

SOLVAY UNION FREE SCHOOL DISTRICT

**FINANCIAL STATEMENT -
EXTRAClassroom Activity Funds**

June 30, 2022



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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

Qualified Opinion

We have audited the financial statement of the Extraclassroom Activity program of the Solvay Union Free School District for the year ended June 30, 2022, and the related notes to the financial statement.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statement of cash receipts and disbursements and changes in cash present fairly, in all material respects, the cash receipts and disbursements and changes in cash of the Extraclassroom Activity Program of the Solvay Union Free School District as of June 30, 2022.

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence concerning the completeness of the cash receipts, totaling \$88,982. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Program of the Solvay Union Free School District's and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matters

As discussed in Note 1, the financial statement of the Extraclassroom Activity program of the Solvay Union Free School District are intended to present the receipts and disbursements and changes in cash of the Solvay Union Free School District that is attributable to the transactions of the Extraclassroom Activity program. They do not purport to, and do not, present fairly the financial position of the Solvay Union Free School District, as of June 30, 2022, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



In addition, as discussed in Note 1 of the financial statements, the financial statement is 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 these matters.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and 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 fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 statement, 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 statement.
- 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 Extraclassroom Activity Program'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.

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.



Syracuse, New York
September 19, 2022

SOLVAY UNION FREE SCHOOL DISTRICT

Statement of Cash Receipts and Disbursements of the Extraclassroom Activity Funds

For the Year Ended June 30, 2022

Activities	Cash Balance July 1, 2021	Receipts	Disbursements	Cash Balance June 30, 2022
Art Club	\$ 134	\$ -	\$ 134	\$ -
Business Club	417	2,467	1,027	1,857
Character Education	189	-	-	189
Class of 2021	3,243	-	3,243	-
Class of 2022	3,267	13,957	15,618	1,606
Class of 2023	1,749	6,536	4,690	3,595
Class of 2024	-	5,205	1,472	3,733
Class of 2025	-	964	-	964
Science Olympiad	756	-	86	670
Gay-Straight Alliance	125	1,013	1,028	110
Italian Club	166	-	-	166
Key Club	996	-	117	879
Ski Club	290	701	701	290
Solvay Middle School Activity	13,894	24,098	22,674	15,318
Band Club	5,108	7,133	10,384	1,857
Spanish Club	70	-	-	70
Choral Club	2,332	3,953	4,434	1,851
Student Forum	2,956	524	811	2,669
Student Tutor Mentor Club	2,525	-	315	2,210
Technology Club	561	221	-	782
Variety Showcase	35,725	14,704	10,965	39,464
iStaff	4	-	-	4
Yearbook Club	7,287	7,506	5,408	9,385
Solvay TRIS	545	-	545	-
Media Graphics Club	22	-	-	22
	<u>\$ 82,361</u>	<u>\$ 88,982</u>	<u>\$ 83,652</u>	<u>\$ 87,691</u>

See Notes to Statement of Cash Receipts and Disbursements.

SOLVAY UNION FREE SCHOOL DISTRICT

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 reports the Student Extraclassroom Activity Funds 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 \$92,492, 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.

SOLVAY UNION FREE SCHOOL DISTRICT

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 19, 2022, 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.