

**ADDISON 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
Addison Central School District, New York

Qualified and Unmodified Opinions

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, 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 Addison 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, Barw & Co. LLP

Rochester, New York
December 20, 2022

ADDISON CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2022

	Cash Balance		Disburse-	Cash Balance
	<u>July 01, 2021</u>	<u>Receipts</u>	<u>ments</u>	<u>June 30, 2022</u>
Class of 2022	\$ 6,350	\$ 4,897	\$ 11,247	\$ -
Class of 2023	4,283	9,921	4,597	9,607
Class of 2024	9,562	5,860	4,681	10,741
Class of 2025	4,132	5,109	3,373	5,868
Class of 2026	2,807	8,330	4,571	6,566
Class of 2027	2,256	1,878	-	4,134
Class of 2028	-	1,484	875	609
MS Student Council	2,990	1,303	1,216	3,077
MS Drama Club	2,695	3,765	2,547	3,913
HS Drama Club	4,017	1,775	1,583	4,209
HS Student Council	14,360	1,997	3,012	13,345
HS Honor Society	713	40	-	753
HS Ski Club	454	-	-	454
HS Marching Band	7,455	3,330	2,595	8,190
HS USA - Red Cross Club	1,173	-	-	1,173
HS Yearbook	16,992	6,285	10,370	12,907
HS Youth 4 Youth	987	-	-	987
Tus Student Council	1,864	6,037	5,251	2,650
Tus Drama Club	422	332	-	754
Cheerleading Club	585	-	-	585
Tus Yearbook Club	1,300	1,201	1,332	1,169
Color guard Club	384	-	-	384
Elementary Ski Club	1,222	-	82	1,140
Girls Soccer Club	141	-	-	141
Girls JV Soccer Club	719	-	-	719
Girls Softball Club	1,405	-	-	1,405
HS Chorus Club	1,423	-	-	1,423
HS Student Council Trip	1,435	-	-	1,435
National Jr. Honor Society	-	177	12	165
HS Yorkers Club	553	-	-	553
TOTAL	<u>\$ 92,679</u>	<u>\$ 63,721</u>	<u>\$ 57,344</u>	<u>\$ 99,056</u>

(See accompanying notes to financial statement)

ADDISON CENTRAL SCHOOL DISTRICT

EXTRACLASROOM 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 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) 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.

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, 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.

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 2024 where the profit and loss statement was missing the signature of both the Faculty Advisor and Student Treasurer.

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 sold to total cash collected were not prepared for the Class of 2024 Beef Stick Sale, Class of 2022 Candy Bar Sale, and Class of 2028 Simply Delicious Fundraiser.

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

Current Year Deficiency in Internal Control:

Gifts and Donations

Our examination revealed one instance in the HS Student Council in which gift cards were purchased without any documentation signed by the recipients to acknowledge the receipt.

We recommend when clubs give gift cards, that they have the recipient of the gift card sign acknowledging that they did receive the gift card.

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 2021-22 fiscal year:

HS Yorkers Club	HS Student Council Trip
HS Chorus Club	Girls Softball Club
Girls JV Soccer Club	Girls Soccer Club
Color Guard Club	Cheerleading Club
HS Youth 4 Youth	HS USA – Red Cross
HS Ski Club	

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 Recommendations:

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

1. All receipts tested appear to have been deposited in a timely manner.
2. Profit and loss statements appear to have been prepared for all fundraising activities examined.

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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 20, 2022