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To the Board of Education
and Management of Cincinnatus Central School District

In planning and performing our audit of the Extraclassroom Activity Funds of the Cincinnatus Central School District as of and for the year ended June 30, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered Cincinnatus Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Cincinnatus Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cincinnatus Central School District's 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

The other matters are identified and described in the attached schedule findings and recommendations.

This communication is intended solely for the information and use of management, the Board of Education, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.



Port, Kashdin & McSherry

Cortland, New York
October 11, 2018

Cincinnati Central School District
Schedule of Findings and Recommendations – Extra Classroom Activities
For the Year Ended June 30, 2018

Other Matters Not Considered Significant or Material

Updating Policy and Procedure Manual

Our review and subsequent discussions with the Central Treasurer indicated that the current policy and procedure manual needed to be updated. The purposes of the policy and procedure manual are to ensure that proper accounting principles are being applied, that similar transactions are treated consistently, and that financial reports are produced in the form desired by management. We recommend that the Extra Classroom Activities update their current manual to account for any changes in the way that transactions are handled, as well as for the frequency in reconciling between advisors and the Central Treasurer and to add the requirement that all ledgers are returned prior to the end of the year to the Central Treasurer.

Discussions with management indicated that the updated manual was completed in September 2018 and shared with the advisors at their annual meeting.

Sales Tax

During our current year testing and review of the sales tax ledger, it was noted that there were instances in which the Extra Classroom Activities Fund was paying sales tax on purchases of items for resale, as well as collecting the improper amount of sales tax on articles of clothing. Additionally, it was noted that there was no easy way for the Central Treasurer to maintain documentation in order to prepare the required sales tax reporting. We recommend that the Central Treasurer be provided with training regarding sales tax in New York, and this training include what items are exempt from sales tax (such as when purchased for resale), as well as what is subject to local and state sales taxes. This will provide better accountability for both the related filings with New York, as well as to minimize the amounts of sales tax that are being paid that could be used within the activities to further fund their purpose.