

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

NEW YORK

***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
East Rochester Union Free School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the East Rochester Union Free 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 East Rochester Union Free 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
October 9, 2018

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2018

<u>All Schools</u>	<u>Cash Balance July 1, 2017</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Cash Balance June 30, 2018</u>
Class of 2017	\$ 691	\$ -	\$ 691	\$ -
Class of 2018	5,276	7,921	12,873	324
Class of 2019	2,284	877	-	3,161
Class of 2020	1,640	2,354	1,723	2,271
Class of 2021	2,020	3,722	3,144	2,598
Class of 2022 - 8th Grade Trip	-	21,802	21,586	216
HS Travel Club	-	785	785	-
Foreign Language Club	354	-	-	354
Girls Varsity Club	171	-	171	-
High School Band	1,027	-	-	1,027
High School Drama	2,835	5,482	7,163	1,154
High School Singers	804	-	-	804
High School Student Council	3,504	1,991	1,531	3,964
High School Yearbook	1,926	5,584	5,923	1,587
Junior Honor Society	312	-	-	312
Middle School Student Council	1,340	109	160	1,289
Middle School Yearbook	1,245	1,204	1,575	874
Science Olympiad- HS	-	1,750	1,750	-
Sports Ski Fund	68	50	80	38
MLA Builders Club	50	-	-	50
NYS Sales Tax	870	1,515	1,549	836
Total	\$ 26,417	\$ 55,146	\$ 60,704	\$ 20,859

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

EXTRACLASROOM 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 East Rochester Union Free 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 East Rochester Union Free 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.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the East Rochester Union Free 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:

Student Involvement –

Our examination revealed that while a separate set of books is maintained there appears to be limited student involvement in maintaining those books and preparing profit and loss statements for the High School Yearbook.

We recommend the Student Treasurer be involved in all the financial transactions of the respective organization and prepare profit and loss statements with the help of the Faculty Advisor.

Profit and Loss Statements –

During the course of our examination, we could not reconcile the profit and loss statement for the JH Yearbook and Jr/Sr Gala sales back to the general ledger. Additionally the HS Yearbook and the Pretzel Rod Sale profit and loss statements were missing student signatures.

We recommend profit and loss statements be prepared at the close of each fund-raising event by the Student Treasurer. In addition, these statements should be given to the Central Treasurer to be retained for our review at year end.

Current Year Deficiency in Internal Controls:

Class of 2021 –

Based on our review of the pretzel rod fundraiser we noted a significant loss occurred for this fundraiser.

We recommend when significant losses occur on a fundraising activity Administration should review the reasons for the loss and establish controls to prevent future losses.

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 Foreign Language, High School Band, Junior Honor Society, MLA Builder and High School Singers were financially inactive during the 2017-18 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:

The recommendations from the prior year have been noted above.

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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
October 9, 2018

