

**VICTOR 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  
Victor Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Victor 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 Victor 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  
September 13, 2018

VICTOR CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2018

	<b>Cash Balance</b>		<b>Disburse-</b>	<b>Cash Balance</b>
	<b><u>July 1, 2017</u></b>	<b><u>Receipts</u></b>	<b><u>ments</u></b>	<b><u>June 30, 2018</u></b>
Class of 2017	\$ 2,000	\$ -	\$ 2,000	\$ -
Class of 2018	12,060	20,244	20,615	11,689
Class of 2019	4,307	33,353	27,580	10,080
Class of 2020	2,854	1,420	1,339	2,935
Class of 2021	-	2,346	701	1,645
Art Club	163	-	34	129
Aquatic	579	2,306	1,647	1,238
Business Club	1,473	56,639	54,557	3,555
Drama Club	27,461	23,848	31,600	19,709
French Club	15,247	32,975	39,340	8,882
Garden Team	130	-	31	99
Global Competency	2,421	7,503	9,670	254
International Club	361	-	30	331
Junior BASH	1,706	9,450	11,156	-
Junior High Musical	19,815	-	2,537	17,278
Junior High Store	2,625	513	645	2,493
Junior High Student Council	4,734	18,481	18,166	5,049
Junior High Yearbook	2,295	979	3,173	101
Key Club	773	11,999	10,718	2,054
<b>Subtotal</b>	<b>\$ 101,004</b>	<b>\$ 222,056</b>	<b>\$ 235,539</b>	<b>\$ 87,521</b>

	<b>Cash Balance</b>		<b>Disburse-</b>	<b>Cash Balance</b>
	<b><u>July 1, 2017</u></b>	<b><u>Receipts</u></b>	<b><u>ments</u></b>	<b><u>June 30, 2018</u></b>
<b>CarryOver Total</b>	\$ 101,004	\$ 222,056	\$ 235,539	\$ 87,521
Manufacturing Systems	26	327	353	-
Medical Explorers	85	100	32	153
Mentoring Club	4,427	22,730	13,144	14,013
NHS	2,301	2,039	1,034	3,306
Outdoor Activity	466	2,537	2,071	932
Sales Tax	-	4,776	4,776	-
SEAS	4,976	10,817	14,334	1,459
Senior BASH	380	-	380	-
Senior Choir	945	-	945	-
Senior High Band	373	275	648	-
Senior High Orchestra	7,849	14,860	9,936	12,773
Senior High Student Council	4,651	28,655	25,464	7,842
Senior High School Store	-	682	43	639
Spanish Club	180	1,842	1,354	668
Tri-M Honor Society	1,428	929	1,019	1,338
Victor Cares	5,010	16,806	14,667	7,149
Yearbook	13,389	6,311	8,128	11,572
<b>TOTAL</b>	<b><u>\$ 147,490</u></b>	<b><u>\$ 335,742</u></b>	<b><u>\$ 333,867</u></b>	<b><u>\$ 149,365</u></b>

**VICTOR 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 Victor 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 Victor 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.

**(Note 3) Related Party Transactions:**

The extraclassroom fund did business with a company owned by an employee of the District. During the 2017-18 fiscal year, \$6,771 was spent with this vendor.

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

We have examined the statement of cash receipts and disbursements of the Victor 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:**

**Gift Cards** –

During the year, the JH Student Council and Victor Cares purchased a gift card and carnival items to use as prizes for students. These purchases were not supported by club minutes, however, there was signed documentation indicating the student who received them.

Purchases of this nature should be approved by a majority of club members and should be documented in the respective clubs meeting minutes.

**Raffles** –

Our examination revealed that the Mentoring Club and the Junior High Student Council held raffles during the 2017-18 fiscal year.

We suggest the Administration review the processes used for these activities.



**Current Year Deficiencies in Internal Control:**

**Student Maintained Records –**

Our examination revealed that a separate set of financial records for many clubs is being maintained by the Central Treasurer rather than by the Student Treasurer.

In an effort to conform with New York State guidelines, we recommend Student Treasurers together with Faculty Advisors maintain a separate set of financial records for their respective club. In addition, these records should be compared with those maintained by the Central Treasurer on a monthly basis to determine their accuracy.

**Payments to Individuals –**

Our disbursements examination revealed one instance in the Class of 2019 where stipends were paid to individuals for which meeting minutes authorizing the services to be performed and amount to be paid were unavailable for our review.

We recommend all payments of this nature be supported by the respective clubs meeting minutes indicating the approval of a majority of club members.

**Prior Year Recommendations:**

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

1. The Junior Bash and Senior Bash Clubs were closed during the 2017-18 fiscal year.
2. The district has made significant improvement in the completion of the profit and loss statement.
3. Our examination revealed no instances where sales tax was not paid on taxable purchases or where sales tax was paid on the purchase of items intended for resale.
4. During the course of our examination, we noted no instances where a purchase was shipped to the Faculty Advisors home. In addition, all payment orders examined contained each of the three required authorizing signatures.

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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  
September 13, 2018