

POUGHKEEPSIE CITY SCHOOL DISTRICT

Extraclassroom Activity Funds

**Financial Statements
for the Year Ended June 30, 2016
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

April 5, 2017

To the Board of Education of
Poughkeepsie City School District

Report on the Financial Statements

We have audited the accompanying financial statements of Poughkeepsie City School District's Extraclassroom Activity Funds which comprise the cash and fund balance – cash basis as of June 30, 2016 and the related statement of cash receipts and cash disbursements – cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

(Continued)

**INDEPENDENT AUDITOR'S REPORT
(Continued)**

Basis for Qualified Opinion

Insufficient accounting controls are exercised over cash receipts at the point of collection to the time of submission to the Central Treasurer. Accordingly, we were unable to obtain sufficient audit evidence over such receipts beyond the amounts recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the cash and fund balances of Poughkeepsie City School District as of June 30, 2016, and its cash receipts and disbursements 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 statements, which describes the basis of accounting. The financial statements are 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.

Poughkeepsie City School District

**EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH AND FUND BALANCES – CASH BASIS
JUNE 30, 2016**

ASSETS

CASH \$31,080

TOTAL ASSETS \$31,080

FUND BALANCE

FUND BALANCE \$31,080

TOTAL FUND BALANCE \$31,080

POUGHKEEPSIE CITY SCHOOL DISTRICT

**EXTRACLASROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

	<i>Cash Balance</i> <i>July 1, 2015</i>	<i>Receipts</i>	<i>Disbursements</i>	<i>Cash Balance</i> <i>June 30, 2016</i>
<u>High School</u>				
Class of 2012	\$ 195	\$ -	\$ 195	\$ -
Class of 2013	1,026	-	1,026	-
Class of 2014	475	-	475	-
Class of 2015	989	6,960	7,321	628
Class of 2016	-	11,251	10,816	435
Class of 2017	-	2,000	-	2,000
Brother to Brother	411	9,236	8,935	712
Environmental	-	-	-	-
G.S. Alliance	107	-	-	107
Multicultural	2,930	2,112	2,844	2,198
Music Department	204	4,763	4,689	278
National Honor Society	33	-	-	33
NYS Sales Tax	-	470	-	470
PHOIS	3,860	8,739	10,552	2,047
Pioneer	966	60	910	116
Project Team	-	-	-	-
S.A.D.D	-	-	-	-
Science	-	-	-	-
Sister 2 Sister	741	-	-	741
Student Association	6,127	1,238	2,445	4,920
STEP	101	-	-	101
Varsity Club	19,285	17,091	25,563	10,813
	<u>37,450</u>	<u>63,920</u>	<u>75,771</u>	<u>25,599</u>
<u>Middle School</u>				
6th Grade	640	8,245	8,281	604
7th Grade	2,222	9,339	11,125	436
8th Grade	218	4,742	4,159	801
National Junior Honor Society	1,939	-	501	1,438
PMS Band	1	-	-	1
School Store	975	-	-	975
Yearbook	1,226	-	-	1,226
	<u>7,221</u>	<u>22,326</u>	<u>24,066</u>	<u>5,481</u>
	<u>\$ 44,671</u>	<u>\$ 86,246</u>	<u>\$ 99,837</u>	<u>\$ 31,080</u>

The accompanying notes are an integral part of these statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Extraclassroom Activity Fund of Poughkeepsie City School District (the District) are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis of accounting does not recognize receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America. The more significant principles and policies used by the District are described below.

Reporting Entity

The transactions of the Extraclassroom Activity Funds are included in the reporting entity of the Poughkeepsie City School District. Such transactions are included in the financial statements of the District and reported in the Trust and Agency Fund as restricted cash and extraclassroom activity balances. Exclusion from the District's financial statements, due to their nature and significance of their relationship with the primary government, would cause the reporting entity's financial statements to be misleading or incomplete.

The Extraclassroom Activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The activities included in this report were formed only for educational and school activity purposes in accordance with District rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activities.

Cash

The District's cash consists of cash on hand and demand deposits.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States 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 or its localities.

Demand deposits at year-end were entirely covered by FDIC insurance. At June 30, 2016, cash is entirely composed of demand deposit accounts.

Equity Classifications – Fund Balance

Unreserved fund balance consists of the portion of fund balance that has not been designated or reserved.