



**BABYLON
UNION FREE SCHOOL DISTRICT**
EXTRACLASSROOM ACTIVITY FUNDS
FINANCIAL STATEMENT WITH
INDEPENDENT AUDITOR'S REPORT
June 30, 2022

BABYLON UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Babylon Union Free School District
Babylon, New York

Qualified Opinion

We have audited the accompanying Statement of Cash Receipts and Disbursements of the Babylon Union Free School District's (District) extraclassroom activity funds for the year ended June 30, 2022, and the related note to the financial statement.

In our opinion, except for the effect of any adjustments that might have been necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the "Matter Giving Rise to the Qualified Opinion" paragraph, the financial statement referred to in the paragraph above presents fairly, in all material respects, the cash transactions of the extraclassroom activity funds of the Babylon Union Free School District for the year ended June 30, 2022, on the basis of accounting described in Note 1.B.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Babylon Union Free School District, 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 and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion

The cash receipts records of the extraclassroom activities fund of the Babylon Union Free School District were not adequate to permit the application of sufficient adequate auditing procedures to indicate whether all receipts were recorded.

Basis of Accounting

We draw attention to Note 1.B. 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.

Management's Responsibility for the Financial Statement

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.B; this includes 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Cullen & Danowski, LLP

November 9, 2022

BABYLON UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2022

	Cash Balance <u>June 30, 2021</u>	Receipts and Transfers	Disbursements and Transfers	Cash Balance <u>June 30, 2022</u>
CLUBS				
Class of 2021	\$ 2,027	\$	\$	\$ 2,027
Class of 2022	4,005	17,143	16,443	4,705
Class of 2023	2,649	8,286	5,440	5,495
Class of 2024	1,797	325		2,122
Class of 2025		7,166		7,166
All School Musical	3,951	2,230	2,383	3,798
Art Honor Society	384	1,134	1,278	240
Art/Music Field Trip 2022	8,375	9,750	13,575	4,550
Athletic Club	1,778	7,603	4,736	4,645
Babylon Buddies	6,167		821	5,346
Business Honor Society	1,219	90	130	1,179
DECA Club	615	6,739	6,858	496
Drama Club	3,751	3,230	1,637	5,344
English National Honor Society	1,640	2,524	178	3,986
French National Honor Society	1,526	2,653	3,409	770
Honor Society - Senior	3,565	2,706	376	5,895
H.S. Student Council	2,714	20,238	17,595	5,357
Home Econ/Family& Consumer Science	21			21
Honor Society - Junior	1,070	728	385	1,413
Jr. High Student Council	1,220	2,559	2,033	1,746
Language Club	2,050	678	325	2,403
Leo Club	1,084		300	784
Literary Magazine	72			72
Music Department	27,702	4,372	3,783	28,291
Science National Honor Society	1,130	370		1,500
Sign Language Club	68	1,407	1,250	225
Spanish National Honor Society	212	276	365	123
Writer's Club	211			211
Trawler	3,620	22,883	18,842	7,661
Thespian Troupe	466		150	316
Social Studies Honor Society		1,860	973	887
Total	<u>\$ 85,089</u>	<u>\$ 126,950</u>	<u>\$ 103,265</u>	<u>\$ 108,774</u>

BABYLON UNION FREE SCHOOL DISTRICT
EXTRAClassroom ACTIVITY FUNDS
NOTE TO FINANCIAL STATEMENT
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The extraclassroom activity funds represent funds of the students of the District. Although, the extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management, the Board of Education exercises general oversight of these funds. Based on this criterion, the extraclassroom activity funds are included in the District's reporting entity and reported as a special revenue fund.

B. Basis of Accounting

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.

