020</u>
Class of 2020	\$ 5,320	\$ 18,883	\$ 20,105	\$ 4,098
Class of 2021	6,088	10,195	7,368	8,915
Class of 2022	2,550	1,279	1,997	1,832
Class of 2023	-	2,139	1,617	522
Art Club	313	1,227	785	755
ATHS/Tech Student Assoc.	999	-	999	-
Band Fund	4,934	14,087	14,566	4,455
Chorus Fund	1,039	14,627	13,646	2,020
Drama Club	8,311	12,022	6,796	13,537
Environmental Club	2,631	-	-	2,631
FBLA	1,953	1,728	1,418	2,263
WGRB News	242	1,615	1,392	465
H.O.P.E. Club	139	195	125	209
Journalism Club	4,547	-	-	4,547
Library Club	1,651	752	-	2,403
LOTE Club	1,984	3,103	3,081	2,006
Musical Fund	6,070	16,781	17,192	5,659
National Honor Society	24	-	-	24
Orchestra Fund	1,204	20,138	18,076	3,266
Petal Pals	2,113	1,740	720	3,133
Raider's Den	7,847	1,847	1,659	8,035
Raider's Robotics	1,444	2,104	1,237	2,311
Sales Tax Account	3,652	1,668	2,752	2,568
Science Club	3,726	-	14	3,712
Ski Club	1,768	2,645	2,657	1,756
Student Reserve	1,543	-	-	1,543
Student Senate	8,490	3,125	4,652	6,963
Yearbook	38,238	617	4,558	34,297
Total G. Ray Bodley				
High School	<u>\$ 118,820</u>	<u>\$ 132,517</u>	<u>\$ 127,412</u>	<u>\$ 123,925</u>

<u>Fulton Junior High School:</u>	Cash Balance			Cash Balance
	<u>July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2020</u>
Band	\$ 3,139	\$ 1,392	\$ 1,422	\$ 3,109
Chorus	3,643	1,190	863	3,970
8 Green	2,907	2,149	4,072	984
Interest	16	2	-	18
Orchestra	1,516	-	30	1,486
Sales Tax	634	719	1,263	90
Student Council	1,786	6,259	3,139	4,906
Yearbook	4,385	2,560	2,637	4,308
Total Fulton Junior High School	<u>\$ 18,026</u>	<u>\$ 14,271</u>	<u>\$ 13,426</u>	<u>\$ 18,871</u>
 GRAND TOTAL	 <u><u>\$ 136,846</u></u>	 <u><u>\$ 146,788</u></u>	 <u><u>\$ 140,838</u></u>	 <u><u>\$ 142,796</u></u>

(See accompanying notes to financial statement)

FULTON CITY 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 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.

(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.

FULTON CITY SCHOOL DISTRICT
EXTRACLASSROOM 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, 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 Deficiencies Pending Corrective Action:

General Finding –

Receipts

We noted one instance in the Chorus Club at the Junior High School and one instance in the Art Club, one instance in the Chorus Fund, one instance in the Class of 2021, and one instance in the LOTE Club at the High School where deposits were made to the bank account several days after the cash was received.

Fulton Junior High School –

Donations

During the course of our examination, we noted one instance in the 8 Green Club where a donation was made without meeting minutes indicating approval by a majority of Club members.

Current Year Deficiencies in Internal Control:

G. Ray Bodley High School –

Student Senate –

We noted one purchase in the Student Senate where it appears that a decision to make a donation to partially reimburse the District for Homecoming t-shirts, was made prior to the election of student representatives.

Fulton Junior High School –

Supporting Documentation –

During the course of our examination, we noted the following:

1. There was a reimbursement to the Faculty Advisor in the Student Council for the purchase of concession stand supplies in the amount of \$630, however, there were no receipts or other documentation to support the amount of the reimbursement available for our review.
2. The Student Council had a Krispy Kreme fundraiser and made a deposit of \$1,573, however, there was no documentation related to this deposit available for our review.

8 Green Club –

During our review of receipts, we noted that the 8 Green Club had a Gertrude Hawk fundraiser that ran from December 2019 through March 2020. The first deposit was made in December of 2019, however, the second deposit in the amount of \$875 had not yet been deposited to the bank as of the date of our field work.

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 Environmental Club, National Honor Society, Journalism Club, and Student Reserve Club were financially inactive during the 2019-20 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. There were student minutes approving awards given to students.
2. Sales tax was paid on all taxable purchases examined.
3. A separate set of books was maintained by the Student Treasurer for the Class of 2022.

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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, Barw & Co. LLP

Rochester, New York
December 28, 2020