

**LETCHWORTH CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**FINANCIAL REPORT**

**For Year Ended June 30, 2018**

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

## TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2018	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 6

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Letchworth 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 Letchworth 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  
December 27, 2018

**LETCHWORTH 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	\$ 403	\$ 57	\$ 460	\$ -
Class of 2018	7,222	39,309	46,531	-
Class of 2019	-	15,906	9,392	6,514
Class of 2020	-	1,611	-	1,611
C.F.A.	357	-	53	304
Drama Club	9,601	8,141	10,571	7,171
F.F.A.	15,118	25,521	21,404	19,235
Foreign Language Club	54,072	32,623	36,376	50,319
Legend - Yearbook	1,187	6,588	5,429	2,346
Music Dept. (Band Fund)	3,118	21,525	16,233	8,410
National Honor Society Jr.	2,115	-	103	2,012
National Honor Society Sr.	801	275	228	848
Petty Cash	200	-	-	200
Prom Account	1,998	5,950	6,353	1,595
Sales Tax	737	4,439	3,354	1,822
Snow Ball Express	-	2,601	2,601	-
Student Council MS	816	1,696	2,716	(204)
Student Council HS	727	2,445	2,807	365
Varsity Club	10,009	6,655	6,571	10,093
Whale Watch	1,917	73,687	73,407	2,197
<b>TOTAL</b>	<b><u>\$ 110,398</u></b>	<b><u>\$ 249,029</u></b>	<b><u>\$ 244,589</u></b>	<b><u>\$ 114,838</u></b>

(See accompanying notes to financial statement)

( ) Denotes red figure.

**LETCHWORTH 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 Letchworth 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 Letchworth 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.

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

We have examined the statement of cash receipts and disbursements of the Letchworth 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 Deficiency Pending Corrective Action:**

**Profit and Loss Statements** –

Our examination revealed that an apparel/merchandise sale held by the Varsity Club incurred a loss of \$133 as compared to an \$19 loss in the prior year.

We recommend the Administration continue to review this situation and develop the necessary corrective action during this next fiscal year.

**Current Year Deficiencies in Internal Control:**

**Sales Tax** –

During the course of our examination, we noted one instance in the in the High School Student Council and one instance in the Class of 2019, where sales tax was not paid on taxable purchases.

We recommend every effort continue to be made to comply with New York State Sales Tax Law.

**(Current Year Deficiencies in Internal Control) (Continued)**

**Donations** –

Our examination revealed one instance in the Foreign language Club where a donation was made, however, the meeting minutes did not specify the recipient or the approved amount.

We recommend clubs that wish to donate money maintain club minutes specifying the amount and recipient of donations.

**Deficit Cash Balance** –

As indicated on the statement of cash receipts and disbursements the Middle School Student Council had a deficit cash balance of \$204 as of June 30, 2018.

We recommend the Administration review this activity to determine the reasons for the excess of expense over revenue and to develop the corrective action necessary to eliminate this deficit.

**Prior Year Recommendations:**

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

1. For those items tested, it appears all fundraising approval forms were submitted prior to the commencement of the event.
2. The Student Treasurer of the Drama Club is now involved in the preparation of profit and loss statements.
3. The items included on the profit and loss statements examined could be traced to the general ledger.

\*

\*

\*

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  
December 27, 2018