

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

For Year Ended June 30, 2022



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Medina Central School District, New York

Report on the Audit of the Statement of Financial Statements

Qualified and Unmodified Opinions

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, 2022 and the related notes to the financial statement.

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, 2022, in accordance with the cash basis of accounting as described in Note 1.

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.

Emphasis of Matter – 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.

Responsibility of Management for the Statement of Cash Receipts and Disbursements

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; and for 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 Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mengel, Metzger, Barz & Co. LLP

Rochester, New York
December 14, 2022

MEDINA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2022

| <u>Senior High School:</u> | <u>Cash Balance July 01, 2021</u> | <u>Receipts</u> | <u>Disburse- ments</u> | <u>Cash Balance June 30, 2022</u> |
|---------------------------------|---------------------------------------|-------------------|----------------------------|---------------------------------------|
| Class of 2021 | \$ 11 | \$ - | \$ 11 | \$ - |
| Class of 2022 | 6,004 | 15,831 | 19,989 | 1,846 |
| Class of 2023 | 5,511 | - | 539 | 4,972 |
| Class of 2024 | 4,682 | 993 | 633 | 5,042 |
| Class of 2025 | 3,000 | - | 211 | 2,789 |
| Class of 2026 | - | 1,208 | 280 | 928 |
| Class of 2027 | - | 1,276 | 35 | 1,241 |
| Class of 2028 | - | 1,000 | - | 1,000 |
| A-V Club | 275 | - | 135 | 140 |
| AVID | 4,384 | - | - | 4,384 |
| Athletic Council | 3,856 | 10,676 | 10,010 | 4,522 |
| Baseball Club | 4,892 | 410 | 4,465 | 837 |
| Boys' Basketball | 1,006 | - | 416 | 590 |
| Boys' Varsity Soccer | - | 332 | - | 332 |
| Boys' Varsity Swimming | 506 | - | - | 506 |
| Conservation Club | 83 | 1,064 | - | 1,147 |
| Ecology Club | 517 | - | 517 | - |
| Field Hockey | 228 | 128 | - | 356 |
| FFA | 1,239 | 18,975 | 18,662 | 1,552 |
| FFA-Memorial Fund | 1,596 | 830 | 1,143 | 1,283 |
| Football Cheerleading | 1,427 | 493 | 6 | 1,914 |
| Girls Soccer | 49 | - | - | 49 |
| Masterminds/WLVL | - | 500 | - | 500 |
| Medina Football | 8,007 | 13,245 | 17,908 | 3,344 |
| Medina Lacrosse Club | 492 | 1,028 | 1,437 | 83 |
| Medina Swimming | 469 | - | 365 | 104 |
| Medina Track Team | 556 | - | - | 556 |
| MHS Acappella Choir | 300 | 621 | 652 | 269 |
| Mirror | 7,592 | 3,682 | 3,026 | 8,248 |
| Mustang Mission | 3,254 | 513 | 768 | 2,999 |
| National Honor Society | 1,705 | 2,060 | 1,583 | 2,182 |
| PAAC | 3,568 | 2,167 | 3,025 | 2,710 |
| Photography Club | 1,222 | 345 | 911 | 656 |
| SAVI-2 | 547 | 700 | 497 | 750 |
| SAVI Life Skills | 185 | - | 91 | 94 |
| Softball Team | 502 | - | - | 502 |
| Student Association | 7,106 | 2,759 | 2,978 | 6,887 |
| Tech Club | 33 | 500 | 487 | 46 |
| Volleyball | 8 | - | - | 8 |
| Washington Trip | 4,782 | 17,356 | 20,412 | 1,726 |
| Wrestling | 2,229 | 5,847 | 5,994 | 2,082 |
| Total Senior High School | \$ 81,823 | \$ 104,539 | \$ 117,186 | \$ 69,176 |

| <u>Wise Middle School:</u> | <u>Cash Balance</u> <u>July 01, 2021</u> | <u>Receipts</u> | <u>Disburse-</u> <u>ments</u> | <u>Cash Balance</u> <u>June 30, 2022</u> |
|---------------------------------------|---|--------------------------|----------------------------------|---|
| Character Club | \$ 2,457 | \$ - | \$ - | \$ 2,457 |
| Home and Career | 11 | 698 | 708 | 1 |
| Jr. FFA | 413 | 545 | 754 | 204 |
| Literary Club | 441 | 3,219 | 3,219 | 441 |
| Musical Program | 404 | 1,370 | 1,548 | 226 |
| Student Council | 3,682 | 8,310 | 8,804 | 3,188 |
| Square 1 Art | 397 | - | 50 | 347 |
| Technology | 621 | - | - | 621 |
| Whale Watch | 1,558 | - | - | 1,558 |
| Yearbook Club | 2,619 | 2,900 | 2,548 | 2,971 |
| Total Wise Middle School | <u>\$ 12,603</u> | <u>\$ 17,042</u> | <u>\$ 17,631</u> | <u>\$ 12,014</u> |
| | | | | |
| <u>Oak Orchard Elementary School:</u> | | | | |
| Activities Account | <u>\$ 11,953</u> | <u>\$ 10,470</u> | <u>\$ 8,817</u> | <u>\$ 13,606</u> |
| | | | | |
| GRAND TOTAL | <u>\$ 106,379</u> | <u>\$ 132,051</u> | <u>\$ 143,634</u> | <u>\$ 94,796</u> |

(See accompanying notes to financial statement)

MEDINA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2022

(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 Custodial 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.

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, 2022. 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.

General Findings:

Prior Year Deficiency Pending Corrective Action –

Reconciliations

Our examination revealed that not all fundraising events that require the collection of cash in exchange for goods are reconciled to the inventory sold.

In order to improve internal accounting control over items sold, we recommend the preparation of a reconciliation of items sold to the total cash collected at the conclusion of the fundraiser.

(General Findings) (Continued)

Current Year Deficiencies in Internal Control –

Receiving Signatures

During the course of our examination, we noted one instance in the High School Student Association and one instance in the Elementary School Student Activities where there were no student signatures from individuals receiving gift cards.

We recommend maintaining a list for the students to sign as they receive their gift cards in the future to acknowledge receipt.

Sales Tax

During the course of our examination, we noted one instance in the Oak Orchard Elementary School Activities Account where sales tax was paid on items intended for resale. In addition, we noted one instance in the High School SAVI 2 Club where sales tax was not paid on a taxable purchase.

We recommend every effort continue to be made to comply with New York State Sales Tax Law.

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 were financially inactive during the 2021-22 fiscal year

| <u>Senior High School</u> | | <u>Wise Middle School</u> |
|----------------------------------|-----------------|----------------------------------|
| AVID Club | Softball Team | Character Club |
| Boys' Varsity Swimming | Volleyball Team | Technology |
| Girls Soccer | Medina Track | Whale Watch |

We recommend the status of these clubs be reviewed. If future financial transactions are 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. There is a process in place for tracking individuals receiving payments in excess of \$600 in a calendar year for appropriately issuing an IRS Form 1099.
2. All profit and loss statements examined were signed by the Student Treasurer.
3. Awards and cash prizes examined at the High School were supported by meeting minutes of the respective club.
4. The Elementary School's Activities Account now has a separate set of books being maintained by the Student Treasurer and Faculty Advisor.

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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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 14, 2022