

SOLVAY UNION FREE SCHOOL DISTRICT

**STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE
EXTRACLASSROOM ACTIVITY FUNDS**

June 30, 2021



grossman st. amour

CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Education
Solvay Union Free School District
Solvay, New York

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Solvay Union Free School District as of and for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Solvay Union Free School District's management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting as 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 error or fraud.

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 statements are free from material 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 entity'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 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 statement.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence concerning the completeness of cash receipts recorded, totaling \$38,441 for the year ended June 30, 2021. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded and we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for possible effects of the matter described 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 the Solvay Union Free School District for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a comprehensive 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.

A handwritten signature in black ink, appearing to read "Grossman St Amour CPA". The signature is written in a cursive style.

Syracuse, New York
September 20, 2021

SOLVAY UNION FREE SCHOOL DISTRICT

Statement of Cash Receipts and Disbursements of the Extraclassroom Activity Funds

For the Year Ended June 30, 2021

Activities	Cash Balance July 1, 2020	Receipts	Disbursements	Cash Balance June 30, 2021
Art Club	\$ 134	\$ -	\$ -	\$ 134
Business Club	795	1,245	1,623	417
Character Education	189	-	-	189
Class of 2020	6,084	-	6,084	-
Class of 2021	2,627	10,491	9,875	3,243
Class of 2022	2,236	1,031	-	3,267
Class of 2023	895	1,246	392	1,749
Science Club	80	-	80	-
Science Olympiad	756	-	-	756
Gay-Straight Alliance	43	389	307	125
Italian Club	166	-	-	166
Key Club	996	-	-	996
National Honor Society	2	-	2	-
Ski Club	290	1,237	1,237	290
Solvay Middle School Activity	14,139	7,922	8,167	13,894
Band Club	3,858	2,500	1,250	5,108
Spanish Club	70	-	-	70
Choral Club	2,309	1,065	1,042	2,332
Student Forum	2,436	929	409	2,956
Student Tutor Mentor Club	2,525	-	-	2,525
Students Against Drunk Driving	458	-	458	-
Technology Club	377	184	-	561
United Nations Club	375	-	375	-
Variety Showcase	34,983	4,308	3,566	35,725
iStaff	4	-	-	4
Yearbook Club	5,957	5,894	4,564	7,287
Solvay TRIS	545	-	-	545
Media Graphics Club	22	-	-	22
	<u>\$ 83,351</u>	<u>\$ 38,441</u>	<u>\$ 39,431</u>	<u>\$ 82,361</u>

See Notes to Statement of Cash Receipts and Disbursements.

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Note to Statement of Cash Receipts and Disbursements

1. Significant Accounting Policies

Organization

The Student Extraclassroom Activity Funds of the Solvay Union Free School District (the District) represent funds of the students of the District. The Board of Education exercises general oversight of these funds and provides administrative involvement with these funds. Currently, these funds are included in the Agency Fund of the District's basic financial statements. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and designation of student management, however, the District provides administrative support for these funds. The District, upon the adoption of GASB No. 84, *Fiduciary Activities* for fiscal year ending June 30, 2021, no longer reports the Student Extraclassroom Activity Funds in an Agency fund but includes the activity in a Governmental fund of the District.

New York State Education Law (Title 8. Education Department, Chapter II. Regulations of the Commissioner, Subchapter L. Finance, Part 172) define the activity funds as an organization within a school district whose activities are conducted by students and whose financial support is raised other than by taxation or through charges of the board of education shall be known as an Extraclassroom activity and the moneys received by it as Extraclassroom Activity Funds.

Basis of Accounting

The accounts of the Extraclassroom Activity Funds of the Solvay Union Free School District are maintained on the cash basis of accounting, 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 statement of cash receipts and disbursements.

2. Cash

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with District policies, all deposits of the Student Extraclassroom Activity funds are held at an FDIC (Federal Deposit Insurance Act) insured bank, whereby the FDIC provides deposit insurance up to \$250,000. Total financial institution bank balances at year-end, per the bank, were \$82,361, therefore insured by the FDIC.

3. Taxes

The Student Extraclassroom Activity Funds of the District represent an organization within the District which is exempt from income taxes. Although the organization is exempt from income taxes, the Extraclassroom activities of the District are not included in the exemption granted to the District from New York State sales tax. As such, unless the activities are deemed not taxable, sales tax must be collected by the organization and remitted to the New York State Department of Taxation and Finance. The Extraclassroom activities are prohibited from using the District's sales tax exemption.

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Note to Statement of Cash Receipts and Disbursements

4. Related party transactions

The District appoints a central treasurer who has custody of all funds. The District also designates faculty advisors who guide and advise the student officers in planning extraclassroom activities and provide financial oversight over the activities of the student organizations in accordance with policies and procedures prescribed by the District. The central treasurer and faculty advisors are employees of the District and provide administrative support to the extraclassroom activities. The District does not charge the extraclassroom activity funds for this administrative support, as such, the costs of this support are excluded from this financial statement.

5. Subsequent Events

Management has evaluated subsequent events through September 20, 2021, which is the date the financial statement was available to be issued. There were no material subsequent events that required recognition or additional disclosures in the financial statements.