

WHEATLAND - CHILI 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
Wheatland-Chili 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 Wheatland-Chili 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 Wheatland-Chili 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
November 22, 2022

WHEATLAND-CHILI CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2022

	<u>Cash Balance</u> <u>July 01, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash Balance</u> <u>June 30, 2022</u>
Class of 2020	\$ 421	\$ -	\$ 421	\$ -
Class of 2021	7,781	-	4,434	3,347
Class of 2022	947	19,403	20,350	-
Class of 2023	611	5,730	4,749	1,592
Class of 2024	135	1,069	458	746
Class of 2025	-	100	-	100
Art Club	523	-	207	316
Bookstore - Elementary	546	249	362	433
Bookstore - Middle School	321	-	-	321
Drama - Elementary	-	1,725	143	1,582
Drama - Senior High	30,850	15,228	12,541	33,537
HS Varsity Club	4,411	1,835	4,465	1,781
FBLA	370	-	-	370
Interact	583	600	54	1,129
International Club	12,047	7,509	7,536	12,020
Leadership Assets Training	323	-	121	202
MS Newspaper/Yearbook	352	280	-	632
National Honor Society	117	-	-	117
National Honor Society - Junior High	264	-	-	264
SADD	296	-	-	296
Sales Tax	397	680	554	523
Scotsmen Yearbook	639	1,681	2,571	(251)
Ski Club	17	-	-	17
Ski Club - Middle School	1,121	2,780	2,695	1,206
Student Council - Elementary	14	-	-	14
Student Council - Junior High	605	1,415	1,662	358
Student Council - Senior High	2,781	247	1,231	1,797
Yearbook Elementary	121	990	-	1,111
TOTAL	\$ 66,593	\$ 61,521	\$ 64,554	\$ 63,560

() Denotes red figure.
(See accompanying notes to financial statement)

WHEATLAND - CHILI 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 Wheatland-Chili 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 Wheatland-Chili 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.

WHEATLAND-CHILI CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Wheatland-Chili 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 Deficiency Pending Corrective Action:

Reconciliations –

Our examination revealed one instance in the TJC Bookstore, where there was no reconciliation of items sold to total cash collected prepared.

In an effort to improve internal accounting control, a reconciliation of items sold to total cash collected should be prepared for receipts submitted to the Central Treasurer for deposit.

Current Year Deficiencies in Internal Control:

Student Participation –

As part of our interview with the Class of 2023 Advisor, we noted the students are participating in cash collections, tally sheets, and other activities, however, they are not involved in recording transactions.

In an effort to conform with New York State guidelines and to promote student involvement, we recommend that a separate set of books should be maintained by the Student Treasurer with the help of the Faculty Advisor. In addition, these books should be compared with those maintained by the Central Treasurer on a monthly basis.

(Current Year Deficiencies in Internal Control) (continued)

Deficit Balance –

As indicated on the statement of cash receipts and disbursements, the Yearbook Club had a deficit cash balance of \$251 at June 30, 2022.

We recommend the administration review this situation to determine the reasons for the excess of expense over revenue and to develop the corrective action necessary to eliminate this deficit.

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 TJ Connor Student Council, MS Bookstore, MS Junior Honor Society, HS Ski Club, HS National Honor Society, HS FBLA Club, and HS S.A.D.D. Club were financially inactive during the 2021-22 fiscal year.

We recommend the status of these clubs be reviewed. If no future financial transactions are 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. All receipts examined appeared to be deposited in a timely manner.

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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
November 22, 2022