

**MCGRAW CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS**

Audited Financial Statements

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Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
McGraw Central School District

We have audited the accompanying financial statements of the Extraclassroom Activity Funds of McGraw Central School District, which comprise the Statement of Assets and Fund Balance – Cash Basis as of June 30, 2017, and the related Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Balance – 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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective assets and fund balance of the Extraclassroom Activity Funds of the District as of June 30, 2017, and the cash receipts, cash disbursements, and changes in fund balance, for the year then ended 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 statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Port, Kashdin + McNair
Certified Public Accountants

October 5, 2017
Cortland, New York

MCGRAW CENTRAL SCHOOL DISTRICT

**Extraclassroom Activity Funds
Statement of Assets, Liabilities and Fund Equity - Cash Basis
June 30, 2017**

ASSETS

Cash	\$	<u>69,914</u>
Total Assets	\$	<u>69,914</u>

LIABILITIES AND FUND EQUITY

Liabilities		
New York State Sales Tax Liability	\$	851
Fund Equity		<u>69,063</u>
Total Liabilities and Fund Equity	\$	<u>69,914</u>

MCGRAW CENTRAL SCHOOL DISTRICT

Extracurricular Activity Funds Statement of Cash Receipts and Disbursements For the Year Ended June 30, 2017

Activities	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
Class of 2017	\$ 9,487	\$ 15,163	\$ 24,650	\$ -
Class of 2018	3,227	14,792	9,239	8,780
Class of 2019	2,392	1,156	249	3,299
Class of 2020	-	2,917	-	2,917
Sixth Grade	-	-	-	-
Art Club	1,611	2,183	1,822	1,972
Cheerleading	-	-	-	-
Drama Club	7,458	5,446	6,875	6,029
Environmental Club	1,331	1,623	1,974	980
FBLA	994	10,179	6,944	4,229
French Club	612	343	50	905
Junior Honor Society	1,595	224	884	935
Magazine Club	-	-	-	-
Living Museum/Maroon & White	-	-	-	-
Middle School	5,857	15,867	18,077	3,647
Sales Tax Holding Account	591	744	484	851
Senior Honor Society	1,077	3,562	372	4,267
Spanish Club	1,953	540	100	2,393
Student Council - Elementary School	1,974	2,055	395	3,634
Student Council - High School	1,653	2,038	2,251	1,440
Varsity Club	2,570	4,626	4,932	2,264
Music - Vocal/Instrumental	8,231	10,215	5,907	12,539
Yearbook	5,419	8,226	4,813	8,832
Total Extracurricular Activities Funds	\$ 58,032	\$ 101,899	\$ 90,019	\$ 69,914

MCGRAW CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds Notes to Financial Statements June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Student Extraclassroom Activity Funds of the McGraw Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and designation of student management. However, the total amount of the extraclassroom funds is included within the Trust and Agency Fund in the District's general purpose financial statements.

Student Extraclassroom Activity Funds included in this report were formed only for educational and school service purposes in accordance with District rules and regulations for the conduct, operations, and maintenance of Extraclassroom activities.

The books and records of the McGraw Central School District Extraclassroom Activity Funds are maintained on the cash basis of accounting, and the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance 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 statements.

NOTE 2 - CASH AND INVESTMENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT RISK, INTEREST RATE AND FOREIGN CURRENCY RISKS

The Student Extraclassroom Activity Funds cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (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. Investments, if any, are stated at fair value.

Custodial risk is the risk that in the event of a bank failure, the Student Extraclassroom Activity Fund's deposits may not be returned to it. While the Student Extraclassroom Activity Funds do not have a specific policy for custodial credit risk, New York State statutes govern the McGraw Central School District's investment policies, as discussed previously in these notes. Governmental Accounting Standards Board Statement Number 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

The Student Extraclassroom Activity Fund's aggregate bank balances of \$69,914 are either insured or collateralized with securities held by the pledging financial institution in the District's name.

**Extraclassroom Activity Funds
Notes to Financial Statements
June 30, 2017**

NOTE 3 - ACTIVITY INFORMATION

The Sales Tax Holding Account is paid to New York State every March. The District treasurer removes the sales tax collected from each activity fund and records it in this account. The activity funds are shown net of any sales tax collected.

NOTE 4 - SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 5, 2017, the date the financials were available to be issued.