

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

For Year Ended June 30, 2024



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, 2024 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, 2024, 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, Baw & Co. LLP

Rochester, New York
December 6, 2024

WEBSTER CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2024

<u>Thomas High School:</u>	<u>Cash Balance</u> <u>July 1, 2023</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2024</u>
Class of 2024	\$ 18,904	\$ 48,410	\$ 66,814	\$ 500
Class of 2025	28,155	16,477	25,081	19,551
Class of 2026	18,457	3,826	4,908	17,375
Class of 2027	-	23,010	3,600	19,410
Best Buddies	474	-	-	474
BBSU	-	842	-	842
Care Club	88	100	113	75
Chorus	230	1,147	1,186	191
Concert Band	94	-	94	-
Drama Club	10,946	4,748	5,572	10,122
D.R.E.A.M Club	665	-	-	665
Earth Club	596	275	148	723
FBLA	305	48	48	305
Key Club	289	372	373	288
LOTE Club	913	-	94	819
Model UN	407	6,980	5,216	2,171
Math Club	64	297	142	219
Musical	11,569	32,886	21,432	23,023
National Art Honor Society	2,893	1,924	3,089	1,728
National Honor Society	2,833	2,100	1,867	3,066
Orchestra	1,703	-	1,379	324
Rotary Interact	905	4,830	637	5,098
Science Olympiad	1,151	180	29	1,302
Ski-N-Board Club	1,699	14,560	14,349	1,910
Speech & Debate	246	766	771	241
Student Council #1	13,895	14,954	8,467	20,382
Student Council #2	1,056	-	842	214
Titan Service Scholars	3,955	16,138	14,401	5,692
Wind Ensemble	947	795	944	798
Yearbook	8,482	3,573	6,016	6,039
Sales Tax 4%	10	-	10	-
Sales Tax 8%	651	820	1,270	201
Total Thomas High School	<u>\$ 132,582</u>	<u>\$ 200,058</u>	<u>\$ 188,892</u>	<u>\$ 143,748</u>

<u>Schroeder High School:</u>	<u>Cash Balance</u> <u>July 1, 2023</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2024</u>
Class of 2023	9,005	-	9,005	-
Class of 2024	10,909	48,099	59,008	-
Class of 2025	24,493	12,342	18,421	18,414
Class of 2026	25,065	4,210	5,655	23,620
Class of 2027	-	22,942	3,142	19,800
Class of 2028	-	1,200	-	1,200
BBSU	-	508	79	429
Best Buddies	56	367	87	336
Chorus	320	1,702	1,981	41
D.R.E.A.M Club	358	-	-	358
Schroeder Theater Co.	8,275	6,350	3,233	11,392
FBLA	807	80	400	487
FEA	75	28	-	103
Green Club	144	145	-	289
Key Club	180	285	455	10
Library	1,193	1,623	243	2,573
Link Crew	280	275	202	353
Math League	364	170	352	182
National Art Honor Society	302	443	393	352
National Honor Society	7,005	1,500	1,524	6,981
Orchestra	2,392	2,072	1,988	2,476
Reveille (Yearbook)	12,563	3,083	3,144	12,502
Rotary Interact / Cultural Arts	432	-	-	432
Science Olympiad	154	-	-	154
Show Choir	483	814	449	848
Ski Club	2,264	11,272	11,426	2,110
Speech & Debate	341	265	380	226
Student Council	7,110	9,652	6,572	10,190
Tri-M	387	1,492	1,172	707
Wind Ensemble	216	1,306	1,138	384
YWE	-	395	-	395
Sales Tax 8%	(832)	(575)	(547)	(860)
Total Schroeder High School	\$ 114,341	\$ 132,045	\$ 129,902	\$ 116,484

<u>Willink Middle School:</u>	<u>Cash Balance</u> <u>July 1, 2023</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2024</u>
Band	\$ 48	\$ 4,848	\$ 4,820	\$ 76
Drama Club	16,204	17,981	10,858	23,327
Lego Club	133	-	-	133
Library Club	1,428	-	-	1,428
Ski Club	3,684	19,720	17,650	5,754
Student Council	13,774	7,482	8,524	12,732
Student / Parent Band	849	524	485	888
Student Run Play	5,390	4,548	2,320	7,618
Washington Trip	6,249	80,477	45,101	41,625
Yearbook	4,142	-	863	3,279
Total Willink Middle School	\$ 51,901	\$ 135,580	\$ 90,621	\$ 96,860
<u>Spry Middle School:</u>				
Builders Club	\$ 2,364	\$ -	\$ 233	\$ 2,131
Drama Club	28,667	13,793	9,422	33,038
Library Club	885	-	-	885
School Band	1,729	3,024	3,300	1,453
Ski Club	3,278	10,775	11,282	2,771
Student Council	13,820	13,031	10,487	16,364
Washington Trip	139,686	19,711	103,030	56,367
Yearbook	276	-	-	276
Sales Tax 8%	17	484	411	90
Total Spry Middle School	\$ 190,722	\$ 60,818	\$ 138,165	\$ 113,375
 GRAND TOTAL	 \$ 489,546	 \$ 528,501	 \$ 547,580	 \$ 470,467

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

WEBSTER CENTRAL SCHOOL DISTRICT

EXTRACLASROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2024

(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
EXTRACLASSROOM 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, 2024. 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:

Prior Year Deficiency Pending Corrective Action –

Profit and Loss Statements

During the course of our examination, we noted one instance at Willink Middle School (Washington Trip) and one instance at Shroeder High School (Reveille Club) in which profit and loss were not signed by the Student Treasurer.

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:

Prior Year Deficiency Pending Corrective Action –

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 –

Sales Tax

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

We recommend every effort be made to issue resale certificates (Form ST-120) to vendors when making purchases of merchandise intended for resale and to collect sales tax upon the resale of the merchandise.

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.

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

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.

We recommend a continued effort be made to comply with New York State Tax law.

Spry Middle School:

Current Year Deficiency in Internal Control –

Reconciliations

Our review of cash receipts revealed one instance in the Student Council where a reconciliation of the number of items sold to total cash collected was not available for our examination.

We recommend every effort be made to complete a reconciliation of items sold to cash collected.

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 2023-24 fiscal year:

Thomas High School

Best Buddies
D.R.E.A.M Club

Schroder High School

D.R.E.A.M Club
Rotary/Interact
Cultural Arts
Science Olympiad

Willink Middle School

Lego Club
Library Club

Spry Middle

Library Club
Yearbook

We recommend that the status of these clubs be reviewed. If future financial activity is not anticipated, they should be closed in accordance with the Board of Education policy.

Prior Year Recommendations:

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

Schroeder High School –

1. Deposit slips examined contained appropriate signatures.

Willink Middle School:

2. Deposits from fundraising events were prepared individually and were traceable to the general 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, Barw & Co. LLP

Rochester, New York
December 6, 2024