

**MEDINA CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
FINANCIAL REPORT**

For Year Ended June 30, 2018

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

TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2018	3 - 4
Notes to Financial Statement	5
Auditors' Findings and Evaluation	6 - 8

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, 2018 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, 2018, 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. Wagon, CPA, PC

Rochester, New York
December 3, 2018

MEDINA CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds
Statement of Cash Receipts and Disbursements
For Year Ended June 30, 2018

<u>Senior High School:</u>	<u>Cash Balance</u> <u>July 1, 2017</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2018</u>
Class of 2017	\$ 1,633	\$ -	\$ 1,633	\$ -
Class of 2018	3,722	13,959	17,679	2
Class of 2019	2,781	2,207	1,446	3,542
Class of 2020	1,161	3,036	1,769	2,428
Class of 2021	906	1,065	320	1,651
Class of 2022	-	1,625	585	1,040
Class of 2023	-	1,500	-	1,500
AP Fund	8,813	17,286	14,199	11,900
A-V Club	239	-	-	239
AVID	4,406	-	-	4,406
Athletic Council	4,566	9,808	13,898	476
Baseball Club	481	4,144	3,511	1,114
Boys' Varsity Soccer	1,715	2,455	2,848	1,322
Boy's Varsity Swimming	168	720	530	358
Ecology Club	412	83	-	495
Field Hockey	367	1,412	1,368	411
FFA	556	29,526	27,227	2,855
FFA-Memorial Fund	1,135	4,355	3,564	1,926
Football Cheerleading	124	4,033	4,111	46
Girls Soccer	704	640	1,343	1
Girls Basketball	200	-	199	1
Medina Football	1,148	6,609	6,429	1,328
Medina Lacrosse Club	43	-	-	43
Medina Swimming	88	6,792	6,550	330
Medina Track Team	320	-	75	245
MHS Acappella Choir	585	1,890	2,277	198
Mirror	9,253	10,104	9,022	10,335
Mustang Mission	434	2,397	2,016	815
National Honor Society	644	9,144	8,335	1,453
PAAC	861	7,143	7,238	766
Photography Club	1,494	480	-	1,974
SAVI-2	967	1,745	2,198	514
SAVI Life Skills	471	568	643	396
Softball Team	834	24,120	24,454	500
Student Association	1,353	1,187	1,009	1,531
Tech Club	14	260	256	18
Volleyball	256	500	734	22
Washington Trip	78	15,751	15,804	25
Wrestling	673	1,480	948	1,205
Total Senior High School	<u>\$ 53,605</u>	<u>\$ 188,024</u>	<u>\$ 184,218</u>	<u>\$ 57,411</u>

<u>Wise Middle School:</u>	<u>Cash Balance</u> <u>July 1, 2017</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2018</u>
Character Club	\$ 1,918	\$ 710	\$ 460	\$ 2,168
Gettysburg	333	-	-	333
Home and Career	20	2,563	2,570	13
Jr. FFA	1,951	1,254	2,502	703
Literary Club	603	2,256	2,315	544
Musical Program	1,497	39	879	657
Student Council	6,509	26,134	26,336	6,307
Square 1 Art	567	311	278	600
Technology	251	443	151	543
Whale Watch	2,252	50,623	51,444	1,431
Yearbook Club	3,753	3,120	2,777	4,096
Total Wise Middle School	<u>\$ 19,654</u>	<u>\$ 87,453</u>	<u>\$ 89,712</u>	<u>\$ 17,395</u>
<u>Oak Orchard Elementary School:</u>				
Activities Account	<u>\$ 27,815</u>	<u>\$ 10,562</u>	<u>\$ 14,049</u>	<u>\$ 24,328</u>
GRAND TOTAL	<u>\$ 101,074</u>	<u>\$ 286,039</u>	<u>\$ 287,979</u>	<u>\$ 99,134</u>

(See accompanying notes to financial statement)

MEDINA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2018

(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 receipts and disbursements relating to the 2017-18 fiscal year which were not transacted and recorded until the 2018-19 fiscal year as follows:

<u>School</u>	<u>Activity</u>	<u>Receipts</u>	<u>Disbursements</u>
Oak Orchard	Student Activities	\$ 375	\$ 2,400
Senior High School	Mirror (Yearbook)	-	8,382
Total		\$ 375	\$ 10,782

If these amounts were recorded prior to year end, the net effect would have been a reduction of the total cash in the amount of \$10,407 at June 30, 2018.

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, 2018. 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 –

Sales Tax

During the course of our examination, we noted one instance in the Football Cheerleading Club in which sales tax was not paid on a taxable purchase. In addition, there was one instance in the Baseball Club at the Senior High School and three instances in the Oak Orchard Elementary Activities Account in which sales tax was paid on the purchase of items intended for resale.

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

- PAAC-cookie dough sales
- National Honor Society-snack boxes & candle sales
- Baseball Club-apparel sale
- Class of 2018-prom sales
- Mirror-yearbook sales
- FFA-milk sales

Wise Middle School

- Jr. FFA-milk vending machine sales

Oak Orchard Elementary School

- Activities Account-yearbook sales & book fair

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

Gifts

Our examination revealed that the Football Cheerleading Club 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*.

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.

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.

Current Year Deficiencies in Internal Control:

General Findings –

Bank Reconciliations

During the course of our examination we noted in the Senior High School, Wise Middle School and Oak Orchard Elementary School monthly bank reconciliations did not appear to be signed and reviewed by an individual independent of the process.

Oak Orchard Elementary School –

Disbursements

During the course of our examination we noted two instances in the Activities Account where there were no meeting minutes approving the payments to two individuals.

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, the Senior High School AVID Club, the Senior High School Medina Lacrosse Club, and the Wise Middle School Gettysburg Club were financially inactive during the 2017-18 fiscal year.

Prior Year Recommendations:

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

1. Our examination did not reveal any raffles held during the 2017-18 fiscal year.
2. We did not note any gift card purchases at the Oak Orchard Elementary School and the Wise Middle School during the year under examination.
3. For those items tested, we were able to examine meeting minutes approving the donation.
4. The Athletic Council did not conduct concession stand sales during the 2017-18 fiscal year.
5. The payment orders examined at the Senior High School contained each of the three required authorizing signatures.
6. The Student Treasurer of the Senior High School MHS Acapella Choir maintained a separate set of books and counted the Club’s cash receipts. In addition, receipts were not taken home by the Faculty Advisor prior to being deposited.
7. The Student Treasurer of the Activity Account at the Oak Orchard Elementary School is now involved in preparing profit and loss statements and a separate set of books. In addition, the starting change fund was not established from the Faculty Advisor’s personal funds.
8. All purchases examined at Oak Orchard Elementary School appeared to be shipped directly to the District.

* * *

We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.



Rochester, New York
December 3, 2018