



EXTRACLASSROOM
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended
June 30, 2023

**OTSEGO NORTHERN CATSKILLS BOCES
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Independent Auditor's Report

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

Qualified Opinion

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, 2023, 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.

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 of the Extraclassroom Activity Fund of Otsego Northern Catskills BOCES at June 30, 2023, and its revenues, expenditures, and changes in fund equity for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis For Qualified 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 Extraclassroom Activity Fund of Otsego Northern Catskills BOCES, 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 qualified audit opinion.

Matter giving rise to the 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.

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.

Responsibilities of Management 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.

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 Extraclassroom Activity Fund of Otsego Northern Catskills BOCES' ability to continue as a going concern for twelve months beyond the financial statement 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 opinions. 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 Extraclassroom Activity Fund of Otsego Northern Catskills BOCES' 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 Extraclassroom Activity Fund of Otsego Northern Catskills BOCES' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on pages 6 and 7 is presented for purposes of additional analysis and is 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 supplemental schedule is fairly stated in all material respects in relation to the financial statements as a whole.

D'Arcangelo + Co., LLP

September 20, 2023

Utica, New York

**OTSEGO NORTHERN CATSKILL BOCES
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS AND FUND EQUITY - CASH BASIS
June 30, 2023**

<u>Assets</u>	
Cash	\$ <u>59,048</u>
<u>Total Assets</u>	\$ <u>59,048</u>
<u>Fund Equity</u>	
Fund Equity Assigned	\$ <u>59,048</u>
<u>Total Fund Equity</u>	\$ <u>59,048</u>

The Accompanying 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, 2023**

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ 105,608
Expenditures	
Instruction - Club Activities	<u>106,884</u>
(Deficit) Revenues Over Expenditures	(1,276)
<u>Fund Equity, Beginning of Year</u>	<u>60,324</u>
<u>Fund Equity, End of Year</u>	<u>\$ 59,048</u>

The Accompanying 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, 2023**

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 Custodial Fund with the respective offset being shown as net position restricted for extraclassroom activities.

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.

Fund Equity Assigned

Fund equity includes amounts that are constrained by the Extraclassroom Activity Funds of the BOCES intended to be used for specific purposes of the respective activity, but are neither restricted nor committed.

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, 2023, the BOCES' Extraclassroom total bank balances of \$59,048 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, 2023**

Activities	Cash and Fund Equity 7/1/2022	Cash Receipts	Cash Disbursements	Cash and Fund Equity 06/30/23
Otsego Area Occupational Center				
BT - A.M.	\$ 1,406	\$ 857	\$ 403	\$ 1,860
CFES	89		89	-
Computer Info Tech A.M.	955	684	401	1,238
Computer Info Tech P.M.	183	356		539
Cosmetology - A.M.	91	3,332	3,422	1
Cosmetology - P.M.	52	3,268	1,756	1,564
CP I	3,305	15,689	15,629	3,365
CP II	2,147	1,804	1,907	2,044
Engineering	329	2,083	2,367	45
FFA	7,889	15,921	15,776	8,034
Fast	358	1,900	1,591	667
Foods/Culinary Arts	4,158	1,093	2,659	2,592
HOSA - A.M.	4,622	4,705	6,923	2,404
Leadership	1,023		75	948
Skills USA	1,790	15,702	17,217	275
Sales Tax	210	1,059	864	405
Visual Arts	236	60	225	71
Welding	6,604	9,112	8,096	7,620
Total	<u>35,447</u>	<u>77,625</u>	<u>79,400</u>	<u>33,672</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, 2023
(Continued)

Activities	Cash and Fund Equity 07/01/22	Cash Receipts	Cash Disbursements	Cash and Fund Equity 06/30/23
Northern Catskill Occupational Center				
Automobile	1,220	160	198	1,182
Cosmetology AM	1,025	3,655	3,855	825
Culinary Arts	2,087	5,089	3,562	3,614
Equipment Operation and Repair	7,430	4,568	5,027	6,971
Sales Tax	150	220	151	219
Student Leadership	6,151	1,416	2,495	5,072
Skills USA	439	5,789	6,126	102
Visual Communication	3,013	5,856	5,496	3,373
Welding	3,362	1,230	574	4,018
Total	<u>24,877</u>	<u>27,983</u>	<u>27,484</u>	<u>25,376</u>
Total	<u>\$ 60,324</u>	<u>\$ 105,608</u>	<u>\$ 106,884</u>	<u>\$ 59,048</u>

See Independent Auditor's Report.