

WALTON CENTRAL
SCHOOL DISTRICT

EXTRACLASROOM
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2019

**WALTON CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Walton Central School District

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of Walton Central School District, which comprise the statement of assets and fund equity - cash basis as of June 30, 2019, and the related statement of revenues, expenditures, and changes in fund equity - cash basis for the year then ended, and the related notes to the financial statements.

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 1; 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 Fund'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 Fund'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

Insufficient accounting controls are exercised over cash receipts at 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 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 and fund equity - cash basis of the Extraclassroom Activity Fund of Walton Central School District at June 30, 2019, and its revenues, expenditures, and changes in fund equity - cash basis for the year then ended on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the opinion paragraphs, the information is fairly stated in all material respects in relation to the financial statements as a whole.

D'Arcangelo + Co., LLP

October 15, 2019

Rome, New York

**WALTON CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS AND FUND EQUITY - CASH BASIS
June 30, 2019**

<u>Assets</u>	
Cash	\$ <u>71,563</u>
<u>Total Assets</u>	<u>\$ 71,563</u>
<u>Fund Equity</u>	
Fund Equity	
Assigned	\$ <u>71,563</u>
<u>Total Fund Equity</u>	<u>\$ 71,563</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WALTON CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS
For the Year Ended June 30, 2019**

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ <u>151,730</u>
Expenditures	
Instruction - Club Activities	<u>146,281</u>
Surplus Revenues Over Expenditures	5,449
<u>Fund Equity, Beginning of Year</u>	<u>66,114</u>
<u>Fund Equity, End of Year</u>	<u>\$ 71,563</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WALTON CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The transactions of the Extraclassroom Activity Funds represent Funds of the students of the School District. The related year-end cash balances are shown as part of the Walton Central School District's Fiduciary Fund with an offsetting liability.

The Board of Education makes rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activity Fund and for the safeguarding, accounting, and auditing of all monies received and derived therefrom.

Basis of Accounting

The accounts of the Extraclassroom Activity Funds of Walton Central School District are maintained on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

Fund Equity Assigned

Fund equity includes amounts that are constrained by the Extraclassroom Activity Funds of Walton Central School District's intent to be used for specific purposes of the respective activity, but are neither restricted nor committed.

Cash and Cash Equivalents

The Fund's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. As of June 30, 2019, the School District's Extraclassroom total bank balances of \$85,902 were covered by FDIC.

**WALTON CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2019**

Activities	Balance at 07/01/18	Cash Receipts	Cash Disbursements	Balance at 06/30/19
Class of 2018	\$ (131)	\$ 131	\$	\$
Class of 2019	2,206	28,616	29,646	1,176
Class of 2020	2,588	8,374	4,171	6,791
Class of 2021	2,742	6,386	4,301	4,827
Class of 2022		1,520	811	709
Drama Club	4,960	3,364	1,027	7,297
F.F.A.	5,087	42,678	43,992	3,773
Fishing Club	49			49
GSA	297	208	60	445
Honor Society	909	800	1,013	696
HS Student Council	1,786	4,470	5,659	597
HS Yearbook	25,990	6,712	9,073	23,629
MS Student Council	1,068	9,316	8,288	2,096
MS Yearbook	2,695	648		3,343
Music Fund	39	11,888	11,402	525
New York Sales Tax	1,289	3,788	5,077	
Ski Club	381			381
Speech & Debate Club	394	4,782	4,940	236
Travel Club		5,574	2,480	3,094
Varsity Club	7,596	9,949	11,955	5,590
Warrior Warehouse FBLA	6,169	2,526	2,386	6,309
Total	<u>\$ 66,114</u>	<u>\$ 151,730</u>	<u>\$ 146,281</u>	<u>\$ 71,563</u>

See Independent Auditor's Report