

LITTLE FALLS CITY SCHOOL DISTRICT

Little Falls, New York

EXTRACLASSROOM ACTIVITY FUNDS FINANCIAL REPORT

**For the Year Ended
June 30, 2022**



LITTLE FALLS CITY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Education
Little Falls City School District
Little Falls, New York

Opinion

We have audited the cash-basis financial statements of the Extraclassroom Activity Funds of the Little Falls City School District (the Extraclassroom Activity Funds), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Extraclassroom Activity Funds' basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the Extraclassroom Activity Funds, as of June 30, 2022, and the respective changes in cash-basis financial position, thereof, for the year then ended in accordance with cash basis of accounting described in Note 1.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Funds, 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 audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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 this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 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 fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

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 Extraclassroom Activity Funds' 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 Extraclassroom Activity Funds' 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.

Respectfully submitted,

A handwritten signature in dark ink that reads "Inero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 12, 2022

LITTLE FALLS CITY SCHOOL DISTRICT

**EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS
JUNE 30, 2022**

| | |
|---------------------|------------------|
| Cash | \$ 60,383 |
| | |
| Fund Balance | \$ 60,383 |

See Notes to Financial Statements

LITTLE FALLS CITY SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Fund Balance June 30, 2021</u> | <u>Cash Receipts</u> | <u>Cash Disbursements</u> | <u>Fund Balance June 30, 2022</u> |
|--|--|---------------------------------|--------------------------------------|--|
| High School | | | | |
| Class of 2020 | \$ 136 | \$ - | \$ 136 | \$ - |
| Class of 2021 | 3,160 | - | 3,160 | - |
| Class of 2022 | 15,192 | 34,767 | 48,922 | 1,037 |
| Class of 2023 | 3,389 | 19,866 | 14,158 | 9,097 |
| Class of 2024 | 6,399 | 6,365 | 2,926 | 9,838 |
| Class of 2025 | 2,357 | 4,032 | 728 | 5,661 |
| Drama | 7,953 | 23,487 | 14,696 | 16,744 |
| FBLA (Future Business Leader of America) | 3,632 | 1,246 | 1,150 | 3,728 |
| GAA (Girls Athletic Association) | 4,640 | 125 | 1,003 | 3,762 |
| Library Club | 657 | 259 | 10 | 906 |
| National Honor Society | 454 | 759 | 872 | 341 |
| Student Assembly Government | 433 | - | - | 433 |
| Due To/From Other Funds | 46 | 1,916 | 1,910 | 52 |
| Middle School | | | | |
| Class of 2026 | 1,243 | 5,866 | 4,969 | 2,140 |
| Class of 2027 | 1,193 | 2,959 | 1,043 | 3,109 |
| Class of 2028 | - | 2,234 | 999 | 1,235 |
| Student Government | 1,755 | 1,530 | 985 | 2,300 |
| Totals | <u>\$ 52,639</u> | <u>\$ 105,411</u> | <u>\$ 97,667</u> | <u>\$ 60,383</u> |

See Notes to Financial Statements

LITTLE FALLS CITY SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***Note 1* Summary of Significant Accounting Policies**

The Student Extraclassroom Activity Funds of Little Falls City School District (the School District) represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Therefore, these funds are included in the Custodial Fund of the School District's basic financial statements. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and designation of student management.

Student Extraclassroom Activity Funds included in this report were formed only for educational and school service purposes in accordance with School District rules and regulations for the conduct, operation, and maintenance of Extraclassroom Activities.

The accounts of the Extraclassroom Activity Funds of the School District are maintained on a cash basis of accounting, and the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance 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 in the United States, and which may be material in amount, are not recognized in the accompanying financial statements.

***Note 2* Cash and Cash Equivalents - Custodial and Concentration of Credit Risks**

The Student Extraclassroom Activity Funds cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments, if any, are stated at fair value. There are no investments at June 30, 2022.

Custodial credit risk is the risk that in the event of a bank failure, the Student Extraclassroom Activity Fund's deposits may not be returned to it. While the Student Extraclassroom Activity Fund does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. Governmental Accounting Standards Board (GASB) Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The Student Extraclassroom Activity Fund's aggregate bank balances of \$64,019 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.