

INTERMEDIATE SCHOOL DISTRICT NO. 917  
ROSEMOUNT, MINNESOTA

Extracurricular Student Activity  
Accounts Financial Statements

Year Ended  
June 30, 2011



PRINCIPALS

Kenneth W. Malloy, CPA  
Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board of  
Intermediate School District No. 917  
Rosemount, Minnesota

We have audited the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2011. This financial statement is the responsibility of the District's extracurricular student activity accounts management. Our responsibility is to express an opinion on this financial statement based on our audit.

Except as discussed in the following paragraph, 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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the design of the accounting system relating to cash receipts and the nature of student activities, we were only able to audit cash collections that are recorded. It was not practical for us to extend our audit of such cash collections beyond the amounts recorded.

Because this financial statement is prepared on the basis of cash receipts and disbursements, revenue is recorded when received rather than when earned, and expenses are recognized when paid rather than when the obligations are incurred. Accordingly, the accompanying financial statement is not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for such adjustments, if any, as might have been determined to be necessary had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statement referred to above presents fairly, in all material respects, the cash transactions of the District's extracurricular student activity accounts for the year ended June 30, 2011, and the cash balances at that date.

*Malloy, Montague, Karnowski, Radosevich, & Co., P.A.*

December 1, 2011

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
 Statement of Cash Receipts and Disbursements  
 Year Ended June 30, 2011

|                                    | Beginning<br>Balance –<br><u>July 1, 2010</u> | <u>Receipts</u>  | <u>Disbursements</u> | Ending<br>Balance –<br><u>June 30, 2011</u> |
|------------------------------------|---|------------------|----------------------|---|
| Student activity accounts          |   |                  |                      |   |
| Secondary Youth                    | \$ 3,106                                      | \$ 451           | \$ 3,495             | \$ 62                                       |
| Thompson Heights Special Education | 274   | –                | 53                   | 221   |
| Secondary Auto Body                | 800   | –                | 747                  | 53  |
| Secondary Service Station          | 409   | 1,157            | 912                  | 654   |
| Deaf and Hard of Hearing (DHOH)    | 101   | 1,662            | 1,442                | 321   |
| Construction Trades                | 109   | –                | 60                   | 49  |
| DCALS                              | –   | 421              | 411                  | 10  |
| Secondary Heavy Duty Truck         | 140   | –                | 100                  | 40  |
| IDEA Satellite                     | 443   | 370              | 618                  | 195   |
| VICA Student Account               | –   | 6,383            | 5,747                | 636   |
| West Heights ALC                   | 184   | 15               | 84                   | 115   |
| Secondary Food Service             | –   | 2,337            | 2,337                | –   |
| Medical Careers                    | –   | 270              | 270                  | –   |
| Secondary Graphics                 | –   | 800              | 723                  | 77  |
|                                    | <u>–</u>                                      | <u>–</u>         | <u>–</u>             | <u>–</u>                                    |
| Total                              | <u>\$ 5,566</u>                               | <u>\$ 13,866</u> | <u>\$ 16,999</u>     | <u>\$ 2,433</u>                             |

See note to extracurricular student activity accounts financial statements

INTERMEDIATE SCHOOL DISTRICT NO. 917

Note to Extracurricular Student Activity Accounts Financial Statements  
June 30, 2011

Extracurricular student activity fund transactions are defined as extracurricular programs conducted for the motivation and enjoyment of students. These programs and activities are not offered for school credits nor required for graduation. Activities are generally conducted outside of school hours. The content of the activities is determined primarily by the students, under the guidance of a staff member or other adult.

Extracurricular student activities are to be self-sustaining with all expenses paid by dues, admissions, or other student fundraising events. These funds are not included in the basic financial statements of Intermediate School District 917 (the District), and are restricted for the student activity uses, as established.

The accounts of Intermediate School District No. 917's extracurricular student activity accounts are maintained, and the accompanying financial statement has been prepared, on the cash basis of accounting. Consequently, receipts are recorded when received rather than when earned, and disbursements are recognized when paid rather than when the obligations are incurred.

OTHER REQUIRED REPORTS



PRINCIPALS

Kenneth W. Malloy, CPA  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the School Board of  
Intermediate School District No. 917  
Rosemount, Minnesota

We have audited the statement of cash receipts and disbursements of the extracurricular student activity accounts of Intermediate School District No. 917 (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 1, 2011. Our report was qualified for a restriction on the scope of our audit resulting from the accounting system relating to cash receipts, which allows us only to audit cash collections that are recorded. Further, because the financial statement is prepared on a basis of cash receipts and disbursements, the financial statement is not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Manual for Activity Fund Accounting (MAFA)*, issued by the Minnesota Department of Education (MDE).

The *MAFA* provides uniform financial accounting and reporting standards for student activities. Compliance with student activity laws and regulations is the responsibility of the District's extracurricular student activity accounts management. We have performed auditing procedures to test compliance with the provisions of this manual. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the District's extracurricular student activity accounts complied, in all material respects, with the provisions referred to in the preceding paragraph, except as described in the Schedule of Findings and Corrective Action.

This report is intended solely for the information and use of the School Board, management, students of the District, and the MDE and is not intended to be, and should not be, used by anyone other than these specified parties.

*Malloy, Montague, Karnowski, Radosevich, & Co., P.A.*

December 1, 2011

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action  
June 30, 2011

**FINDINGS AND CORRECTIVE ACTION**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS**

**2011-1 Receipt Backup Documentation**

**Condition** – Six out of six receipts we tested did not have adequate backup documentation completed by the appropriate parties for compliance with the *Manual for Activity Fund Accounting (MAFA)* guidelines.

**Criteria** – *MAFA*.

**Recommendation** – It is our recommendation that the District ensure all student activity receipts are accompanied by sufficient backup documentation.

**2011-2 Deposit of Account Funds**

**Condition** – Three out of six cash receipts we tested accounted for by the District as student activities were not deposited in a timely manner or lacked documentation to allow us to determine if it was deposited in a timely manner.

**Criteria** – *MAFA*.

**Recommendation** – It is our recommendation that the District deposit student activity funds at least weekly and never hold funds over a weekend.

**2011-3 Activity Purpose Forms**

**Condition** – Two of the student activity accounts we tested did not have activity purpose forms completed.

**Criteria** – *MAFA*.

**Recommendation** – It is our recommendation that all activity accounts have a current activity purpose form completed to determine if the account is in compliance with the rules as outlined in the *MAFA*.

**Corrective Action Plan for Extracurricular Student Activity Accounts**

**Actions Planned** – The District will require backup on all receipts, will make deposits weekly, and ensure they receive activity purpose forms for all of their student activity accounts.

**Official Responsible** – Nicolle Roush, Business Manager.

**Planned Completion Date** – June 30, 2012.

INTERMEDIATE SCHOOL DISTRICT NO. 917

Extracurricular Student Activity Accounts  
Schedule of Findings and Corrective Action (continued)  
June 30, 2011

**FINDINGS AND CORRECTIVE ACTION (CONTINUED)**

**EXTRACURRICULAR STUDENT ACTIVITY ACCOUNTS (CONTINUED)**

**Corrective Action Plan for Extracurricular Student Activity Accounts (continued)**

Disagreement With or Explanation of Finding – The District has no disagreement with the finding.

Plan to Monitor –Nicolle Roush, Business Manager, will also review the internal controls over student activity accounts to ensure the planned controls are being followed and these findings are eliminated.