

**OSWEGO 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

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# MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Oswego City School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Oswego 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 Oswego 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 17, 2020

**OSWEGO CITY SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**For Year Ended June 30, 2020**

<b><u>High School:</u></b>	<b><u>Cash Balance</u></b> <b><u>July 01, 2019</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, 2020</u></b>
Class of 2019	\$ 13,285	\$ 705	\$ 13,990	\$ -
Class of 2020	17,900	85,059	95,614	7,345
Class of 2021	4,751	7,637	4,925	7,463
Class of 2022	2,493	2,472	1,472	3,493
Class of 2023	-	3,065	1,077	1,988
Agriculture	-	250	-	250
Art Club	247	934	644	537
Baseball	1,750	-	-	1,750
Buc Bulletin	453	-	-	453
Drama Club	4,885	953	1,530	4,308
Environmental Science	7,902	5,091	5,202	7,791
French	632	282	34	880
Gay Straight Alliance	331	146	90	387
Girls' Basketball Club	335	-	335	-
Girls' Lacrosse	158	-	158	-
Girls' Soccer Club	403	-	403	-
Interact	112	-	-	112
Key Club	216	351	-	567
Math Club	601	1,345	1,094	852
National Honor Society	1,259	4,173	3,839	1,593
OHS, INC	2,787	5,851	5,807	2,831
Paradox	7,915	6,995	7,519	7,391
SADD Club	1,639	1,414	-	3,053
Ski Club	9,378	2,430	2,504	9,304
Softball	3,695	-	86	3,609
Spanish Club	5,558	445	306	5,697
Student Council - General Fund	18,781	1,193	502	19,472
Student Council - Operating Fund	6,338	4,497	4,686	6,149
Technology Club	120	315	-	435
Travel Club	3,430	4,163	2,344	5,249
TV Club	331	139	362	108
Weight Lifting Club	498	-	348	150
Sales Tax Collected	5,686	2,870	3,385	5,171
<b>Total High School</b>	<b>\$ 123,869</b>	<b>\$ 142,775</b>	<b>\$ 158,256</b>	<b>\$ 108,388</b>

<b><u>Middle School:</u></b>	<b>Cash Balance <u>July 01, 2019</u></b>	<b><u>Receipts</u></b>	<b>Disburse- <u>ments</u></b>	<b>Cash Balance <u>June 30, 2020</u></b>
Chorus A	\$ 2,139	\$ 4,515	\$ 4,200	\$ 2,454
French Club	571	-	58	513
Hands on History	608	1,162	890	880
NJHS	589	240	385	444
Orchestra	1,962	3,800	1,830	3,932
Ski Club	1,646	2,320	3,030	936
Student Council	4,573	4,270	4,487	4,356
7 East Team	1,861	-	389	1,472
7 South Team	2,284	2,106	1,216	3,174
7 & 8 West Team	1,988	2,125	1,593	2,520
8 East Team	1,053	1,491	773	1,771
8 South Team	482	-	146	336
Yearbook	4,365	1,277	1,142	4,500
<b>Total Middle School</b>	<b><u>\$ 24,121</u></b>	<b><u>\$ 23,306</u></b>	<b><u>\$ 20,139</u></b>	<b><u>\$ 27,288</u></b>
 <b>GRAND TOTAL</b>	 <b><u><u>\$ 147,990</u></u></b>	 <b><u><u>\$ 166,081</u></u></b>	 <b><u><u>\$ 178,395</u></u></b>	 <b><u><u>\$ 135,676</u></u></b>

(See accompanying notes to financial statement)

**OSWEGO 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 Oswego 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 Oswego 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.

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

We have examined the statement of cash receipts and disbursements of the Oswego 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. 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.

**High School:**

**Current Year Deficiency in Internal Control –**

**Profit and Loss Statements –**

During the course of our examination, we noted that while some effort has been made to prepare profit and loss statements for fundraising events, two of these statements do not contain detailed information about revenue such as selling price per item and number of items sold. In addition, two profit and loss statements were signed by the Faculty Advisor but not the Club Treasurer.

We recommend the Student Treasurer together with the Faculty Advisor prepare the profit and loss statements at the close of each fund-raising event. In addition, we recommend that relevant details such as selling price per item and number of items sold are included on all profit and loss statements.



**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 Baseball Club, the Buc Bulletin Club and the Interact Club at the High School were financially inactive during the 2019-20 fiscal year

We recommend the status of these clubs be reviewed. If future financial activity is 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:

**General Finding**

1. There were no amounts paid in the 2019-20 year that required the issuance of an IRS Form 1099.

**High School**

2. All gift card purchases were accompanied by documentation including recipient signatures acknowledging receipt as well as minutes approving the purchase.
3. All clubs paid sales tax on taxable purchases during the 2019-20 fiscal year.
4. There were no instances of personal funds being used to establish change funds in the year under examination.

**Middle School**

5. A profit and loss statement was prepared by the Hands on History Club in the 2019-20 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.

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
December 17, 2020