

EXTRACLASSROOM ACTIVITY FUNDS FINANCIAL STATEMENTS  
AUDITED

**POUGHKEEPSIE CITY SCHOOL DISTRICT**

For the Year Ended June 30, 2022

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Audited for:

Board of Education

**POUGHKEEPSIE CITY SCHOOL DISTRICT**

**Audited By:**

RBT CPAs, LLP  
4071 US Route 9  
Hudson, NY 12534  
(518) 828-4616

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# POUGHKEEPSIE CITY SCHOOL DISTRICT

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL  
STATEMENTS OF THE EXTRACLASSROOM ACTIVITY FUNDS**

To the Board of Education  
Poughkeepsie City School District  
18 South Perry Street  
Poughkeepsie, New York

**Opinion**

We have audited the accompanying cash basis financial statements of the Extraclassroom Activity Funds (the “Funds”), a component unit of the Poughkeepsie City School District (the “District”), State of New York, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Funds’ basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of the Funds as of June 30, 2022, and the changes in the cash basis financial position for the year then ended in accordance with the cash 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 the Funds, 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.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared by the Funds on the cash basis of accounting, as prescribed by the New York State Education Department, 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 these financial statements in accordance with cash basis of accounting as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the presentation 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Funds' ability to continue as a going concern for twelve months beyond the report date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 statements, 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 statements.
- 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 Fund'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

*RBT CPAs, LLP*

Hudson, New York  
October 28, 2022

**POUGHKEEPSIE CITY SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - CASH BASIS  
JUNE 30, 2022**

**ASSETS**

Cash	<u>\$ 22,956</u>
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**FUND BALANCE**

Fund Balance, Unencumbered	<u>\$ 22,956</u>
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**POUGHKEEPSIE CITY SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Cash Balance June 30, 2021	Receipts	Disbursements	Cash Balance June 30, 2022
<b>High School:</b>				
Class of 2020	\$ 256	\$ -	\$ 256	\$ -
Class of 2021	2,733	7,064	7,737	2,059
Class of 2022	-	9,532	5,143	4,390
Brother to Brother	186	-	-	186
G.S. Alliance	512	-	-	512
Multicultural	4,505	4,220	3,683	5,042
Music Department	451	-	162	289
National Honor Society	23	3,894	3,787	130
NYS Sales Tax	-	-	-	-
PHOIS	2,364	7,925	8,344	1,946
Pioneer	100	-	-	100
Debate Club	1,260	-	253	1,007
Sister 2 Sister	11	-	-	11
STEP	-	-	-	-
Student Gov't	3,407	-	-	3,407
<b>Total</b>	<u>\$ 15,808</u>	<u>\$ 32,636</u>	<u>\$ 29,365</u>	<u>\$ 19,079</u>
<b>Middle School:</b>				
6th Grade	\$ 1,043	\$ 1,386	\$ 1,784	\$ 644
7th Grade	148	-	-	148
8th Grade	1,368	-	-	1,368
National Junior Honor Society	1,717	-	-	1,717
	<u>\$ 4,275</u>	<u>\$ 1,386</u>	<u>\$ 1,784</u>	<u>\$ 3,876</u>
	<u>\$ 20,083</u>	<u>\$ 34,022</u>	<u>\$ 31,149</u>	<u>\$ 22,956</u>

**POUGHKEEPSIE CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Poughkeepsie City School District, New York (the "District"). These funds are reflected in the financial statements of the District within the Custodial Fund.

**Basis of Accounting**

The financial statements were prepared on the cash basis of accounting as 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.

**Cash and Equivalents, Investments and Risk Disclosures**

**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 investment and deposit policies follow the District's policies, which are described herein. The District's investment and deposit policies are governed by State statutes. The 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 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 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.

**Risk Disclosures**

**Interest Rate Risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The 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 District does not invest in any long-term obligations.

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the 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 those 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 District's name. The District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk on June 30, 2022.

**Credit Risk** – Credit Risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the District's complete failure. The 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 relates to the magnitude of a government's investments in a single issuer. The District's investment policy limits the amount on deposit at each of its banking institutions.

