

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2018

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Central Square Central School District for the year ended June 30, 2018 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 Central Square Central School District for the year ended June 30, 2018, 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.

Raymond F. Wager, CPA, PC

Rochester, New York
November 13, 2018

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2018

	Cash Balance		Disburse-	Cash Balance
	<u>July 1, 2017</u>	<u>Receipts</u>	<u>ments</u>	<u>June 30, 2018</u>
Class of 2017	\$ 1,656	\$ -	\$ 1,656	\$ -
Class of 2018	8,719	43,433	50,860	1,292
Class of 2019	14,016	18,202	24,479	7,739
Class of 2020	8,255	6,365	3,614	11,006
Class of 2021	1,001	8,492	4,234	5,259
High School Change	344	1,625	1,480	489
High School DECA	4,288	24,225	23,056	5,457
High School Drama Club	9,592	21,798	21,094	10,296
High School Language Club	140	121	173	88
High School National Honor Society	3,567	864	2,236	2,195
High School Science Club	298	278	385	191
High School Ski Club	3,018	7,296	7,595	2,719
High School Student Council	38,901	21,097	22,682	37,316
High School Yearbook	4,689	11,659	13,763	2,585
Middle School 8th Grade Trip	374	34,043	32,800	1,617
Middle School Art Club	349	3,999	3,841	507
Middle School Chorus	1,529	-	1,529	-
Middle School Drama	2,947	978	647	3,278
Middle School Ecology	166	-	166	-
Middle School Library	1,075	2,599	2,415	1,259
Middle School Ski Club	1,584	8,128	8,125	1,587
Middle School Spirit Store	907	4,140	2,923	2,124
Middle School Student Council	5,466	1,201	1,028	5,639
Middle School Yearbook	1,118	5,842	4,592	2,368
Robotics Club	-	3,804	1,330	2,474
Show Account	4,673	6,505	6,318	4,860
TOTAL	<u>\$ 118,672</u>	<u>\$ 236,694</u>	<u>\$ 243,021</u>	<u>\$ 112,345</u>

(See accompanying notes to financial statement)

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2018

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Central Square 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 Central Square 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.

CENTRAL SQUARE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Central Square Central School District's Extraclassroom Activity Funds for the year ended June 30, 2018. 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:

Profit and Loss Statements –

During the course of our examination, we noted that a profit and loss statements was not prepared by the Art Club for a fund-raising activity. We also noted that items included on one profit and loss statement prepared by the Class of 2019, could not be clearly traced to the general ledger.

We recommend the Student Treasurer together with the Faculty Advisor prepare profit and loss statements for each fund-raising activity and that these statements be submitted to the Central Treasurer to be retained for our review at year end. In addition, the items appearing on the profit and loss statements should be traceable to the general ledger maintained by the Central Treasurer.

Student Participation –

Our examination of the 8th Grade Trip revealed that money was collected prior to having an elected Student Treasurer.

In an effort to conform to New York State guidelines and to promote student involvement, we recommend the Student Treasurer, with the help of the Faculty Advisor, be directly involved in all financial transactions of the organization.

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:

Financial Administration –

The District Treasurer is currently serving as the Central Treasurer for the extraclassroom activity funds. In addition, the District also has a Faculty Auditor who is involved in the oversight of the financial transactions for the various clubs.

The District should consider evaluating and reallocating the duties of the Central Treasurer in order to optimize the time available and enhance the resources available to properly administer the extraclassroom activity funds.

Prior Year Recommendations:

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

1. There were no financially inactive clubs during the 2017-18 fiscal year.
2. The District has developed new procedures for the establishment and redeposit of change funds.
3. The District did not purchase any additional gift cards for the backpack program.

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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 13, 2018

