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Extraclassroom Activity Funds
Required Communication of Significant Deficiencies

Board of Education
Otsego Northern Catskills BOCES

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of Otsego Northern Catskills BOCES as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Extraclassroom Activity Funds of Otsego Northern Catskills BOCES (the funds) internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Funds' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed in the attached schedule, we identified deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in the Funds' internal control, which is identified and described in the attached schedule of findings and recommendations, to be a significant deficiency. In addition, during the course of our audit, we identified other matters, which are also described in the attached schedule.

This communication is intended solely for the use of management, the Board of Education, the New York State Education Department, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

September 10, 2019

Rome, New York

**OTSEGO NORTHERN CATSKILLS BOCES
EXTRACLASROOM ACTIVITY FUND
CURRENT YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2019**

I. SIGNIFICANT DIFICIENCIES

See Status of Prior Year Audit Findings and Recommendations.

**OTSEGO NORTHERN CATSKILLS BOCES
EXTRACLASSROOM ACTIVITY FUND
STATUS OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2019**

I. SIGNIFICANT DEFICIENCIES

A. Extraclassroom Controls Over Cash Receipts

Our audit of the Extraclassroom accounts in the Trust and Agency Fund determined that 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 impractical to extend our audits of cash receipts beyond the amount recorded.

Recommendation: The BOCES administrators should continue to monitor the activities of the Extraclassroom Activity Fund.

Status: Although improvements have been made, controls over initial sales continue to be an area where ongoing training and monitoring is performed by BOCES administrators to mitigate risk.