

**NAPLES CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
AND INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2022**

**NAPLES CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND**

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## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the accompanying financial statements of the extraclassroom activity funds of the Naples Central School District (the "District") as of and for the year ended June 30, 2022, which comprise the statement of cash receipts, cash disbursements and changes in fund balances – cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph presents fairly, in all material respects, the cash receipts, cash disbursements and changes in fund balance – cash basis for the year ended June 30, 2022, in accordance with the cash basis of accounting as described in Note 1.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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 this matter.

### Responsibilities of Management for the Financial Statement

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 judgement, 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.

*EFPR Group, CPAs, PLLC*

EFPR Group, CPAs, PLLC  
Rochester, New York  
October 6, 2022

**NAPLES CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
Statement of Cash Receipts, Cash Disbursements and Cash Balances - Cash Basis  
For the Year Ended June 30, 2022**

	<u>Cash Balances July 1, 2021</u>	<u>Cash Receipts and Transfers</u>	<u>Cash Disbursements and Transfers</u>	<u>Cash Balances June 30, 2022</u>
5th & 6th Grade Band	\$ 2,334	\$ 3,253	\$ 3,949	\$ 1,638
Boys Baseball Club	68	6,271	5,908	431
Boys Basketball Club	143	-	143	-
Boys Golf Club	839	-	-	839
CC and More	908	-	-	908
Class of 2020	3,834	-	3,834	-
Class of 2021	1,319	-	1,319	-
Class of 2022	8,374	12,309	20,017	666
Class of 2023	2,457	4,672	1,936	5,193
Class of 2024	948	1,101	424	1,625
Class of 2025	2,211	3,433	1,500	4,144
Class of 2026	953	930	40	1,843
Class of 2027	-	3,177	40	3,137
Colorguard	2,323	-	1,184	1,139
Cross Country Club	-	2,836	-	2,836
Elementary Library Club	4,611	5,834	5,808	4,637
Elementary Student Council	2,031	75	878	1,228
Flying Fajitas Ski Team	438	3,596	2,712	1,322
French Club	788	-	-	788
Girls Basketball Club	1,765	-	-	1,765
Girls Softball Club	2,215	-	-	2,215
High School Chorus	3,308	-	100	3,208
High School Library Club	4,813	1,695	1,572	4,936
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	6,728	45,000	-	51,728
NCS Musical	5,249	13,008	9,619	8,638
NCS PBL Club	269	265	334	200
NCS Varsity Swim Club	8,521	4,208	3,117	9,612
News Staff - In and Out	-	1,775	1,775	-
Operation Santa	22,922	14,689	20,845	16,766
P.L.A.N.T. Club	800	-	-	800
Popcorn Sales Club	136	-	-	136
Sales Tax Holding Account	510	989	1,336	163
Ski Club	320	-	-	320
Spanish Club	709	190	-	899
Student Council	14,088	6,722	3,194	17,616
Trap Shooting Club/Team	3,326	7,735	4,630	6,431
Triumphant in 2021 and Beyond	439	-	-	439
Yearbook	4,853	4,241	253	8,841
Totals	<u>\$ 119,218</u>	<u>\$ 148,004</u>	<u>\$ 96,467</u>	<u>\$ 170,755</u>

The accompanying notes are an integral part of these financial statements.

**NAPLES CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The extraclassroom activity fund represents funds of the students of the Naples Central School District. Although the extraclassroom activity fund is independent of the District with respect to its financial transactions and the designation of student management, the Board of Education exercises general oversight of these funds. Based on this criterion, the extraclassroom activity fund is included in the District's reporting entity. The District reports these assets held by it as agent for the extraclassroom organizations in a miscellaneous special revenue fund in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balance.

**B. Basis of Accounting**

The accounts of the extraclassroom activity fund are maintained on a cash basis, and the statements of cash receipts, cash disbursements and cash balances reflects only cash received, disbursed and transferred between funds. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.

**Note 2. Proper Extraclassroom Activity Clubs**

Commissioner's regulations require that only funds involved with a Board-recognized student organization are reported in the extraclassroom activity fund. A bonafide student organization is one consisting of a number of student members with a student president, student treasurer and a faculty advisor.

Extraclassroom activity funds included in this report were formed only for educational and school service purposes in accordance with District rules and regulations for the conduct, operation and maintenance of extraclassroom activities.

**Note 3. Cash and Cash Equivalents – Custodial and Concentration of Credit Risk**

The extraclassroom activity funds cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreement and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments, if any, are stated at fair value. There were no investments at June 30, 2022.

Custodial credit risk is the risk that in the event of a bank failure, the extraclassroom activity fund's deposits may not be returned to it. While extraclassroom activity funds do not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes. Governmental Accounting Standards Board (GASB) Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

The extraclassroom activity fund's aggregate bank balances of \$171,456 are either insured or collateralized with securities held by the pledging financial institutions in the District's name.