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CERTIFIED PUBLIC ACCOUNTANTS

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of 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.

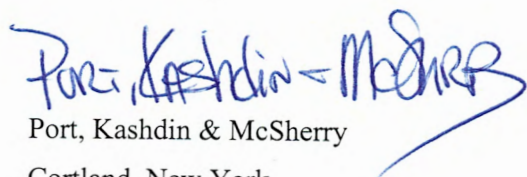
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may 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  
For the Year Ended June 30, 2018**

***Other Matters Not Considered Significant or Material***

***Long-Range Budget Fund Balance and Reserve Planning:***

We recommend continued formal long-range (three to five years) budgetary planning in conjunction with the annual budgetary process. We also continue to recommend that the reserve accounts in the General Fund be reviewed to determine appropriate funding levels for both short and long-term planning perspectives for potential appropriation of funding to support the General Fund or Capital Fund budgets.

***Review of Interfund Transfers:***

During the course of the audit, we reviewed the interfund transactions that occurred between all funds utilized by the District. Amounts due to/from other funds generally arise from interfund loans or interfund services used/provided between funds. These amounts are typically repaid within the next fiscal year by the District if they are classified as loans between funds. It was noted during our inspection of the account balances that while some advances were repaid, there were still significant outstanding balances present with cash available to transfer between the funds. We recommend that the District review these balances and settle any outstanding differences.

Discussions with management indicate that the majority of the increase during the year was due to a timing issue within the Capital and Debt Service funds, which was subsequently adjusted in July 2018. They will begin reviewing and adjusting the remaining balances throughout the upcoming year.

***Review of Stale Checks***

Several bank reconciliations include checks that were outstanding at the prior year's audit date. We suggest that the District investigate all checks outstanding for more than six months and either reissue to the vendor or issue stop payment notices as applicable. This practice will provide a much stronger control over cash and the bank reconciliation process.

***Review Accounts Receivable and Deferred Revenues:***

Our review of the accounts receivable and related deferred revenues in both the General and Federal funds indicated that there were several accounts that were carrying old balances that predated the current treasurer. We recommend that all receivables and deferred revenues are reviewed to ensure that adequate balances are reflected in the accounts, and that any that are deemed to be uncollectible or required to be returned to the grantor be done so. Additionally, we recommend that for any valid older balances, details are retained for the future should any changes in staffing occur.