

**Pearl River Union Free School District,
New York**

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements
and Cash Balances

Year Ended June 30, 2018



Independent Auditors' Report

**To the Board of Education of the
Pearl River Union Free School District, New York**

Report on the Financial Statements

We have audited the accompanying statement of cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Pearl River Union Free School District, New York as of and for the year ended June 30, 2018, and the related note to financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the basis of accounting described in Note 1; this includes 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' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for 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 School District 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.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the basis for qualified opinion paragraph, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Pearl River Union Free School District, New York, as of June 30, 2018 and for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

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

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

October 1, 2018

Pearl River Union Free School District, New York

Extracurricular Activity Funds

Statement of Cash Receipts, Cash Disbursements and Cash Balances

Year Ended June 30, 2018

	Cash Balances Beginning	Receipts	Disburse- ments	Cash Balances Ending
Student Activities	\$ 7,595	\$ 15,029	\$ 10,674	\$ 11,950
Class of 2015	-	2	2	-
Class of 2016	392	11	403	-
Class of 2017	11,430	146	151	11,425
Class of 2018	182,817	126,251	302,849	6,219
Class of 2019	4,819	247,025	68,564	183,280
Class of 2020	4,694	8,190	3,852	9,032
Class of 2021	1,065	9,146	3,395	6,816
Class of 2022	-	2,461	1,116	1,345
Friday Night Recreation	5,526	283	-	5,809
World Languages Club	2,330	753	595	2,488
High School Marching Band	1,655	483	-	2,138
Marine Science Club	3,678	14,004	13,112	4,570
Math League	429	1	-	430
Model U.N.	7,926	21,732	15,063	14,595
Pirate Repertory	9,063	24,564	30,794	2,833
Project Graduation	14,196	14,196	9,661	18,731
Recycling Club	1,070	578	180	1,468
Yearbook Club	14,763	3,543	7,488	10,818
Basketball Club	3,058	2,715	2,020	3,753
Girl's Basketball Club	1,539	3,817	1,904	3,452
Captain's Club	29,081	15,956	33,054	11,983
Cheering Club	1,589	8,180	6,271	3,498
Diamond Club	754	22,210	18,735	4,229
Ice Hockey Club	10,144	10,351	5,601	14,894
Ping Pong Club	3,488	2,064	2,078	3,474
Pirate Harrier Club	16,641	49,813	52,520	13,934
Boy's Lacrosse Club	3,286	2,745	2,777	3,254
Running Lady Pirates	18,682	31,555	36,788	13,449
Girl's Lacrosse Club	2,872	3,504	310	6,066
Girl's Softball Club	727	11,978	2,310	10,395
Touchdown Club	1,558	9,074	9,772	860
Girl's Swimming Club	562	3,600	1,725	2,437
Boy's Soccer Club	3,229	4,997	4,691	3,535
Wrestling Club	4,437	11,677	11,884	4,230
Girl's Volleyball Club	10,062	3,838	260	13,640
High School Ski Club	3,690	2,264	3,975	1,979
PR Sports Hall of Fame	2,263	23,550	19,028	6,785
PR Senior Activity Fund	1,849	5,139	4,344	2,644

(Continued)

Pearl River Union Free School District, New York

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements and Cash Balances (Continued)

Year Ended June 30, 2018

	<u>Cash Balances Beginning</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Cash Balances Ending</u>
Middle School Student Council	\$ 2,945	\$ 2,028	\$ 440	\$ 4,533
Middle School Friday Night Recreation	2,230	338	353	2,215
Middle School Ski Club	2,383	3	-	2,386
Middle School Special Events	7,571	36,429	26,381	17,619
Middle School Stage Players	13,243	4,322	7,520	10,045
Middle School Store	3	2,059	1,861	201
Middle School Yearbook	17,594	2,803	100	20,297
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 438,928</u>	<u>\$ 765,407</u>	<u>\$ 724,601</u>	<u>\$ 479,734</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 Pearl River Union Free School District, New York ("School District"). These funds are reflected in the financial statements of the School District within the Agency 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 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 the date of acquisition.

The Extraclassroom Activity Funds 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. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions.

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 that 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.

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 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, 2018.

Pearl River Union Free School District, New York

Extraclassroom Activity Funds
Note to Financial Statement (Concluded)
June 30, June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

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.
