

WEBSTER CENTRAL SCHOOL DISTRICT

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To: Brian Neenan, Superintendent
From: Brian Freeman, Assistant Superintendent for Business
Re: Audit Report – Extraclassroom Activity Funds 6/30/24
Date: December 31, 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 one instance at Schroeder High School (Reveille Club) and one instance at Willink Middle School (Washington Trip) in which profit and loss were not signed by the Student Treasurer.

All central treasurer's continue to meet to review requirements quarterly with the business office. Moving forward a member of the district business office team will have part of their weekly job description changed to go out to the 4 secondary buildings to double check all work done and meet with any clubs and or advisors that need additional assistance with the requirements. This will be implemented in January of 2025 and continue with full completion by June of 2025.

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 second 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 2025.

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 2025.

Current Year Deficiency in Internal Control –

Sales Tax - Our examination revealed one instance in which sales tax was paid on items intended for resale.

The central treasurer and central auditor will review the regulations around sales tax as additional reinforcement of the rules by June 2025.

Willink Middle School:

Current Year Deficiency in Internal Control –

Untimely Deposit - During the course of our examination, we noted one instance in the Ski Club where a cash receipt was deposited in an untimely manner.

All central treasurer's continue to meet to review requirements quarterly with the business office. Moving forward a member of the district business office team will have part of their weekly job description changed to go out to the 4 secondary buildings to double check all work done and meet with any clubs and or advisors that need additional assistance with the requirements. This will be implemented in January of 2025 and continue with full completion by June of 2025.

Sales Tax - During the course of our examination, we noted one instance in the Student Run Play club where sales tax was not remitted on sales for a taxable fundraiser.

The central treasurer and central auditor will review the regulations around sales tax as additional reinforcement of the rules by June 2025.

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 2023-24 fiscal year:

<u>Thomas High School</u>	<u>Schroeder High School</u>	<u>Willink Middle</u>	<u>Spry Middle</u>
Best Buddies	DREAM Club	Lego Club	Yearbook
DREAM Club	Rotary/Interact	Library Club	Library Club
	Science Olympiad		
	Cultural Arts		

The district will continue to work at the end of the fiscal year 2024-25 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:

Schroeder High School:

- *Deposit Slips examined contained appropriate signatures.*

Willink Middle School:

- *Deposits from fundraising events were prepared individually and were traceable to the general ledger.*