

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

For Year Ended June 30, 2025



BUSINESS
ADVISORS
AND CPAS

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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, New York (the District) for the year ended June 30, 2025 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 the District for the year ended June 30, 2025, 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.

Rochester, New York
November 6, 2025

Mengel, Metzger, Barw & Co. LLP

**NAPLES CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For Year Ended June 30, 2025**

	Cash Balance <u>July 01, 2024</u>	<u>Receipts</u>	Disburse- <u>ments</u>	Cash Balance <u>June 30, 2025</u>
Class of 2024	\$ 468	\$ -	\$ 468	\$ -
Class of 2025	8,549	20,865	29,143	271
Class of 2026	5,009	6,146	2,553	8,602
Class of 2027	5,634	989	790	5,833
Class of 2028	3,369	5,096	3,251	5,214
Class of 2029	1,299	686	-	1,985
Class of 2030	-	3,142	-	3,142
5th & 6th Grade Band	-	4,666	3,613	1,053
Boys Baseball Club	121	2,220	2,249	92
Colorguard	1,139	-	-	1,139
Cross Country Club	2,149	-	121	2,028
Elementary Library Club	3,909	5,748	5,551	4,106
Elementary Student Council	720	1,662	747	1,635
Flying Fajitas Ski Team	1,322	-	171	1,151
French Club	-	73	-	73
Game Club	273	744	-	1,017
High School Chorus	2,663	1,553	1,093	3,123
High School Library Club	5,794	6,112	6,864	5,042
Junior Student Government	-	213	-	213
Naples Robotics	47,889	-	47,889	-
NCS Musical	13,308	15,719	8,321	20,706
National Honor Society	-	203	187	16
NCS PBL Club	200	-	200	-
NCS Varsity Swim Club	7,906	3,587	4,247	7,246
Operating Expenses	7,027	6,607	2,337	11,297
Operation Santa	18,697	13,986	13,627	19,056
Rotary Interact Club	96	1,295	1,145	246
Sales Tax Holding Account	222	2,136	2,013	345
Spanish Club	899	584	668	815
Student Council	33,114	50,500	20,580	63,034
The Environmental Club	-	106	-	106
Trap Shooting Club/Team	1,358	2,795	3,824	329
Winterguard	1,961	3,635	3,478	2,118
Yearbook	7,658	5,049	3,633	9,074
TOTAL	<u>\$ 182,753</u>	<u>\$ 166,117</u>	<u>\$ 168,763</u>	<u>\$ 180,107</u>

(See accompanying notes to financial statement)

NAPLES CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2025

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the District. Consequently, the cash balances are included in the financial statements of the 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.

(Note 3) Related Party:

The Trap Shooting Club Faculty Advisor is the parent of the Club's Student Treasurer.

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, 2025. 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 Deficiency Pending Corrective Action:

Cash Payments –

During the course of our examination, we noted that the Boys Baseball Club 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.

Current Year Deficiencies in Internal Control:

Baseball Club –

During our interview process with the Faculty Advisor, we noted the following:

1. Students were not involved in the counting process when cash was received.
2. Cash receipts were taken home over night at the conclusion of a fundraising event.

We recommend the student Treasurer be involved in all financial transactions for the club. In addition, all cash receipts should be properly safeguarded on school property prior to being submitted to the Central Treasurer for deposit.

(Current Year Deficiencies in Internal Control) (Continued)

Sales Tax –

During the course of our examination, we noted that sales tax was paid on the invoice for the Elementary School Yearbook purchase instead of being remitted on gross sales.

We recommend the District continue to monitor this situation in order to conform with New York State Sales Tax Law.

Gift Cards –

We noted one instance in the Rotary Club and one instance in the National Honor Society where there was no signature acknowledging receipt of a gift card.

We recommend gift cards be supported with acknowledgement that the gift cards were received.

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 disbursements the Colorguard was financially inactive during the 2024-25 fiscal year:

We recommend the status of this club be reviewed. If future financial transactions are not anticipated, it 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. Students were involved with bookkeeping in the Operation Santa Club.
2. There were no raffles held during the year.
3. There is quarterly reporting given to the Board of Education.
4. Clubs are reconciling their individual ledgers with the Central Treasurer.

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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.

Rochester, New York
November 6, 2025