

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

For Year Ended June 30, 2023



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Webster 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 Webster Central School District for the year ended June 30, 2023 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 Webster Central School District for the year ended June 30, 2023, 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 6, 2023

WEBSTER CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2023

<u>Thomas High School:</u>	<u>Cash Balance</u> <u>July 1, 2022</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2023</u>
Class of 2023	\$ 15,152	\$ 42,625	\$ 57,777	\$ -
Class of 2024	25,167	15,907	22,170	18,904
Class of 2025	28,844	3,655	4,344	28,155
Class of 2026	-	22,332	3,875	18,457
Art Club	70	-	70	-
Best Buddies	474	-	-	474
Care Club	55	100	67	88
Chorus	269	-	39	230
Concert Band	94	-	-	94
Drama Club	9,405	4,901	3,360	10,946
D.R.E.A.M Club	445	1,538	1,318	665
Earth Club	973	440	817	596
FBLA	305	96	96	305
Key Club	191	982	884	289
LOTE Club	1,159	114	360	913
Model UN	382	6,019	5,994	407
Math Club	232	390	558	64
Musical	321	30,191	18,943	11,569
National Art Honor Society	-	2,893	-	2,893
National Honor Society	2,777	2,320	2,264	2,833
Orchestra	2,462	-	759	1,703
Rotary Interact	905	-	-	905
Science Olympiad	1,019	180	48	1,151
Ski-N-Board Club	1,246	8,415	7,962	1,699
Speech & Debate	256	-	10	246
Student Council #1	6,270	16,869	9,244	13,895
Student Council #2	215	1,807	966	1,056
Titan Service Scholars	-	11,220	7,265	3,955
Wind Ensemble	2,456	440	1,949	947
Yearbook	9,851	6,066	7,435	8,482
Sales Tax 4%	7	104	101	10
Sales Tax 8%	659	1,076	1,084	651
Total Thomas High School	<u>\$ 111,661</u>	<u>\$ 180,680</u>	<u>\$ 159,759</u>	<u>\$ 132,582</u>

<u>Schroeder High School:</u>	<u>Cash Balance</u> <u>July 1, 2022</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2023</u>
Class of 2022	\$ 5,766	\$ -	\$ 5,766	\$ -
Class of 2023	9,769	30,251	31,015	9,005
Class of 2024	11,525	22,209	22,825	10,909
Class of 2025	22,769	4,485	2,761	24,493
Class of 2026	-	36,640	11,575	25,065
Best Buddies	114	-	58	56
Chorus	214	1,734	1,628	320
Dream Club	-	534	176	358
Schroeder Theater Co.	5,634	4,353	1,712	8,275
FBLA	948	652	793	807
FEA	75	-	-	75
Green Club	-	144	-	144
Key Club	205	210	235	180
Library	41	2,127	975	1,193
Link Crew	435	210	365	280
Math League	481	445	562	364
National Art Honor Society	-	384	82	302
National Honor Society	6,585	1,042	622	7,005
Orchestra	3,509	3,121	4,238	2,392
Reveille (Yearbook)	14,465	3,717	5,619	12,563
Rotary Interact / Cultural Arts	471	-	39	432
Science Olympiad	163	249	258	154
Show Choir	676	322	515	483
Ski Club	2,650	12,907	13,293	2,264
Speech & Debate	176	525	360	341
Student Council	3,932	6,120	2,942	7,110
Tri-M	153	711	477	387
Wind Ensemble	114	1,540	1,438	216
Sales Tax 8%	-	886	1,718	(832)
Total Schroeder High School	<u>\$ 90,870</u>	<u>\$ 135,518</u>	<u>\$ 112,047</u>	<u>\$ 114,341</u>

<u>Willink Middle School:</u>	<u>Cash Balance</u> <u>July 1, 2022</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2023</u>
Band	\$ 74	\$ 4,890	\$ 4,916	\$ 48
Drama Club	12,116	13,726	9,638	16,204
Lego Club	133	-	-	133
Library	1,428	-	-	1,428
Ski Club	3,924	16,660	16,900	3,684
Student Council	15,428	9,505	11,159	13,774
Student / Parent Band	580	269	-	849
Student Run Play	4,468	3,526	2,604	5,390
Washington Trip	139,189	181,977	314,917	6,249
Yearbook	3,770	560	188	4,142
Total Willink Middle School	<u>\$ 181,110</u>	<u>\$ 231,113</u>	<u>\$ 360,322</u>	<u>\$ 51,901</u>
<u>Spry Middle School:</u>				
Builders Club	\$ 2,553	\$ 250	\$ 439	\$ 2,364
Drama Club	22,819	13,237	7,389	28,667
Library Club	1,249	-	364	885
School Band	1,729	-	-	1,729
Ski Club	4,145	10,592	11,459	3,278
Student Council	13,756	11,643	11,579	13,820
Washington Trip	158,899	166,563	185,776	139,686
Yearbook	42	240	6	276
Sales Tax 8%	292	-	275	17
Total Spry Middle School	<u>\$ 205,484</u>	<u>\$ 202,525</u>	<u>\$ 217,287</u>	<u>\$ 190,722</u>
GRAND TOTAL	<u><u>\$ 589,125</u></u>	<u><u>\$ 749,836</u></u>	<u><u>\$ 849,415</u></u>	<u><u>\$ 489,546</u></u>

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

WEBSTER CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2023

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Webster 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 Webster 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 four checking accounts. The balance in these accounts is fully covered by FDIC Insurance.

WEBSTER CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS
AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the Webster Central School District's Extraclassroom Activity Funds for the year ended June 30, 2023. 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.

General Findings:

Current Year Deficiency in Internal Control –

Profit and Loss Statements

During the course of our examination, we noted two instances at Schroeder High School (EBLA Club and Yearbook) and two instances at Spry Middle School (Student Council and Washington Trip) in which profit and loss were not signed by the Student Treasurer. In addition, we noted that the Student Treasurer for the Willink Washington Trip Club was not involved in the preparation of profit and loss statements.

We recommend the Student Treasurer together with the Faculty Advisor prepare profit and loss statements at the close of each fundraising event. In addition, these statements should be given to the Central Treasurer to be retained for our review at year end.

Thomas High School:

Current Year Deficiency in Internal Control –

Receipts

During the course of our examination, we noted one instance in the Titan Service Scholars Club in which receipts were deposited to the bank account several days after the cash was received.

In an effort to maintain accountability and control over receipts, we recommend every effort be made in the future to deposit cash collections on a more timely basis.

Schroeder High School:

Prior Year Deficiency Pending Corrective Action –

Sales Tax Deficit

During the course of our examination, we noted that the sales tax account had a deficit balance at year-end.

We recommend the Administration review this account and develop the necessary corrective action.

Current Year Deficiency in Internal Control –

Receipts

During the course of our examination, we noted two instances in the Class of 2023 and two instances in the Orchestra Club in which deposit slips were missing the signature of the Student Treasurer or Faculty Advisor.

In an effort to maintain accountability and control over receipts, we recommend Treasurers' receipts be filled out by the Student Treasurer of each club, with the assistance of the Faculty Advisor, and specify the date, source of revenue, and the activity from which it was generated.

Willink Middle School:

Prior Year Deficiency Pending Corrective Action –

Commingling Fundraising Receipts

Our examination revealed that the Washington Trip's deposits from trip dues paid by students and at least two fundraisers were deposited on one deposit slip and were not broken out separately on the general ledger. As a result, we were unable to trace the revenues on the related profit and loss statement to the general ledger.

In an effort to maintain accountability and control over receipts, we recommend that receipts from separate activities be deposited on separate deposit slips and broken out separately on the general ledger. In addition, all items appearing on the profit and loss statements should be easily traceable to the general ledger maintained by the Central Treasurer.

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 2022-23 fiscal year:

<u>Thomas High School</u>	<u>Schroeder High School</u>	<u>Willink Middle School</u>	<u>Spry Middle School</u>
Best Buddies	FEA	Lego Club	School Band
Concert Band		Library	
Rotary Interact			

Prior Year Recommendations:

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

General –

1. All bank reconciliations examined were complete with respect to outstanding checks and tied to the ledgers provided.

Schroeder High School –

2. All profit and loss statements examined were easily traceable to the ledger.

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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, Baw & Co. LLP

Rochester, New York
December 6, 2023