

**OTSELIC VALLEY  
CENTRAL SCHOOL DISTRICT**

**South Otselic, New York**

**EXTRACLASROOM ACTIVITY FUNDS  
FINANCIAL REPORT**

**June 30, 2018**



# ***OTSELIC VALLEY CENTRAL SCHOOL DISTRICT***

## **EXTRACLASSROOM ACTIVITY FUNDS TABLE OF CONTENTS FOR THE YEAR ENDED JUNE 30, 2018**

Independent Auditor's Report .....	1-2
Statement of Assets and Fund Balance - Cash Basis .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance .....	4
Notes to Financial Statements .....	5



## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Otselic Valley Central School District  
South Otselic, New York

We have audited the accompanying financial statements of the Extraclassroom Activity Funds of Otselic Valley Central School District (the School District) as of and for the year ended June 30, 2018, which comprise the Statement of Assets and Fund Balance - Cash Basis, and the related Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance 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 School District'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 School District'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.

INSERO & Co. CPAs, LLP

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund balance of the Extraclassroom Activity Funds of the School District, as of June 30, 2018, and the cash receipts, cash disbursements, and changes in fund balance, thereof for the year then ended in accordance with the cash basis of accounting as 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 this matter.

Respectfully Submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
September 25, 2018

***OTSELIC VALLEY CENTRAL SCHOOL DISTRICT***

**EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF ASSETS AND FUND BALANCE - CASH BASIS  
JUNE 30, 2018**

Cash	\$ <u>35,728</u>
Fund Balance	\$ <u>35,728</u>

*See Independent Auditor's Report and Accompanying Notes to Financial Statements*

# ***OTSELIC VALLEY CENTRAL SCHOOL DISTRICT***

## **EXTRACLASROOM ACTIVITY FUNDS STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Fund Balance 06/30/2017</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Fund Balance 06/30/2018</b>
Class of 2017	\$ 210	\$	\$ 210	\$ -
Class of 2018	2,555	7,362	9,634	283
Class of 2019	2,466	8,452	5,379	5,539
Class of 2020	364	2,800	700	2,464
Class of 2021	-	325		325
Class of 2022	-	374	102	272
Band Club	481	2,788	2,673	596
Chorus Club	2,201		626	1,575
Drama Club	6,014	3,808	2,685	7,137
FFA	2,180	9,073	8,887	2,366
H.S. Library Club	151	2,332	2,316	167
Kids in Action	322			322
MMDA Interest	115	10	78	47
NYS Sales Tax	1,490	1,523	1,984	1,029
SADD	1,204	1,975	2,340	839
Science Club	248	1,128		1,376
Student Council	4,718	2,447	3,268	3,897
Yearbook	6,327	3,188	2,021	7,494
<b>Totals</b>	<b>\$ 31,046</b>	<b>\$ 47,585</b>	<b>\$ 42,903</b>	<b>\$ 35,728</b>

*See Independent Auditor's Report and Accompanying Notes to Financial Statements*

# ***OTSELIC VALLEY CENTRAL SCHOOL DISTRICT***

## **EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

### ***Note 1 - Summary of Significant Accounting Policies***

The Student Extraclassroom Activity Funds of Otselic Valley Central School District (the School District) represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Therefore, these funds are included in the Agency Fund of the School District's basic financial statements. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and designation of student management.

Student Extraclassroom Activity Funds included in this report were formed only for educational and school service purposes in accordance with Schools District's rules and regulations for the conduct, operation, and maintenance of Extraclassroom activities.

The accounts of the Extraclassroom Activity Funds of the School District are maintained on a cash basis of accounting, and the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balance reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statements.

### ***Note 2 - Cash and Cash Equivalents - Custodial and Concentration of Credit Risks***

The Student Extraclassroom Activity Funds cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the School District's 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 districts. Investments, if any, are stated at fair value. There are no investments at June 30, 2018.

Custodial credit risk is the risk that in the event of a bank failure, the Student Extraclassroom Activity Fund's deposits may not be returned to it. While the Student Extraclassroom Activity Fund does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. Governmental Accounting Standards Board (GASB) Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The Student Extraclassroom Activity Fund's aggregate bank balances of \$38,394 are either insured or collateralized with securities held by the pledging financial institution in the School District's name.