

CINCINNATUS CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2024



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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cincinnatus Central School District, New York

Qualified and Unmodified Opinions

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the Cincinnatus Central School District for the year ended June 30, 2024 and the related notes to the financial statement.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the basis for qualified opinion paragraph, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of Cincinnatus Central School District for the year ended June 30, 2024, in accordance with the cash basis of accounting as described in Note 1.

Basis for Qualified Opinion

Internal accounting controls are limited over the cash receipts from 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is 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.

Responsibility of Management for the Statement of Cash Receipts and Disbursements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor Responsibilities for the Audit of the Financial Statement

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 GAAS 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 GAAS, 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 District's 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 District's 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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 4, 2024

CINCINNATUS CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2024

	Cash Balance <u>July 01, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Balance <u>June 30, 2024</u>
NYS Sales Tax	\$ 1,042	\$ 1,238	\$ 1,700	\$ 580
Class of 2024	11,107	5,825	16,932	-
Class of 2025	8,404	14,609	6,818	16,195
Class of 2026	3,735	7,095	1,155	9,675
Class of 2027	-	6,505	3,422	3,083
Art Club	681	266	200	747
Athletic Association	3,026	-	198	2,828
Cheerleaders	3,119	454	144	3,429
Computer	40	-	-	40
Drama Club	5,024	3,106	3,221	4,909
FFA	5,228	19,174	19,126	5,276
French Club	4,480	3,288	3,567	4,201
Music Council	1,790	1,401	1,483	1,708
NHS	775	2,869	3,124	520
Spanish Club	3,773	648	415	4,006
Student Senate	5,091	2,653	4,975	2,769
Trap Club	1,224	1,416	1,881	759
Yearbook	1,067	5,402	4,438	2,031
MSSC	21,180	21,554	26,101	16,633
Grand Total	<u>\$ 80,786</u>	<u>\$ 97,503</u>	<u>\$ 98,900</u>	<u>\$ 79,389</u>

(See accompanying notes to financial statement)

CINCINNATUS CENTRAL SCHOOL DISTRICT

EXTRACLASROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2024

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Cincinnati Central School District. Consequently, the cash balances are included in the financial statements of the School District as part of the Custodial Fund.

The accounts of the Extraclassroom Activity Funds of the Cincinnati Central School District are maintained on a cash basis, and the statement of cash receipts and disbursements 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 statement.

(Note 2) Cash and Cash Equivalents:

Cash and cash equivalents is comprised of two checking accounts and one certificate of deposit. The balances in these accounts are fully covered by FDIC insurance.

CINCINNATUS CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Cincinnati Central School District's Extraclassroom Activity Funds for the year ended June 30, 2024. As part of our examination, we made a study and evaluation of the system of internal accounting control to the extent we deemed necessary to render our opinion.

There are inherent limitations in considering the potential effectiveness of any system of internal accounting control. Human errors, mistakes of judgment and misunderstanding of instructions limit the effectiveness of any control system. In particular, cash being handled by numerous students and faculty advisors at various functions provides an atmosphere of limited control over those receipts.

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 District's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Current Year Deficiencies in Internal Control:

Profit and Loss Statements-

Our examination revealed one instance of a profit and loss statement not being completed for a fundraising event in the French Club. In addition, there was one instance in the Middle School Club where receipts and disbursements listed on the profit and loss statements, were not able to be traced to the general ledger.

We recommend profit and loss statements be prepared for fundraiser's and be given to the Central Treasurer to be retained for our review at year end.

Sales Tax-

During the course of our examination, we noted one instance in the Drama Club where sales tax was not paid on taxable purchases. We also noted one instance in the Student Senate where sales tax was not remitted on dances.

We recommend every effort continue to be made to comply with the New York State Sales Tax Law.

Current Year Deficiencies in Internal Control (Continued)

Change Fund -

During our interview with the Central Treasurer, it was noted that clubs are able to use change funds to make cash purchases for pizza or supplies if needed.

In an effort to safeguard cash and to improve accountability, all cash receipts should be deposited intact, and all purchases should be made by check.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item which we would like to communicate to you as follows:

Inactive Club –

As indicated on the statement of cash receipts and cash disbursements, the Computer Club did not have any financial activity during the 2023-24 fiscal year.

We recommend the status of this club be reviewed. If no future financial activity is anticipated, the club should be closed in accordance with the Board of Education policy.

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We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 4, 2024