

**EDWARDS-KNOX  
CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUND  
FINANCIAL STATEMENTS  
JUNE 30, 2018**

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**  
**EXTRA CLASSROOM ACTIVITY FUND**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
Statement of Assets, Liabilities, and Fund Balance, (Cash Basis) June 30, 2018	3
Statement of Cash Receipts and Disbursements (Cash Basis) for the Year Ended June 30, 2018	4
Note to Financial Statements	5



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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Edwards-Knox Central School District  
Russell, New York

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of the Edwards-Knox Central School District, which comprise the statement of assets, liabilities, and fund balance (cash basis) as of June 30, 2018, and the related statement of cash receipts and disbursements (cash basis) for the year then ended, and the related note to the financial statements. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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**

Due to the nature of the Fund's records being maintained on the cash basis meaning that revenues (cash receipts) are recorded when received and expenditures (cash disbursements) are recorded when paid, the number of individuals (both faculty and students) involved, the amounts of money changing hands throughout the academic school year, and the numerous opportunities available to perpetrate fraud, we were unable to obtain sufficient appropriate audit evidence about the actual cash receipts collected and recorded during the academic school year ending June 30, 2018.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and balance due school district students of the Extraclassroom Activity Fund of the Edwards-Knox Central School District as of June 30, 2018, and its revenues collected and expenses paid for the year then ended in accordance with the cash basis of accounting as described in Note A.

**Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are 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.

  
Certified Public Accountants, P.C.

October 9, 2018

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUND**  
**STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE**  
**(CASH BASIS)**  
**JUNE 30, 2018**

**ASSETS**

Cash	\$ <u>40,259</u>
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<b>TOTAL ASSETS</b>	<b>\$ <u>40,259</u></b>
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**LIABILITIES**

Sales Tax Payable	\$ 277
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Interest Payable	<u>\$ 21</u>
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<b>TOTAL LIABILITIES</b>	<b>\$ 298</b>
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**FUND BALANCE**

Trust Funds	<u>39,961</u>
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<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>40,259</u></b>
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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITY FUND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
(CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>EXTRA CLASSROOM ACTIVITY</b>	<b>BALANCE 7/1/2017</b>	<b>RECEIPTS</b>	<b>DISBURSEMENTS</b>	<b>BALANCE 6/30/2018</b>
CLASS OF 2018	17,605	18,551	36,156	-
CLASS OF 2019	5,624	7,123	2,851	9,896
CLASS OF 2020	6,231	10,422	5,804	10,849
CLASS OF 2021	-	5,629	3,533	2,096
YEARBOOK	7,757	9,358	13,548	3,567
STUDENT COUNCIL	5,838	-	377	5,461
NHS	595	-	-	595
FFA	1,562	4,289	3,581	2,270
STAGE/MUSICAL	6,111	2,882	4,168	4,825
AFTER SCHOOL ART	391	-	-	391
SPEECH AND DEBATE	61	130	180	11
	<u>\$ 51,775</u>	<u>\$ 58,384</u>	<u>\$ 70,198</u>	<u>\$ 39,961</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITY FUND  
NOTE TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Extraclassroom Activity Funds of the Edwards-Knox Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. Consequently, the balance sheet amounts are included in the combined financial statements of the School District for reporting purposes only.

The books and records of the Edwards-Knox Central School District's Extraclassroom Activity Fund are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

The District has evaluated subsequent events through October 9, 2018, which is the date the financial statements were available to be issued.