

TENTATIVE DRAFT



**SHELTER ISLAND
UNION FREE SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITIES FUND
FINANCIAL STATEMENT WITH
INDEPENDENT AUDITOR'S REPORT**

June 30, 2024

TENTATIVE DRAFT
SHELTER ISLAND UNION FREE SCHOOL DISTRICT
EXTRACLASROOM ACTIVITIES FUND
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Shelter Island Union Free School District
Town of Shelter Island, New York:

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the various Extraclassroom Activity Funds of the Shelter Island Union Free School District (the "District") for the year ended June 30, 2024, and the related note to financial statement, which collectively comprise the financial statements of the District's Extraclassroom Activity Funds.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of the Shelter Island Union Free School District for the year ended June 30, 2024 in accordance with the 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. 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 Shelter Island 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 audit opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 statement.

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 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 Funds 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Extraclassroom Activity Funds of 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.

Hauppauge, New York
October 11, 2024

SHELTER ISLAND UNION FREE SCHOOL DISTRICT
EXTRACURRICULAR ACTIVITIES FUND
TENTATIVE DRAFT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2024

	Cash Balance <u>July 1, 2023</u>	Receipts and Transfers	Disbursements and Transfers	Cash Balance <u>June 30, 2024</u>
CLUBS				
Class of 2024	3,115	8,570	10,763	922
Class of 2025	3,774	6,662	5,050	5,386
Class of 2026	4,824	2,500	480	6,844
Class of 2027	5,148	7,476	11,284	1,340
Class of 2028	5,827	21,736	23,180	4,383
Class of 2029	815	5,302	2,214	3,903
Class of 2030		3,312	2,069	1,243
Drama Club	15,319	12,427	10,326	17,420
Sailing Club	2,854	23		2,877
Science Club	267	2		269
Student Council	2,440	818	263	2,995
Yearbook	3,850	12,352	10,812	5,390
National Honor Society	467	6,262	6,406	323
DECA Club	85	1		86
Athletic Club	257	2		259
Volleyball Club	156	1		157
Art Club	445	4		449
National Junior Honor Society	162	2		164
Sales Tax	1,138	707	752	1,093
Total	<u>\$ 50,943</u>	<u>\$ 88,159</u>	<u>\$ 83,599</u>	<u>\$ 55,503</u>

SHELTER ISLAND UNION FREE SCHOOL DISTRICT
EXTRACURRICULAR ACTIVITIES FUND
TENTATIVE DRAFT
NOTES TO FINANCIAL STATEMENT
June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The extracurricular activities fund represents funds of the students of Shelter Island Union Free School District. Although, the extracurricular activities fund is independent of Shelter Island Union Free School District with respect to its financial transactions and the designation of student management and the individual transactions related to the activities of the fund, the Board of Education exercises general oversight of the activities and it has been determined that District management exercises administrative involvement with respect to the financial statement transactions. Based on these criteria, the extracurricular activities fund 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 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.

II. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The District's investment policies are governed by state statutes and District policy. 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 U.S. Treasury and U.S. 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 New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the District may be unable to recover deposits or collateral securities that are in possession of an outside agency. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's extracurricular activities fund's aggregate bank balances were covered by FDIC insurance at year end.