

SKANEATELES CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2017

TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2017	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 7

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

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

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
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, 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 Skaneateles 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.

A handwritten signature in black ink that reads "Raymond F. Wager, CPA, P.C." The signature is written in a cursive style.

September 11, 2017

SKANEATELES CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds
Statement of Cash Receipts and Disbursements
For Year Ended June 30, 2017

High School:	Cash Balance July 1, 2016	Receipts	Disburse- ments	Cash Balance June 30, 2017
Senior Activities	\$ 1,520	\$ 6,078	\$ 6,018	\$ 1,580
Class of 2016	1,360	379	1,739	-
Class of 2017	1,604	9,920	10,164	1,360
Class of 2018	4,119	15,095	14,637	4,577
Class of 2019	-	6,017	554	5,463
Class of 2020	-	321	242	79
Band	955	280	479	756
Book Club	1	-	-	1
Comet (Yearbook)	25,647	14,698	31,198	9,147
DECA	216	4,395	837	3,774
Drama / Choral	4,652	48,434	47,011	6,075
Ecos / Environmental Club	1,174	263	319	1,118
French Club	75	-	-	75
Interact	313	-	209	104
Junior Classical League	2,862	60	60	2,862
Laker	615	-	-	615
Model UN	95	1,115	1,208	2
National Honor Society	4,397	503	182	4,718
National Honor Art Society	-	1,635	1,468	167
Olympics of the Mind	936	790	1,384	342
Olympics of the Mind (OMWB)	9,001	-	-	9,001
Orchestra	244	335	-	579
Student Activities	14,479	140	1,409	13,210
S.A.D.D.	699	95	455	339
Special Friends	618	-	-	618
Student Government	3,469	3,162	3,184	3,447
Technology Club	705	-	153	552
Total High School	\$ 79,756	\$ 113,715	\$ 122,910	\$ 70,561
Middle School:				
Drama Club	\$ 10,354	\$ 10,412	\$ 12,447	\$ 8,319
FACS	498	-	-	498
Laker Pride	4,905	6,037	3,785	7,157
Music Club	747	6,803	6,812	738
Science Club	22	-	-	22
Student Council	1,654	18,593	18,408	1,839
Yearbook	866	1,135	1,650	351
Total Middle School	\$ 19,046	\$ 42,980	\$ 43,102	\$ 18,924
GRAND TOTAL	\$ 98,802	\$ 156,695	\$ 166,012	\$ 89,485

(See accompanying notes to financial statement)

SKANEATELES 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 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, 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:

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.

Disbursements –

Our examination revealed a couple instances in the High School in which payments were issued without original itemized vendor invoices.

We recommend that payments only be made based on an original, itemized vendor invoice/receipt, and a properly completed payment order, including all approving signatures.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Club Recognition Requirements –

We noted that the Science Club and Yearbook accounts at the Middle School, and the Student Activities account at the High School, do not have a Student Treasurer, or any other form of student participation. In addition, it appears as though purchases in the Student Activities Account do not appear to benefit the student body. Therefore, these accounts do not appear to meet the criteria to operate as clubs, as set forth by New York State Education Department guidelines.

These items should be reviewed during the 2017-18 fiscal year to determine the appropriate corrective action to be implemented.

Profit and Loss Statements –

Although improvement was noted in the High School, our examination still revealed profit and loss statements, when prepared, are not submitted to the Central Treasurer for review.

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 maintained for our review at year end.

Current Year Deficiencies in Internal Control:

Change Fund –

Our examination revealed that the High School does not does not have any formal procedures regarding the establishment of change funds needed for fund-raising. In addition, it was noted that the Middle School Drama Club established a change fund with prior receipts.

We recommend all change funds be established by a check made payable to the Faculty Advisor and be subsequently, be redeposited into the bank account at the close of the activity.

Student Government (Student Athletics) Vending Machine –

Our examination revealed the following in regards to the operation of the Athletic vending machine:

1. The duties of ordering product, filling the machine with product and emptying money from the machine and performed by the Gym Teacher.
2. Reconciliations of cash collected to inventory sold are not being prepared.
3. Neither the Faculty Advisor nor the Student Treasurer of Student Government are involved in counting the cash prior to it being turned over to the Central Treasurer for deposit.

We recommend the Administration review the above items and develop the appropriate corrective action during this next fiscal year.

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 Book Club, the French Club, the Laker Club, the Odyssey of the Mind (World Bound Team) Club, and the Special Friends Club at the High School and the Science Club and the FACS Club at the Middle School were financially inactive during the 2016-17 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 Middle School is now issuing payments with proper supporting documentation.
2. The Student Activities Club in the Middle School was transferred into the Lakers Fund and is now operating with a Student Treasurer.
3. The High School Drama Club has student involvement in maintaining club ledgers.

*

*

*

We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.



September 11, 2017