

**NAPLES CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
FINANCIAL REPORT**

**For Year Ended June 30, 2024**



BUSINESS  
ADVISORS  
AND CPAS

## **T A B L E   O F   C O N T E N T S**

Independent Auditors' Report	1 – 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2024	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 6



BUSINESS  
ADVISORS  
AND CPAS

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Naples 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 Naples 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 Naples Central School District for the year ended June 30, 2024, in accordance with the cash basis of accounting as described in Note 1.

### *Basis of Qualified*

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  
October 29, 2024

**NAPLES CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For Year Ended June 30, 2024**

	<b>Cash Balance July 01, 2023</b>	<b>Receipts</b>	<b>Disburse- ments</b>	<b>Cash Balance June 30, 2024</b>
Class of 2023	\$ 230	\$ -	\$ 230	\$ -
Class of 2024	5,802	21,654	26,988	468
Class of 2025	5,477	5,946	2,874	8,549
Class of 2026	3,898	2,160	1,049	5,009
Class of 2027	3,766	4,787	2,919	5,634
Class of 2028	1,879	1,490	-	3,369
Class of 2029	-	1,299	-	1,299
5th & 6th Grade Band	(116)	5,400	5,284	-
Boys Baseball Club	88	2,850	2,817	121
Boys Golf Club	839	-	839	-
CC and More	908	-	908	-
Colorguard	1,139	-	-	1,139
Cross Country Club	2,364	778	993	2,149
Elementary Library Club	4,105	5,342	5,538	3,909
Elementary Student Council	1,328	780	1,388	720
Flying Fajitas Ski Team	1,322	-	-	1,322
French Club	788	-	788	-
Game Club	511	56	294	273
Girls Basketball Club	1,765	-	1,765	-
Girls Softball Club	2,215	-	2,215	-
High School Chorus	2,713	-	50	2,663
High School Library Club	5,646	6,543	6,395	5,794
Indoor Soccer Club	1,927	-	1,927	-
Jr. Robotics Club	1,697	-	1,697	-
Junior Student Government	35	-	35	-
Naples Corner Store	9	-	9	-
Naples Robotics	47,889	-	-	47,889
NCS Musical	8,986	14,277	9,955	13,308
National Honor Society	-	534	534	-
NCS PBL Club	200	-	-	200
NCS Varsity Swim Club	11,943	3,260	7,297	7,906
News Staff - In and Out	-	1,525	1,525	-
Operating Expenses	-	7,288	261	7,027
Operation Santa	14,548	16,139	11,990	18,697
P.L.A.N.T. Club	800	-	800	-
Popcorn Sales Club	136	-	136	-
Rotary Interact Club	97	529	530	96
Sales Tax Holding Account	238	2,154	2,170	222
Ski Club	320	-	320	-
Spanish Club	899	-	-	899
Student Council	21,755	13,498	2,139	33,114
Trap Shooting Club/Team	4,547	2,121	5,310	1,358
Triumphant in 2021 and Beyond	439	-	439	-
Winterguard	-	9,971	8,010	1,961
Yearbook	7,467	4,107	3,916	7,658
<b>TOTAL</b>	<b>\$ 170,599</b>	<b>\$ 134,488</b>	<b>\$ 122,334</b>	<b>\$ 182,753</b>

( ) Denotes red figure.  
(See accompanying notes to financial statement)

**NAPLES CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM 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 Naples Central School District. Consequently, the cash balances are included in the financial statements of the School District as part of the Miscellaneous Special Revenue Fund.

The accounts of the Extraclassroom Activity Funds of the Naples 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 one checking account and one NYCLASS account. The balance in these accounts is fully covered by FDIC Insurance.

**NAPLES CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**AUDITORS' FINDINGS AND EVALUATION**

We have examined the statement of cash receipts and disbursements of the Naples 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.

**Prior Year Deficiencies in Internal Control:**

**Student Participation –**

Our examination revealed that although separate club ledgers were maintained, the ledgers for Operation Santa were prepared by the Faculty Advisors with no student involvement.

We recommend the Student Treasurer together with the Faculty Advisor maintain a separate set of financial records.

**Raffle –**

During the course of our examination, we noted that the Boys Baseball Club conducted a raffle as part of a fundraising event during the 2023-24 fiscal year.

According to Section 186 of the General Municipal Law, only a non-profit charitable organization that has been issued a games of chance identification number from the Racing and Wagering Board is eligible to conduct a raffle. We recommend the Administration review this situation and take the necessary corrective action during the 2024-25 fiscal year.

**Current Year Deficiencies in Internal Control:**

**General Accountability –**

Our interview with the Central Treasurer revealed that the statement of activities is not presented and reviewed by the Board on a quarterly basis.

Section 172.3 of the Regulations of the Commissioner of Education require that the records of receipts and expenditures be reported at least quarterly to the Board of Education.

**(Current Year Deficiencies in Internal Control) (Continued)**

**Student Maintained Records –**

Our interview with the Central Treasurer revealed that there is no process in place to reconcile the student maintained records with the Central Treasurer's records.

In an effort to conform with New York State guidelines, we recommend Student Treasurers compare their records and reconcile any differences with those maintained by the Central Treasurer on a regular basis to determine their accuracy.

**Cash Payments –**

During the course of our examination, we noted that the Boys Baseball Club had used cash collected during a fundraiser to pay the vendor.

We recommend all cash receipts be deposited intact and all payments 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 Clubs –**

As indicated on the statement of cash receipts and disbursements the following clubs were financially inactive during the 2023-24 fiscal year:

Colorguard	Naples Robotics	NCS PBL Club
Flying Fajitas Ski Team	Spanish Club	

We recommend the status of these clubs be reviewed. If future financial transactions are not anticipated, they should be closed in accordance with the Board of Education policy.

**Prior Year Recommendations:**

We are please to report that the following prior year recommendations have been implemented to our satisfaction:

1. There were no clubs with deficit balances at year end.
2. The District has implemented procedures for monitoring payments to vendors over \$600 and issuing 1099's when necessary.

\*

\*

\*

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

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
October 29, 2024