

MEDINA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2017

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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
Medina Central School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Medina Central School District for the year ended June 30, 2017 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 Medina Central School District for the year ended June 30, 2017, 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.

A handwritten signature in black ink that reads "Raymond F. Wager, CPA, P.C." The signature is written in a cursive style with a large, stylized initial 'R'.

November 30, 2017

MEDINA CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds
Statement of Cash Receipts and Disbursements
For Year Ended June 30, 2017

<u>Senior High School:</u>	<u>Cash Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2017</u>
Class of 2016	\$ 379	\$ -	\$ 379	\$ -
Class of 2017	3,649	14,355	16,371	1,633
Class of 2018	2,336	3,083	1,697	3,722
Class of 2019	1,824	2,350	1,393	2,781
Class of 2020	1,000	971	810	1,161
Class of 2021	1,000	482	576	906
AP Fund	6,191	15,816	13,194	8,813
A-V Club	239	-	-	239
AVID	5,000	-	594	4,406
Athletic Council	3,251	11,165	9,850	4,566
Athletic Council-John Loughlin	209	-	209	-
Baseball Club	203	3,565	3,287	481
Boys' Varsity Soccer	668	3,420	2,373	1,715
Boy's Varsity Swimming	20	820	672	168
Ecology Club	331	106	25	412
Field Hockey	187	1,230	1,050	367
FFA	712	25,841	25,997	556
FFA-Memorial Fund	2,683	2,485	4,033	1,135
Football Cheerleading	42	4,812	4,730	124
Girls Soccer	18	1,486	800	704
Girls Basketball	204	1,520	1,524	200
Medina Football	2,073	12,170	13,095	1,148
Medina Lacrosse Club	28	1,930	1,915	43
Medina Swimming	267	3,266	3,445	88
Medina Track Team	111	1,453	1,244	320
MHS Acappella Choir	560	1,785	1,760	585
Mirror	8,118	9,974	8,839	9,253
Mustang Mission	168	3,379	3,113	434
National Honor Society	752	6,230	6,338	644
PAAC	1,125	332	596	861
Photography Club	884	670	60	1,494
SAVI-2	1,117	1,597	1,747	967
SAVI Life Skills	557	602	688	471
Softball Team	810	325	301	834
Student Association	1,010	924	581	1,353
Tech Club	74	275	335	14
Tennis Club	-	300	300	-
Volleyball	1	255	-	256
Washington Trip	195	21,521	21,638	78
Wrestling	1,154	1,602	2,083	673
Total Senior High School	\$ 49,150	\$ 162,097	\$ 157,642	\$ 53,605

<u>Wise Middle School:</u>	Cash Balance July 1, 2016	Receipts	Disburse- ments	Cash Balance June 30, 2017
Character Club	\$ 1,880	\$ 187	\$ 149	\$ 1,918
Gettysburg	333	-	-	333
Home and Career	-	2,169	2,149	20
Jr. FFA	1,760	1,736	1,545	1,951
Literary Club	684	-	81	603
Musical Program	1,164	1,088	755	1,497
Student Council	1,792	36,015	31,298	6,509
Square 1 Art	492	502	427	567
Technology	525	314	588	251
Whale Watch	934	35,516	34,198	2,252
Yearbook Club	1,948	3,951	2,146	3,753
Total Wise Middle School	\$ 11,512	\$ 81,478	\$ 73,336	\$ 19,654
<u>Oak Orchard Elementary School:</u>				
Activities Account	\$ 27,574	\$ 17,772	\$ 17,531	\$ 27,815
GRAND TOTAL	\$ 88,236	\$ 261,347	\$ 248,509	\$ 101,074

MEDINA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2017

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Medina 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 Medina 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 three checking accounts. The balance in these accounts is fully covered by FDIC Insurance.

(Note 3) Subsequent Events:

Our examination disclosed a disbursement relating to the 2016-17 fiscal year which was not transacted and recorded until the 2017-18 fiscal year as follows:

<u>School</u>	<u>Activity</u>	<u>Disbursements</u>
Senior High School	Mirror (Yearbook)	\$ 6,314
Total		<u><u>\$ 6,314</u></u>

If this amount had been recorded prior to year end, the effect would have been a reduction of the total cash in the amount of \$6,314 at June 30, 2017.

MEDINA CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Medina Central School District's Extraclassroom Activity Funds for the year ended June 30, 2017. 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:

General Findings –

Donations, Transfers and Awards

Our examination revealed one instance in the Student Council at Oak Orchard Elementary, one instance in the Football Club, one instance in the Acapella Choir, and three instances in the Boys Soccer Club at the Senior High School where a donation or transfer was made without meeting minutes indicating approval by a majority of club members.

Sales Tax

During the course of our examination, we noted one instance in the Student Council at Oak Orchard Elementary, one instance in the Whale Watchers at the Wise Middle School, one instance in the Athletic Council, and one instance in Girls Soccer Club at the Senior High School in which sales tax was not paid on taxable purchases. In addition, there was one instance in the Baseball Club at the Senior High School in which sales tax was paid on the purchase of items intended for resale.

(Prior Year Deficiencies Pending Corrective Action) (General Findings) (Continued)

Profit and Loss Statements

During the course of our examination, we noted the following profit and loss statements were not available for our review:

Senior High School
Athletic Council-Pizza concessions
FFA-Milk sale & Beef on wick
Baseball Club-Apparel sale
SAVI-Car wash
Yearbook-Yearbook sales

Wise Middle School
Performing Arts-Snack sale
Student Council-Gift & things
Whale Watch-Coupon books

Oak Orchard Elementary School
Student Council-Yearbook sales & Book fair

Gift Cards/ Gifts

Our examination revealed one instance in the Student Council at Wise Middle School where gift cards were purchased, however, there were no club minutes approving the purchase or signatures from the recipients acknowledging receipt. In addition, the Student Council at Oak Orchard Elementary and SAVI Club at the Senior High School purchased several gifts for which there was no documentation signed by the recipients acknowledging receipt.

Senior High School –

AP Fund

Our examination revealed that the AP Fund does not appear to meet the criteria to be an extraclassroom activity according to New York State Finance Pamphlet No. 2, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*.

Athletic Council

During the course of our examination we were informed a reconciliation of items sold to total cash collected was completed for concession stand sales, however, this reconciliation was not available for our review.

MHS Acapella Choir

Our examination revealed the following:

1. The Student Treasurer is not involved in maintaining a separate set of books.
2. Students are not involved in counting the club's cash receipts.
3. Cash receipts are sometimes taken home overnight by the Faculty Advisor.
4. The Faculty Advisor established a change fund from cash receipts.

Softball Team

During the course of our examination, we noted that the Student Treasurer is not involved in maintaining a separate set of books. In addition, the Student Treasurer is not involved in counting the club's cash receipts.

(Prior Year Deficiencies Pending Corrective Action) (Senior High School) (Continued)

Raffles

Our examination revealed that the National Honor Society held a raffle during the 2016-17 fiscal year.

Current Year Deficiencies in Internal Control:

Senior High School –

Disbursements

During the course of our examination, we noted three instances in the Boys Varsity Soccer Club where the payment order did not include each of the three required authorizing signatures.

Oak Orchard Elementary School –

Change Funds

Our examination revealed that there are no formal procedures regarding the establishment of change funds needed for fund-raising activities.

Student Council

During the course of our examination we noted the following:

1. The Student Treasurer is not involved in maintaining a separate set books.
2. The starting change fund was established with the Faculty Advisor's personal funds.
3. The Student Treasurer is not involved in the preparation of profit and loss statements.

Disbursements

Our examination revealed one instance in the Student Council where items purchased were shipped to a location other than 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 Senior High School A-V Club and the Wise Middle School Gettysburg Club were financially inactive during the 2016-17 fiscal year.

Prior Year Recommendations:

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


1. The Clifford H. Wise Middle School Extraclassroom Clubs prepared meeting minutes indicating approval by a majority of club members for all donations and awards.
2. The Wrestling Club, PAAC Club, and Photography Club at the Senior High School are now preparing meeting minutes indicating approval by a majority of club members for all donations and awards.
3. The Athletic Council is no longer paying for concession supplies from monthly vendor statements.
4. The Student Council at Oak Orchard Elementary now has a Student Treasurer.
5. The Student Treasurers for the Student Council and Whale Watch Clubs at Wise Middle School are now involved in maintaining a separate set of books.
6. The Mirror and Wrestling Clubs at the Senior High School did not hold a raffle during the 2016-17 fiscal year.

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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.



November 30, 2017