

EXTRACLASSROOM ACTIVITY FUNDS FINANCIAL STATEMENTS  
AUDITED

**DUTCHESS COUNTY BOARD OF  
COOPERATIVE EDUCATIONAL SERVICES**

For the Year Ended June 30, 2022

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Audited for:

Board of Education

**DUTCHESS COUNTY BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**Audited By:**

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

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# DUTCHESS COUNTY BOARD OF COOPERATIVE EDUCATIONAL SERVICES

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LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE EXTRACLASSTROOM ACTIVITY FUNDS

To the Board of Education  
Dutchess County Board of Cooperative Educational Services  
5 BOCES Road  
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 Dutchess County Board of Cooperative Educational Services (the "BOCES"), 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 cash basis 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

[rbtcpas.com](http://rbtcpas.com)

11 Racquet Road  
Newburgh, NY 12550

2678 South Road  
Suite 101  
Poughkeepsie, NY 12601

P.O. Box 757  
2215 Rt. 9W  
Lake Katrine, NY 12449

P.O. Box 209  
51 Sullivan Street  
Wurtsboro, NY 12790

4071 Route 9, Stop 1  
Hudson, NY 12534

590 Madison Avenue  
21st Floor  
New York, NY, 10022

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 Funds 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 3, 2022

**DUTCHESS COUNTY BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - CASH BASIS  
JUNE 30, 2022**

**ASSETS**

Cash	<u>\$ 17,989</u>
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**FUND BALANCE**

Fund Balance, Unencumbered	<u>\$ 17,989</u>
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**DUTCHESS COUNTY BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
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
Skills USA	\$ 16,939	\$ 19,094	\$ 19,909	\$ 16,124
Future Farmers Association	<u>5,639</u>	<u>2,979</u>	<u>6,753</u>	<u>1,865</u>
Total	<u>\$ 22,578</u>	<u>\$ 22,073</u>	<u>\$ 26,662</u>	<u>\$ 17,989</u>

**DUTCHESS COUNTY BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**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 Dutchess County Board of Cooperative Educational Services, New York (the “BOCES”). These funds are reflected in the financial statements of the BOCES within the Custodial Fund.

**Basis of Accounting**

The financial statements were prepared on the of 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 deposits 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 BOCES’ policies, which are described herein. The BOCES’ investment and deposit polices are governed by State statutes. The BOCES 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 BOCES is authorized to use demand deposits 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 BOCES has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation 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 BOCES 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 BOCES does not invest in any long-term obligation.

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of a bank failure, the BOCES’ 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 institutions trust department but not in the BOCES’ name. The BOCES’ 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 BOCES’ compete failure. The BOCES does not have a formal credit risk policy other than restrictions to obligation 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 BOCES’ investment policy limits the amount on deposit at each of its banking institutions.