NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2014

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

Shareholders:

Raymond F. Wager, CPA
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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
North Rose-Wolcott Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the North Rose-Wolcott Central School District for the year ended June 30, 2014 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.

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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 North Rose-Wolcott Central School District for the year ended June 30, 2014, 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.

Raymond F. Wager CPA PC

December 1, 2014

NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2014

High School:	Cash Balance July 1, 2013	Receipts	Disbursements	Cash Balance June 30, 2014
Class of 2013	$ 1,107	$ -	$ 1,107	$ -
Class of 2014	1,567	7,225	8,792	-
Class of 2015	905	1,547	1,180	1,272
Class of 2016	2,096	1,660	1,055	2,701
Class of 2017	-	2,921	1,584	1,337
Activities Account	2,125	2,373	3,312	1,186
Art Club	7,225	1,800	2,643	6,382
AV Club	498	327	228	597
Band Fund	1,881	775	713	1,943
Choir	1,857	-	10	1,847
Cougar Cupboard	1,396	4,154	-	5,550
Dramatic Productions	2,177	-	787	1,390
FBLA	322	1,232	1,094	460
Interact Club	202	60	28	234
Meteorology Club	571	201	123	649
Music Productions	2,642	8,417	5,637	5,422
NHS	-	2,425	2,118	307
School Store	3,908	7,341	5,929	5,320
Ski Club	1,157	-	-	1,157
Student Athlete Association	4,710	15,090	14,018	5,782
Student Council	4,533	4,841	4,826	4,548
Tax	158	2,903	2,421	640
Varsity Club	1,612	7,444	6,696	2,360
Yearbook Club	5,637	19,254	18,287	6,604
Total High School	**$ 48,286**	**$ 91,990**	**$ 82,588**	**$ 57,688**

Middle School:	Cash Balance July 1, 2013	Receipts	Disbursements	Cash Balance June 30, 2014
8th Grade Dinner	$ 1,542	$ 3,510	$ 4,288	$ 764
AV	717	1,281	1,121	877
AV Charitable Acc't	165	600	600	165
Choir	7,128	1,969	3,115	5,982
Treasurer's Club	593	1	76	518
Foreign Language	2,964	2	923	2,043
Gotcha's	2,209	578	2,151	636
Health Club	322	-	139	183
Honor's Charitable	3	-	-	3
Honor's Trip	1,039	28,024	27,618	1,445
Instrumental Music	41	-	-	41
LTD	106	-	106	-
LTD Charitable	1,074	106	200	980
National Jr. Honor Society	1,388	4,519	4,683	1,224
Science Club	36	-	-	36
Student Council	1,874	4,294	3,656	2,512
Tax	804	863	771	896
Wrestling Club	214	432	452	194
Yearbook	13,868	25,079	22,221	16,726
Total Middle School	**$ 36,087**	**$ 71,258**	**$ 72,120**	**$ 35,225**
North Rose Elementary:				
Activity Account	$ 73	$ -	$ -	$ 73
Student Council	17,299	5,092	4,647	17,744
Yearbook	82	-	-	82
Total North Rose Elementary	**$ 17,454**	**$ 5,092**	**$ 4,647**	**$ 17,899**
GRAND TOTAL	**$ 101,827**	**$ 168,340**	**$ 159,355**	**$ 110,812**

(See accompanying notes to financial statement)

NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2014

(Note 1) **Accounting Policy:**

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the North Rose-Wolcott 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 North Rose-Wolcott 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 four checking accounts. Three are maintained at Lyons National Bank and one is maintained at Reliant Community Federal Credit Union. The balance in these accounts is fully covered by FDIC Insurance or NCUA insurance.

(Note 3) **Related Parties:**

Although our examination revealed no irregularities, the Middle School Yearbook Faculty Advisor is related to the Student Treasurer of the Yearbook Club and Gotcha's Club.

NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the North Rose-Wolcott Central School District's Extraclassroom Activity Funds for the year ended June 30, 2014. 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.

High School:

Current Year Deficiency in Internal Control –

Fundraising Activities

During the course of our examination, we noted five instances in the Musical Production Club and two instances in the Yearbook Club in which fundraising activities took place that did not appear to follow the approval process.

In an effort to maintain accountability and improve internal controls, we recommend all fund-raising activity be approved prior to the event. In addition, the Building Administrator responsible for approving the fund-raising activities, should inform the Central Treasurer of all approved fund-raising events prior to these events taking place in order to ensure financial transactions are properly accounted for.

Middle School:

Prior Year Deficiency Pending Corrective Action –

Profit & Loss Statements

Our examination revealed that the Gotcha's Club and Yearbook profit and loss statements were not properly prepared. In addition we noted two instances in which the profit and loss statements were not signed off on by the Faculty Advisor and Student Treasurer.

We recommend a separate profit and loss statement be prepared for each fundraiser. Additionally, the Faculty Advisor and Student Treasurer sign off on all profit and loss statements.

Current Year Deficiencies in Internal Control –

Receipts

During the course of our examination, we noted two instances in the Yearbook Club and one instance in the Gotcha's Club where the deposit slip were not signed by the Central Treasurer.

We recommend the Central Treasurer sign off on the deposit indicating the review has been completed.

Disbursements

Our examination revealed one instance in which items purchased by the Choir Club were shipped to the Faculty Advisors home, instead of to the District.

We recommend all purchases be shipped directly to the District.

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 following clubs were financially inactive during the 2013-14 fiscal year:

High School	**Middle School**
Ski Club	Honor's Charitable
	Instrumental Music
North Rose Elementary	Science Club
Activity Account	
Yearbook	

We recommend the status of these clubs be reviewed. If future financial activity is not anticipated, they should be closed in accordance with the Board of Education policy.

Prior Year Recommendations:

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

1. Cash receipts at the High School appeared to be submitted to the Central Treasurer for deposit in a timely manner during the year under examination.

2. Ticket reconciliations and profit and loss statements were prepared for the Musical Production Club activities.

3. Students were involved in bookkeeping for the Middle School Yearbook Club.

(Prior Year Recommendations) (Continued)

4. The North Rose Elementary School prepared formal bank reconciliations on a monthly basis during the 2013-14 fiscal year.

* * *

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

December 1, 2014