

**SKANEATELES 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  
Skaneateles Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Skaneateles 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 Skaneateles 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.



Rochester, New York  
November 19, 2018

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**Extraclassroom Activity Funds**  
**Statement of Cash Receipts and Disbursements**  
**For Year Ended June 30, 2018**

<b><u>High School:</u></b>	<b>Cash Balance <u>July 1, 2017</u></b>	<b><u>Receipts</u></b>	<b><u>Disburse- ments</u></b>	<b>Cash Balance <u>June 30, 2018</u></b>
Senior Activities	\$ 1,580	\$ -	\$ 1,572	\$ 8
Class of 2017	1,360	-	360	1,000
Class of 2018	4,577	12,682	14,552	2,707
Class of 2019	5,463	14,340	13,399	6,404
Class of 2020	79	5,529	524	5,084
Class of 2021	-	328	-	328
Band	756	302	390	668
Book Club	1	-	1	-
Comet (Yearbook)	9,147	14,389	13,493	10,043
DECA	3,774	10,329	12,740	1,363
Drama / Choral	6,075	49,405	50,776	4,704
Ecos / Environmental Club	1,118	815	540	1,393
French Club	75	-	-	75
Interact	104	1,818	45	1,877
Junior Classical League	2,862	-	-	2,862
Laker	615	-	615	-
Model UN	2	2,935	2,844	93
National Honor Society	4,718	-	313	4,405
National Honor Art Society	167	14,576	10,615	4,128
Olympics of the Mind	342	870	632	580
Olympics of the Mind (OMWB)	9,001	8,715	10,373	7,343
Orchestra	579	-	-	579
Student Activities	13,210	756	13,966	-
S.A.D.D.	339	-	46	293
Special Friends	618	-	618	-
Student Government	3,447	22,972	6,163	20,256
Technology Club	552	853	627	778
<b>Total High School</b>	<b>\$ 70,561</b>	<b>\$ 161,614</b>	<b>\$ 155,204</b>	<b>\$ 76,971</b>
<b><u>Middle School:</u></b>				
Drama Club	\$ 8,319	\$ 11,432	\$ 11,075	\$ 8,676
FACS	498	-	498	-
Laker Pride	7,157	-	7,157	-
Music Club	738	6,390	6,703	425
National Junior Honor Society	-	2,889	1,283	1,606
Science Club	22	-	22	-
Ski Club	-	5,905	5,767	138
Student Council	1,839	27,327	19,846	9,320
Yearbook	351	1,830	2,020	161
<b>Total Middle School</b>	<b>\$ 18,924</b>	<b>\$ 55,773</b>	<b>\$ 54,371</b>	<b>\$ 20,326</b>
<b>GRAND TOTAL</b>	<b>\$ 89,485</b>	<b>\$ 217,387</b>	<b>\$ 209,575</b>	<b>\$ 97,297</b>

(See accompanying notes to financial statement)

**SKANEATELES 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 Skaneateles 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 Skaneateles 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 two checking accounts. The balance in these accounts is fully covered by FDIC Insurance.

**SKANEATELES CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**AUDITORS' FINDINGS AND EVALUATION**

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

**Prior Year Deficiencies Pending Corrective Action:**

**Receipts –**

During the course of our examination we noted the following weaknesses related to the receipt recording, and depositing of cash collected:

1. Amounts collected and submitted to the Central Treasurer for deposit are not always supported by a reconciliation of sales, or other documentation to verify the amount to be deposited.
2. Due to the lack of sales reconciliations, it is difficult to ascertain whether, or not, proper sales tax has been collected and remitted to New York State.

We recommend the Administration review these items, and implement the appropriate corrective action during this next fiscal year.

## **(Prior Year Deficiencies Pending Corrective Action) (Continued)**

### **Profit and Loss Statements –**

Although some improvement was noted at the High School, our examination revealed profit and loss statements that were not prepared at the conclusion of fundraising events.

We recommend a profit and loss statement be prepared at the conclusion of each fundraising event. In addition, these statements should be submitted to the Central Treasurer to be retained for our review at year end.

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

#### **Gift Cards –**

Our examination revealed one instance in the High School and one instance in the Middle School in which gift cards were purchased, however, there was no indication who these gift cards were given to and the purchases were not authorized by a majority of club members in the respective clubs meeting minutes.

For all payments of this nature, we recommend student meeting minutes or evidence of a vote by the majority of club members to support the expenditure. In addition, a document signed by the recipient should be maintained to acknowledge receipt.

### **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 French Club, Junior Classical League, and Orchestra at the High School were financially inactive during the 2017-18 fiscal year.

We recommend the status of these clubs be reviewed. If future financial transactions are not anticipated, they should be closed in accordance with the Board of Education policy.

### **Prior Year Recommendations:**

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

1. The disbursements tested were supported with an original, itemized vendor invoice/receipt.
2. Active clubs had Student Treasurers, and any clubs that did not appear to meet the criteria to operate as clubs, as set forth by New York State Education Department guidelines were closed during the 2017-18 fiscal year.



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

3. Change funds are established by a check made payable to the Faculty Advisor and are redeposited into the bank account at the close of the activity.
4. Students are involved in vending machine activity such as filling the machine with product and emptying cash from the machine.

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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.

*Raymond F. Wages, CPA, PC*

Rochester, New York  
November 19, 2018