

**MANCHESTER – SHORTSVILLE
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
Manchester-Shortsville Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Manchester-Shortsville 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 Manchester-Shortsville 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
November 19, 2018

MANCHESTER - SHORTSVILLE CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2018

	Cash Balance		Disburse-	Cash Balance
	<u>July 1, 2017</u>	<u>Receipts</u>	<u>ments</u>	<u>June 30, 2018</u>
Class of 2017	\$ 1,503	\$ -	\$ 1,503	\$ -
Class of 2018	6,276	2,107	7,839	544
Class of 2019	395	12,628	8,823	4,200
Class of 2020	381	326	65	642
Class of 2021	-	450	-	450
Clay Target Shooting Club	-	-	-	-
Art Club	436	225	-	661
Band/Chorus Travel	1,823	25,027	10,155	16,695
Elementary Music Club	2,141	4,403	5,425	1,119
Elementary Yearbook	281	721	999	3
First Robotics	128	998	779	347
Links	580	92	196	476
Middle School Music Club	2,671	-	-	2,671
Middle School Student Store	830	131	133	828
National Honor Society	806	2,197	1,932	1,071
Performance Club	467	100	47	520
RJ Chorus	1,952	-	-	1,952
RJ Flying Club	-	5,679	4,414	1,265
RJ Music	21,227	14,558	11,961	23,824
Spanish Club	100	-	-	100
Student Council-High School	3,219	1,503	2,515	2,207
Student Council-Middle School	1,878	36,992	37,240	1,630
Varsity Club	5,323	4,966	8,982	1,307
Yearbook	9,196	1,921	1,153	9,964
TOTAL	<u>\$ 61,613</u>	<u>\$ 115,024</u>	<u>\$ 104,161</u>	<u>\$ 72,476</u>

MANCHESTER-SHORTSVILLE 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 Manchester-Shortsville 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 Manchester-Shortsville 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.

MANCHESTER-SHORTSVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Manchester-Shortsville 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.

Current Year Deficiencies in Internal Control:

Sales Tax –

Our examination revealed the Elementary Yearbook Club paid sales tax to the vendor for the purchases of yearbooks.

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

Profit and Loss Statement –

During the course of our examination, we noted that some items listed on the profit and loss statement prepared by the RJ Music Club could not be clearly traced to the general ledger.

We recommend all items included on the profit loss statements prepared should be traceable to the general ledger maintained by the Central Treasurer.

Prior Year Recommendation:

We are pleased to report that the following prior year recommendation has been implemented to our satisfaction:

1. The Student Council- High School did not establish a change fund from cash receipts during the year under examination.

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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
November 19, 2018

Handwritten signature in blue ink that reads "Raymond F. Wages, CPA, PC".