

Putnam Valley Central School District, New York

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements
and Cash Balances

Year Ended June 30, 2023



Independent Auditors' Report

**The Board of Education of the
Putnam Valley Central School District, New York**

Report on the Audit of the Financial Statement

Qualified Opinion

We have audited the accompanying statement of cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Putnam Valley Central School District, New York, as of and for the year ended June 30, 2023, and the related note to the financial statement.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statement referred to above presents fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Putnam Valley Central School District, New York as of June 30, 2023, and for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Qualified 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 Statement section of our report. We are required to be independent of the Putnam Valley Central School District, New York, 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.

Matter Giving Rise to Qualified Opinion

Controls over cash receipts during the time period between when receipts are first received by student club members and when such receipts are given to Putnam Valley Central School District, New York personnel for initial entry in the accounting records are not sufficient to enable us to extend our audit procedures beyond the receipts recorded. Accordingly, we were unable to form an opinion with respect to the completeness of cash receipts.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the 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 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, 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statement

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 auditors' 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 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 statement.

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 Putnam Valley Central School District, New York'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Extraclassroom Activity Funds of the Putnam Valley Central School District, New York'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.

Restriction on Use

This report is intended solely for the information and use of the Board of Education, the State Education Department and management and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York
September 21, 2023

Putnam Valley Central School District, New York

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements and Cash Balances

Year Ended June 30, 2023

| | Cash Balances Beginning | Receipts | Disburse- ments | Cash Balances Ending |
|--------------------------|-------------------------------|-------------------|--------------------|----------------------------|
| MIDDLE SCHOOL | | | | |
| 7th Grade | \$ - | \$ 5,450 | \$ 4,600 | \$ 850 |
| 8th Grade | 13,251 | 7,550 | 8,269 | 12,532 |
| Art Club | 2,883 | 517 | - | 3,400 |
| Drama Club | 8,231 | 3,736 | 5,755 | 6,212 |
| Go Green | 609 | - | 180 | 429 |
| Ivoice | 318 | - | - | 318 |
| Student Council | 4,345 | 3,122 | 1,429 | 6,038 |
| Student Government | 3,455 | 185 | 3,232 | 408 |
| Yearbook | 7,221 | 2,240 | - | 9,461 |
| | <u>40,313</u> | <u>22,800</u> | <u>23,465</u> | <u>39,648</u> |
| Total Middle School | | | | |
| HIGH SCHOOL | | | | |
| Art Club | 1,416 | 952 | 580 | 1,788 |
| Chess Club | 33 | - | - | 33 |
| Class of 2022 | 1 | - | 1 | - |
| Class of 2023 | 7,207 | 8,578 | 15,785 | - |
| Class of 2024 | 3,605 | 19,146 | 12,463 | 10,288 |
| Class of 2025 | 697 | 10,604 | 24 | 11,277 |
| Class of 2026 | - | 8,087 | - | 8,087 |
| Environmental Club | 616 | 1,898 | 1,727 | 787 |
| GSA | 468 | 274 | 473 | 269 |
| History Club | 150 | 2,084 | 816 | 1,418 |
| Literary Magazine | 349 | - | - | 349 |
| Model UN | 20 | - | 20 | - |
| SADD | 1,239 | - | - | 1,239 |
| Stage Crew | 132 | 891 | 914 | 109 |
| Student Government | 4,510 | 786 | 2,510 | 2,786 |
| TempoMental | 18 | 40 | 15 | 43 |
| Theatre Works | 11,755 | 19,089 | 18,108 | 12,736 |
| Video Production Club | 4,330 | 134 | 100 | 4,364 |
| World Lang/Foreign Lang. | 396 | 235 | 245 | 386 |
| Wrestling | 280 | - | - | 280 |
| Yearbook | 1,088 | 15,781 | 15,191 | 1,678 |
| | <u>38,310</u> | <u>88,579</u> | <u>68,972</u> | <u>57,917</u> |
| Total High School | | | | |
| Total All Schools | <u>\$ 78,623</u> | <u>\$ 111,379</u> | <u>\$ 92,437</u> | <u>\$ 97,565</u> |

The accompanying note is an integral part of the financial statement.

Note 1 - Summary of Significant Accounting Policies

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Putnam Valley Central School District, New York ("School District"). These funds are reflected in the financial statements of the School District within the Special Purpose Fund.

A. Basis of Accounting

These financial statements were prepared on the basis of cash receipts and cash disbursements in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

B. Cash and Equivalents, Investments and Risk Disclosure

Cash and equivalents Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from date of acquisition.

The Extraclassroom Activity Fund's deposits and investment policies follow the School District's policies. The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", 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, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.
