

JORDAN - ELBRIDGE 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
Jordan-Elbridge Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Jordan-Elbridge 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 Jordan-Elbridge 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 6, 2018

JORDAN-ELBRIDGE CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2018

	Cash Balance		Disburse-	Cash Balance
<u>High School:</u>	<u>July 1, 2017</u>	<u>Receipts</u>	<u>ments</u>	<u>June 30, 2018</u>
Class of 2017	\$ 2,526	\$ -	\$ 2,526	\$ -
Class of 2018	7,667	22,219	28,902	984
Class of 2019	7,741	19,501	16,426	10,816
Class of 2020	5,582	5,181	2,169	8,594
Class of 2021	-	12,242	6,982	5,260
Art Club	40	2,033	1,025	1,048
Drama Club	6,080	8,138	8,904	5,314
Eagle Card Shop	224	72	-	296
Fiction & Flicks	257	-	257	-
Honor Society	113	440	385	168
JE Literary Magazine	203	-	-	203
JE Musical Players	15,087	18,476	15,831	17,732
Sales Tax	2,824	2,914	4,386	1,352
School Store	-	50	-	50
Ski Club	530	4,590	4,200	920
Student Council	5,933	3,631	1,683	7,881
Teen Library Council	694	2,034	1,442	1,286
Yearbook	1,335	5,228	6,369	194
Total High School	\$ 56,836	\$ 106,749	\$ 101,487	\$ 62,098
<u>Middle School:</u>				
Honor Society	\$ 542	\$ 433	\$ 945	\$ 30
Musical	7,317	10,504	10,170	7,651
Sales Tax	462	517	122	857
Student Council	4,625	11,942	13,734	2,833
Yearbook	5,986	3,804	7,745	2,045
Total Middle School	\$ 18,932	\$ 27,200	\$ 32,716	\$ 13,416
GRAND TOTAL	\$ 75,768	\$ 133,949	\$ 134,203	\$ 75,514

(See accompanying notes to financial statement)

JORDAN-ELBRIDGE CENTRAL SCHOOL DISTRICT

EXTRACLASROOM 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 Jordan- Elbridge 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 Jordan- Elbridge 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.

JORDAN-ELBRIDGE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Jordan-Elbridge 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:

Profit and Loss Statements –

Our examination revealed one instance in the Class of 2018, three instances in the Class of 2019, one instance in the Class of 2021, one instance in the JE Musical Players Club, and one instance in the High School Yearbook where profit and loss statements were not prepared. We also noted that some of the items listed on the profit and loss statements which were prepared, could not always be clearly traced to the general ledger.

We recommend the Student Treasurer together with the Faculty Advisor prepare profit and loss statements at the close of each fund-raising event. In addition, these statements should be submitted to the Central Treasurer and be retained for our review at year end. Also, the items included on the profit and loss statements should be traceable to the general ledger maintained by the Central Treasurer.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Disbursements –

During our examination of selected disbursement transactions, we noted the following:

1. There was one instance in the Class of 2018, one instance in the Art Club, and one instance in the High School Yearbook where the payment order lacked one or more of the three required authorizing signatures.
2. There was one instance in the Middle School Honor Society where disbursements lacked sufficient supporting documentation such as an original vendor invoice or receipt.

In an effort to improve internal accounting control, all payment orders should contain each of the three required authorizing signatures and an original vendor invoice or receipt as a prerequisite to being processed for payment by the Central Treasurer.

Gift Cards, Gifts, and Donations –

During the course of our examination we noted the Student Council, Class of 2019, and the Art Club purchased gift cards and/or gifts during the year. There was no indication that a majority of the club members approved these purchases. In addition, the Class of 2019 had no signed documentation by the recipients acknowledging receipt.

We recommend clubs who wish to give gifts maintain club minutes indicating a majority of club members have agreed to the expense. In addition, all gifts and prizes should be supported by a signed receipt from the recipient acknowledging receipt.

Current Year Deficiencies in Internal Control:

Receipts –

During the course of our examination, we noted the Advisor for the Class of 2021 took cash receipts home before they were submitted to the Central Treasurer for deposit.

In an effort to, help safeguard cash and maintain accountability and control over receipts, we recommend every effort continue to be made to properly safeguard receipts on District property before they are submitted to the Central Treasurer for deposit.

Student Involvement –

Our examination revealed that students were not involved in the preparation of profit and loss statements for the Class of 2021 and the Middle School Musical.

In an effort to conform with New York State guidelines, and to promote student involvement, we recommend the Student Treasurer with the help of the Faculty Advisor, be directly involved in all financial transactions of the organization including the preparation of profit and loss statements for all fundraisers.

(Current Year Deficiencies in Internal Control) (Continued)

Class of 2019 –

During the course of our examination, we noted one instance where \$100 of a change fund was used to purchase gift cards.

We recommend all change funds be redeposited intact at the conclusion of the event or at year end and all purchases be made by check.

Class of 2018 –

Our examination revealed that ninety three gift cards were purchased, however, we were only able to verify that ninety were distributed.

We recommend this situation be reviewed in order to implement the appropriate corrective action during this next fiscal year.

Prior Year Recommendations:

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

1. All payment orders examined at the Middle School contained each of the three required authorizing signatures.
2. The payment orders examined for the High School Student Council included original vendor invoices or receipts.
3. Purchases by the Middle School Musical appeared to be shipped to the District.
4. The High School Student Council did not appear to purchase gift cards in the 2017-18 fiscal year.
5. A separate set of books was maintained by the Student Treasurer of the Middle School Yearbook. In addition, the change fund was not established from cash receipts.

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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 F. Wager, CPA, PC

Rochester, New York
December 6, 2018