

BALDWINSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2017

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Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
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Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Baldwinsville Central School District for the year ended June 30, 2017 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 Baldwinsville Central School District for the year ended June 30, 2017, 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, P.C.

November 14, 2017

BALDWINSVILLE CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2017

<u>Baker High School:</u>	<u>Cash Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2017</u>
Class of 2016	\$ 3,325	\$ 4	\$ 3,329	\$ -
Class of 2017	24,227	45,885	63,487	6,625
Class of 2018	6,047	21,828	12,183	15,692
Class of 2019	3,669	2,896	1,739	4,826
A-V	3,689	2,543	2,212	4,020
Acceptance Coalition	271	1	51	221
Baker Art Club	688	2,957	3,393	252
Baker Chorus	1,579	27,378	28,054	903
BHS Orchestra	5,980	562	411	6,131
Baker Environmental	1,260	505	739	1,026
Bowling	659	1,983	2,642	-
Boys' Swim Team	2,162	2,189	1,462	2,889
FCCLA	869	1,895	2,269	495
Girls' Swim Team	1,014	3,087	2,295	1,806
Harriers	22,221	30,263	52,484	-
Honor Society	614	10,504	10,470	648
Key Club	1,273	2,385	3,113	545
Lyre Staff	12,577	6,751	16,049	3,279
Marching Band	14,352	207,600	213,684	8,268
Model UN	503	2,389	2,460	432
Robotics Club	498	13,959	7,071	7,386
Sales Tax Account	683	9,799	9,445	1,037
School Store	768	6,581	7,347	2
Science Olympiad	767	496	690	573
Ski Club	819	10,509	10,357	971
Student Council	5,114	8,368	8,531	4,951
Technical Student Association	2,424	522	1,464	1,482
Vocal Jazz	1,312	3	384	931
Total Baker High School	\$ 119,364	\$ 423,842	\$ 467,815	\$ 75,391

<u>Durgee Junior High School:</u>	<u>Cash Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2017</u>
Class of 2020	\$ -	\$ 16,264	\$ 10,885	\$ 5,379
Durgee Choral	13,077	2,488	3,557	12,008
Honor Society	1,316	330	611	1,035
School Store	1,145	4,041	3,487	1,699
Student Council	5,170	2,116	2,854	4,432
Yearbook	10,820	3,504	1,654	12,670
Total Durgee Junior High School	\$ 31,528	\$ 28,743	\$ 23,048	\$ 37,223
<u>Ray Middle School:</u>				
Ray Band	\$ 298	\$ 4,717	\$ 4,079	\$ 936
Ray Orchestra	3,396	11,991	15,231	156
Ray School Store	8,473	673	725	8,421
Ray Ski Club	648	26,154	26,278	524
Ray Student Council	1,597	2,964	2,512	2,049
Ray Team 6-3	5,526	18	2,338	3,206
Ray Yearbook	5,584	6,704	7,868	4,420
Techponics	416	228	270	374
Total Ray Middle School	\$ 25,938	\$ 53,449	\$ 59,301	\$ 20,086
GRAND TOTAL	\$ 176,830	\$ 506,034	\$ 550,164	\$ 132,700

BALDWINSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2017

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Baldwinsville 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 Baldwinsville 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 and one certificate of deposit. The balance in these accounts is fully covered by FDIC Insurance.

BALDWINVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Baldwinsville Central School District's Extraclassroom Activity Funds for the year ended June 30, 2017. 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:

General Finding –

Profit and Loss Statements

Our examination revealed significant improvement, however, we noted the following:

1. There was one instance in the High School Robotics Club in which a profit and loss statement was missing the Student Treasurer's signature. In addition, items included on the profit and loss statement could not be easily traced to the general ledger maintained by the Central Treasurer.
2. There were two instances in Durgee Junior High School in which the Class of 2020 and Yearbook prepared profit and loss statements which included items that could not be easily traced to the general ledger maintained by the Central Treasurer.
3. There were two instance in Ray Middle School in which items included on the Techponics Club and Yearbook Club profit and loss statements could not be easily traced to the general ledger maintained by the Central Treasurer.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Baker High School –

Harriers Club

During the course of our examination we noted the following:

1. The Student Treasurer is not involved in maintaining a separate set of books.
2. The Harriers Club used cash receipts to pay Applebee's for their fundraiser.
3. Cash receipts have been taken home by the Faculty Advisor prior to being submitted to the Central Treasurer for deposit.

Ray Middle School –

Change Fund

Our examination revealed that a change fund in the Techponics Club was established from cash receipts.

We recommend all cash receipts be deposited intact and that all change funds deemed necessary be established by a check made payable to the Faculty Advisor or a Board authorized change fund.

Current Year Deficiencies in Internal Control:

Baker High School –

Sales Tax

Our examination revealed four instances in which sales tax was paid on the purchase of items intended for resale.

We recommend every effort be made to issue resale certificates (Form ST-120) to vendors when making purchases intended for resale and to collect sales tax upon the resale of the items.

Cash Gratuity

Our examination revealed that the Marching Band Club and FCCLA Club provided individuals with cash gratuities, however, there was no supporting documentation.

For all payments of this nature, we recommend a document signed by the recipient be maintained to acknowledge receipt.

(Current Year Deficiencies in Internal Control) (Continued)

Ray Middle School –

Payments to Individuals, Donations, and Scholarships

Our review of disbursements revealed that the Yearbook Club awarded scholarships as well as made a large donation to the District to purchase Virtual Reality Glasses.

We recommend all payments of this nature be supported by club minutes of the students clearly approving the nature of the payment, payee and amount.

Prior Year Recommendations:

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

1. The Robotics Club is now preparing profit and loss statements for fundraising activities.
2. Items included on the profit and loss statements prepared by Model UN Club and Class of 2017 could easily be traced to the general ledger.
3. The Model UN Club is no longer using cash receipts to purchase items.
4. The Class of 2017 had a signed listing by individuals that received gift cards.

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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 J. Wagner, CPA PC

November 14, 2017