NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2015

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

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, 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, 2015 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, 2015, 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

November 19, 2015

NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2015

High School:	Cash Balance July 1, 2014	Receipts	Disbursements	Cash Balance June 30, 2015
Class of 2014	$ -	$ 35	$ 35	$ -
Class of 2015	1,272	7,357	7,633	996
Class of 2016	2,701	2,669	1,430	3,940
Class of 2017	1,337	3,225	1,453	3,109
Class of 2018	-	7,144	5,697	1,447
Activities Account	1,186	7,281	4,884	3,583
Art Club	6,382	1,189	1,449	6,122
AV Club	597	180	234	543
Band Fund	1,943	684	265	2,362
Choir	1,847	-	300	1,547
Cougar Cupboard	5,550	100	855	4,795
Dramatic Productions	1,390	-	-	1,390
FBLA	460	961	908	513
Interact Club	234	91	45	280
Meteorology Club	649	-	-	649
Music Productions	5,422	5,377	4,597	6,202
NHS	307	469	450	326
School Store	5,320	2,058	2,846	4,532
Ski Club	1,157	5	-	1,162
Student Athlete Association	5,782	9,139	10,525	4,396
Student Council	4,548	5,849	5,795	4,602
Tax	640	3,595	2,638	1,597
Varsity Club	2,360	5,957	4,382	3,935
Yearbook Club	6,604	21,816	18,745	9,675
Total High School	**$ 57,688**	**$ 85,181**	**$ 75,166**	**$ 67,703**

Middle School:	Cash Balance July 1, 2014	Receipts	Disbursements	Cash Balance June 30, 2015
8th Grade Dinner	$ 764	$ -	$ 764	$ -
AV	877	689	917	649
AV Charitable Acc't	165	-	-	165
Choir	5,982	2,535	2,241	6,276
Treasurer's Club	518	230	270	478
Foreign Language	2,043	-	766	1,277
Gotcha's	636	-	636	-
Health Club	183	-	39	144
Honor's Charitable	3	-	-	3
Honor's Trip	1,445	27,798	27,584	1,659
Instrumental Music	41	-	41	-
LTD Charitable	980	-	-	980
National Jr. Honor Society	1,224	1,750	2,409	565
Science Club	36	-	-	36
Student Council	2,512	14,286	11,945	4,853
Tax	896	1,317	932	1,281
Wrestling Club	194	529	528	195
Yearbook	16,726	2,874	5,615	13,985
Total Middle School	**$ 35,225**	**$ 52,008**	**$ 54,687**	**$ 32,546**
North Rose Elementary:				
Activity Account	$ 73	$ -	$ 73	$ -
Student Council	17,744	3,433	5,776	15,401
Yearbook	82	-	82	-
Total North Rose Elementary	**$ 17,899**	**$ 3,433**	**$ 5,931**	**$ 15,401**
GRAND TOTAL	**$ 110,812**	**$ 140,622**	**$ 135,784**	**$ 115,650**

(See accompanying notes to financial statement)

NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2015

(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.

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, 2015. 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:

Prior Year Deficiency Pending Corrective Action –

Fundraising Activities

During the course of our examination, we noted four instances in the Musical Production 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:

Current Year Deficiencies in Internal Control –

Sales Tax

During the course of our examination, we noted three instances in the Student Council and one instance in the Honor's Trip in which sales tax was paid to a vendor and then remitted again on the receipts of that fundraiser.

We recommend that when purchasing items intended for resale, a resale certificate should be given to the respective vendor. If sales tax is paid twice, a credit can be claimed during the sales tax reporting process.

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 2014-15 fiscal year:

High School	Middle School
Dramatic Productions	Honor's Charitable
Meteorology Club	LTD Charitable
	AV Charitable Acct
	Science Club

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. The Yearbook Club properly authorized fundraisers before they commenced.

2. We did not identify any instances where goods where shipped to an Advisor's house or location other than the District.

3. All deposit slips in our testing were properly approved by the Central Treasurer.

4. Profit and Loss Statements in the Middle School were properly prepared and signed off on by the Student Treasurer and Faculty Advisor.

* * *

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

November 19, 2015