



EXTRACLASSROOM
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2018

**OTSEGO NORTHERN CATSKILLS BOCES
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D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report

Board of Cooperative Educational Services
Sole Supervisory District of Otsego Northern Catskills

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of Otsego Northern Catskills BOCES, which comprise the statement of assets, liabilities, and fund equity - cash basis as of June 30, 2018, and the related statement of revenues, expenditures, and changes in fund equity - 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 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 Fund'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 Fund'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 audit opinion.

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, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Qualified Opinion

In our opinion, except for the 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 assets, liabilities, and fund equity- Cash Basis of the Extraclassroom Activity Fund of Otsego Northern Catskills BOCES at June 30, 2018, and its revenues, expenditures, and changes in fund equity for the year then ended on the basis of accounting 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 6-7 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the opinion paragraphs, the information is fairly stated in all material respects in relation to the financial statements as a whole.

D'Arcangelo + Co., LLP

September 10, 2018

Rome, New York

**OTSEGO NORTHERN CATSKILL BOCES
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS AND FUND EQUITY - CASH BASIS
June 30, 2018**

Assets

Cash	\$ 55,139
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Total Assets

\$ 55,139

Fund Equity

Fund Equity
Assigned

\$ 55,139

Total Fund Equity

\$ 55,139

The Accompany Notes are an Integral Part of These Financial Statements.

**OTSEGO NORTHERN CATSKILL BOCES
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS
For the Year Ended June 30, 2018**

Revenues

Charges for Services, Sale of Property, and Miscellaneous \$ 97,098

Expenditures

Instruction - Club Activities 93,535

Excess Revenues Over Expenditures 3,563

Fund Equity, Beginning of Year 51,576

Fund Equity, End of Year \$ 55,139

The Accompany Notes are an Integral Part of These Financial Statements.

**OTSEGO NORTHERN CATSKILL BOCES
EXTRACLASSROOM ACTIVITY FUND
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

The transactions of the Extraclassroom Activity Fund are not considered part of the reporting entity of Board of Cooperative Educational Services Sole Supervisory District of Otsego Northern Catskill. The related year-end cash balances are shown as part of the Trust and Agency Funds with the respective offset being shown as agency liabilities.

The Board of Education makes rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activity Fund and for the safeguarding, accounting, and auditing of all monies received and derived therefrom.

Basis of Accounting

The books and records of the BOCES' Extraclassroom Activity Fund are maintained on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

Cash and Cash Equivalents

The Fund's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the BOCES' investment policies. 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 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 the State and its municipalities and BOCES.

2. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. As of June 30, 2018, the BOCES' Extraclassroom total bank balances of \$61,197 were covered by FDIC insurance.

OTSEGO NORTHERN CATSKILLS BOCES
EXTRACLASSROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND
DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2018

Activities	Cash and Fund Equity 07/01/17	Cash Receipts	Cash Disbursements	Cash and Fund Equity 06/30/18
Otsego Area Occupational Center				
BT - A.M.	\$ 1,103	\$ 1,265	\$ 1,854	\$ 514
BT - P.M.	1,026			1,026
CFES		287	164	123
Computer	725	2,792	2,672	845
Cosmetology - A.M.	1,079	1,426	2,099	406
Cosmetology - P.M.	478	3,241	1,678	2,041
CP I	1,340	5,104	4,104	2,340
CP II	1,218	5,724	4,583	2,359
Engineering	93			93
FFA	7,247	7,061	10,032	4,276
Fast	365	2,102	1,001	1,466
Foods/Culinary Arts	4,391	4,235	3,541	5,085
HOSA - A.M.	840	1,950	1,951	839
HOSA - P.M.	177	6,880	6,866	191
Leadership	610	191	698	103
Skills USA	3,599	11,262	12,209	2,652
Sales Tax	181		181	
Visual Arts	113	247	82	278
Welding	<u>5,552</u>	<u>4,210</u>	<u>3,407</u>	<u>6,355</u>
Total	<u>30,137</u>	<u>57,977</u>	<u>57,122</u>	<u>30,992</u>

(Continued)

See Independent Auditor's Report.

OTSEGO NORTHERN CATSKILLS BOCES
EXTRACLASSROOM ACTIVITY FUND
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND
DISBURSEMENTS - CASH BASIS
For the Year Ended June 30, 2018
(Continued)

Activities	Cash and Fund Equity 07/01/17	Cash Receipts	Cash Disbursements	Cash and Fund Equity 06/30/18
Northern Catskill Occupational Center				
Automobile	3,147	1,201	410	3,938
Building Trades	991	654	1,645	
Career Pathways	500	5,926	4,536	1,890
Cosmetology AM	987	10,711	11,315	383
Culinary Arts	532	812	366	978
Engineering	1,200			1,200
Equipment Operation and Repair	7,122	6,666	5,798	7,990
Sales Tax	647	584	899	332
Student Leadership	914	1,148	1,254	808
Skills USA	399	8,715	9,077	37
Visual Communication	2,913	1,788	877	3,824
Welding	2,087	916	236	2,767
Total	<u>21,439</u>	<u>39,121</u>	<u>36,413</u>	<u>24,147</u>
Total	<u>\$ 51,576</u>	<u>\$ 97,098</u>	<u>\$ 93,535</u>	<u>\$ 55,139</u>

See Independent Auditor's Report.