

WEBSTER CENTRAL SCHOOL DISTRICT

Brian Freeman, Assistant Superintendent for Business
119 South Avenue, Webster, NY 14580
(585)216-0017
brian_freeman@webstercsd.org



To: Brian Neenan, Superintendent
From: Brian Freeman, Assistant Superintendent for Business
Re: Audit Report – Extraclassroom Activity Funds 6/30/23
Date: January 5, 2024

The findings and corrective actions are broken down by each secondary building listed below. Italicized comments represent the corrective action to the findings listed above if that is underlined.

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.

All central treasurers will participate in a training on best practices for profit and loss statements. That training presentation then will be able to be utilized with these specific club advisors and students as well as all club and student advisors moving forward. Moving forward the current central treasurers will meet with district office staff on a quarterly basis for greater monitoring by June of 2024.

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.

This is the first year of the club so the central treasurer and central auditor will remind the new advisors what is an appropriate timeframe for deposits to be made by June of 2024.

Schroeder High School:

Prior Year Deficiency Pending Corrective Action –

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

The central treasurer and central auditor will review the deficit balance with the auditors to determine best practices and the necessary accounting steps needed to eliminate the deficit balance by June 2024.

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.

The central treasurer will remind the advisors and double check that no deposit slips will be accepted without both signatures by June of 2024.

Willink Middle School:

Prior Year Deficiency Pending Corrective Action –

Commingling Fundraising Receipts - Our examination revealed that the Washington Trip Clubs' deposits from trip dues and at least two separate 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.

Best practice for accountability and control requires receipts from separate activities be deposited on separate deposit slips on the general ledger. There is a new central treasurer who is aware of the mistake and has taken corrective action. There was a substitute for this time period who was assisting while the permanent treasurer was out on leave. This will be completed by June of 2024.

Other Items:

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

The district will continue to work at the end of the fiscal year 2023-24 during closing procedures with the building administrator, central treasurer, deputy treasurer and district treasurer to determine if an appropriate amount of time the club has been inactive has passed and what future endeavors may return.

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

General:

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

Schroeder High School:

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