

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

For Year Ended June 30, 2021



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

T A B L E O F C O N T E N T S

Independent Auditors' Report	1 – 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2021	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 6

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Addison Central School District for the year ended June 30, 2021 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 Addison Central School District for the year ended June 30, 2021, 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.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
December 20, 2021

ADDISON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2021

	Cash Balance <u>July 01, 2020</u>	<u>Receipts</u>	Disburse- <u>ments</u>	Cash Balance <u>June 30, 2021</u>
Class of 2020	\$ -	\$ 100	\$ 100	\$ -
Class of 2021	9,260	14,069	23,329	-
Class of 2022	6,937	6,485	7,073	6,349
Class of 2023	4,661	405	783	4,283
Class of 2024	4,537	12,017	6,992	9,562
Class of 2025	2,745	1,921	534	4,132
Class of 2026	1,293	1,552	38	2,807
Class of 2027	-	2,256	-	2,256
Cheerleading	585	-	-	585
Color Guard	383	-	-	383
Elementary Drama	422	-	-	422
Elementary Ski Club	1,223	-	-	1,223
Elementary Student Council	1,548	6,568	6,252	1,864
MS Student Council	2,990	-	-	2,990
MS Drama	1,717	1,046	68	2,695
Girls Soccer	142	-	-	142
Girls Soccer - JV	720	-	-	720
Girls Softball	1,268	912	774	1,406
HS Chorus	1,423	-	-	1,423
HS Drama	4,017	-	-	4,017
HS Ski Club	454	-	-	454
HS Student Council	15,089	488	1,217	14,360
HS Council Trip	1,435	-	-	1,435
HS Yorkers Club	553	-	-	553
HS Yearbook	17,848	10,446	11,303	16,991
Marching Band	7,900	1,320	1,765	7,455
National Honor Society	713	-	-	713
TS/VS Yearbook	5,336	2,329	6,365	1,300
USA Red Cross	1,173	-	-	1,173
Youth 4 Youth	986	-	-	986
TOTAL	<u>\$ 97,358</u>	<u>\$ 61,914</u>	<u>\$ 66,593</u>	<u>\$ 92,679</u>

(See accompanying notes to financial statement)

ADDISON CENTRAL SCHOOL DISTRICT

EXTRACLASROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2021

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Addison 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 Addison 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) Subsequent Events:

Based on our discussion with the Central Treasurer we were informed that the TS/VS Yearbook Club has not received the final yearbook bill due to the global pandemic.

(Note 3) Cash and Cash Equivalents:

Cash and cash equivalents is comprised of one checking account. The balance in this account is fully covered by FDIC Insurance.

(Note 4) COVID-19:

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, limited activities and student involvement in the Extraclassroom activities and transactions have resulted from the date of closure through the end of the 2020-21 fiscal year.

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

We have examined the statement of cash receipts and disbursements of the Addison Central School District's Extraclassroom Activity Funds for the year ended June 30, 2021. 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:

Profit and Loss Statements –

Our examination revealed a significant improvement regarding the preparation of profit and loss statements, however, we noted one instance in the Class of 2021 and one instance in the Class of 2022 where profit and loss statements were missing the signature of both the Faculty Advisor and Student Treasurer. There was also one instance in the Marching Band where no profit and loss statement was prepared.

We recommend the Student Treasurer, together with the Faculty Advisor, prepare profit and loss statements for each individual fundraising event and sign the profit and loss statements before they are submitted to the Central Treasurer.

Reconciliations –

During the course of our examination we noted that reconciliations of items/tickets sold to total cash collected were not prepared for the Class of 2021 Beef Stick Sale, Class of 2022 Candy Bar Sale, High School Marching Band Little Debbie Snack Fundraiser, and Class of 2025 Gifts and Things Sale.

We recommend reconciliations of items/tickets sold to total cash collected be prepared for all fundraising events and sales.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Untimely Deposits –

Our examination revealed one instance in the Class of 2022 in which receipts were deposited several days after the cash was received.

In an effort to maintain accountability and control over receipts, we recommend every effort continue to be made to deposit cash collections on a more timely basis.

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 clubs were financially inactive during the 2020-21 fiscal year:

Cheerleading	HS Drama
Color Guard	HS Ski Club
Elementary Drama	HS Council Trip
Elementary Ski Club	HS Yorkers Club
MS Student Council	National Honor Society
Girls Soccer	USA Red Cross
Girls Soccer – JV	Youth 4 Youth
HS Chorus	

We recommend the status of these clubs be reviewed. If future financial activity is not anticipated, they should be closed in accordance with the Board of Education policy.

Prior Year Recommendation:

We are pleased to report that the following prior year recommendation has been implemented to our satisfaction:

1. Based on the items tested, it did not appear that there were any gift cards purchased during the 2020-21 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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
December 20, 2021