



EXTRACLASSROOM ACTIVITY FUNDS  
FINANCIAL STATEMENT WITH  
INDEPENDENT AUDITOR'S REPORT

June 30, 2023

**MOUNT SINAI UNION FREE SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
June 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Qualified Opinion***

We have audited the accompanying Statement of Cash Receipts and Disbursements of the Mount Sinai Union Free School District's (District) extraclassroom activity funds for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's financial statement as listed in the table of contents.

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion section of our report, 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 Mount Sinai Union Free School District for the year ended June 30, 2023, in accordance with the cash basis of accounting described in Note I.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 Mount Sinai 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-audit opinion.

### ***Matter Giving Rise to the Qualified Opinion***

The cash receipts records of the student activities that comprise the extraclassroom activity funds of the Mount Sinai Union Free School District were not sufficient to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

### ***Emphasis of Matter - Basis of Accounting***

We draw attention to Note I.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.

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

### ***Auditor's 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 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 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' 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*

September 18, 2023

**MOUNT SINAI UNION FREE SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
For the Year Ended June 30, 2023

	Cash Balance <u>June 30, 2022</u>	Receipts and <u>Transfers</u>	Disbursements and <u>Transfers</u>	Cash Balance <u>June 30, 2023</u>
<b>CLUBS</b>				
<b>High School</b>				
Class of 2018	\$ 7	\$ -	\$ -	\$ 7
Class of 2019	2,570		2,570	-
Class of 2021	2,800		1,800	1,000
Class of 2022	13,897	685	9,351	5,231
Class of 2023	6,036	29,893	35,435	494
Class of 2024	1,817	23,925	17,966	7,776
Class of 2025	498	955	1,368	85
Class of 2026	-	6,167	1,323	4,844
Athletes Helping Athletes	1,946	94	554	1,486
Best Buddies	711	1,955	908	1,758
Computer Club	-	638		638
Drama Club	3,706	5,114	4,933	3,887
F.B.L.A.	2,227	8,291	7,765	2,753
Government	30,169	13,762	24,224	19,707
Home Economics	1,664		379	1,285
Jazz	446	6,436	6,845	37
Leo Club (Honor Society)	126	3,832	3,868	90
Model UN	1,002	622	480	1,144
Musical	14,213	15,087	22,466	6,834
SADD	5	6,006	6,001	10
School Store	10,391	26,506	27,262	9,635
School Video	232	1,800		2,032
Science	821			821
Social Studies	1,555	1,300	1,100	1,755
Tri-M	63	9,901	9,922	42
Yearbook	6,818	8,879	3,967	11,730
	<u>103,720</u>	<u>171,848</u>	<u>190,486</u>	<u>85,082</u>
Total High School	<u>103,720</u>	<u>171,848</u>	<u>190,486</u>	<u>85,082</u>
<b>Middle School</b>				
Community Outreach	988			988
Middle School Courtyard	248			248
Drama	3,461	58	793	2,726
Field Trips	14,879	26,638	21,207	20,310
Jr. Honor Society	21			21
Peer Support	8,811			8,811
Student Council	12,995	3,321	6,480	9,836
Yearbook	8,002			8,002
	<u>49,405</u>	<u>30,017</u>	<u>28,480</u>	<u>50,942</u>
Total Middle School	<u>49,405</u>	<u>30,017</u>	<u>28,480</u>	<u>50,942</u>
Total - All Schools	<u>\$ 153,125</u>	<u>\$ 201,865</u>	<u>\$ 218,966</u>	<u>\$ 136,024</u>

**MOUNT SINAI UNION FREE SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUNDS**  
**NOTES TO FINANCIAL STATEMENT**  
June 30, 2023

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The extraclassroom activity funds represent funds of the students of the Mount Sinai Union Free School District. Although, the extraclassroom activity funds are independent of the Mount Sinai 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 funds, the Board of Education exercises general oversight of these funds and it has been determined that District management exercises administrative involvement with respect to the financial transactions. Based on these criteria, the extraclassroom activity funds are included in the Mount Sinai Union Free School District's reporting entity.

**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.

**C. 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 extraclassroom activity funds' aggregate bank balances were covered by FDIC insurance or fully collateralized by securities pledged on the District's behalf at year end.

