

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

For Year Ended June 30, 2021



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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

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, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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; this includes 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's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statement 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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, 2021, in accordance with the cash basis of accounting as described in Note 1.

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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
December 15, 2021

WEBSTER CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For Year Ended June 30, 2021

<u>Thomas High School:</u>	<u>Cash Balance</u> <u>July 1, 2020</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2021</u>
Class of 2020	\$ 2,224	\$ 820	\$ 3,044	\$ -
Class of 2021	22,603	30,423	53,026	-
Class of 2022	23,617	8,410	13,119	18,908
Class of 2023	27,644	510	6,486	21,668
Class of 2024	500	20,337	1,898	18,939
Art Club	70	-	-	70
Best Buddies	549	155	155	549
Care Club	-	200	108	92
Chorus	339	-	32	307
Concert Band	94	-	-	94
Dance Team	329	-	-	329
Drama Club	9,870	396	254	10,012
D.R.E.A.M Club	596	-	120	476
Earth Club	-	438	-	438
FBLA	293	48	36	305
France Club	251	-	-	251
Improv Club	2	-	2	-
Key Club	193	469	445	217
LOTE Club	705	-	-	705
Model UN	114	-	-	114
Math Club	389	-	-	389
Musical	11,368	12,833	17,338	6,863
National Honor Society	1,928	2,660	2,661	1,927
Orchestra	2,623	-	135	2,488
Rotary Interact	1,161	615	518	1,258
Science Olympiad	1,017	-	-	1,017
Ski-N-Board Club	2,004	-	-	2,004
Special Olympics	719	-	719	-
Speech & Debate	256	-	-	256
Student Council #1	5,079	6,383	861	10,601
Student Council #2	89	-	-	89
Wind Ensemble	3,745	94	425	3,414
Yearbook	1,075	8,335	7,726	1,684
Sales Tax 4%	23	20	34	9
Sales Tax 8%	422	456	433	445
Total Thomas High School	<u>\$ 121,891</u>	<u>\$ 93,602</u>	<u>\$ 109,575</u>	<u>\$ 105,918</u>

<u>Schroeder High School:</u>	<u>Cash Balance</u> <u>July 1, 2020</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2021</u>
Class of 2020	\$ 1,169	\$ -	\$ 1,169	\$ -
Class of 2021	271	19,102	12,854	6,519
Class of 2022	21,259	13,073	15,298	19,034
Class of 2023	10,705	2,160	1,000	11,865
Class of 2024	-	1,169	168	1,001
Best Buddies	114	-	-	114
Chorus	824	-	81	743
Concert Band	79	-	77	2
Drama Club (Fall Play)	1,811	2,678	746	3,743
FBLA	962	-	-	962
FEA	403	-	129	274
Key Club	239	39	143	135
Library	123	-	61	62
Link Crew	97	170	-	267
Math League	586	200	263	523
National Honor Society	5,557	1,530	1,381	5,706
Orchestra	2,226	2,074	736	3,564
Reveille (Yearbook)	6,436	5,641	424	11,653
Rotary Interact / Cultural Arts	527	-	-	527
Science Olympiad	289	110	196	203
Show Choir	2,141	-	744	1,397
Ski Club	3,658	-	-	3,658
Speech & Debate	342	552	628	266
Student Council	6,636	1,033	3,123	4,546
Tri-M	511	-	237	274
Wind Ensemble	208	-	206	2
Sales Tax 4 %	38	-	38	-
Sales Tax 8%	133	1,455	1,445	143
Total Schroeder High School	<u>\$ 67,344</u>	<u>\$ 50,986</u>	<u>\$ 41,147</u>	<u>\$ 77,183</u>

<u>Willink Middle School:</u>	<u>Cash Balance</u> <u>July 1, 2020</u>	<u>Receipts</u>	<u>Disburse-</u> <u>ments</u>	<u>Cash Balance</u> <u>June 30, 2021</u>
Band	\$ 74	\$ -	\$ -	\$ 74
Drama Club	20,260	593	5,886	14,967
Lego Club	133	-	-	133
Library	1,981	-	147	1,834
Ski Club	2,905	85	-	2,990
Student Council	14,299	-	438	13,861
Student / Parent Band	298	-	-	298
Student Run Play	4,771	-	703	4,068
Washington Trip	139,397	36,549	121,613	54,333
Yearbook	5,162	1,640	932	5,870
Total Willink Middle School	<u>\$ 189,280</u>	<u>\$ 38,867</u>	<u>\$ 129,719</u>	<u>\$ 98,428</u>
<u>Spry Middle School:</u>				
Builders Club	\$ 2,877	\$ 80	\$ 262	\$ 2,695
Drama Club	23,716	532	4,484	19,764
Library Club	1,413	-	-	1,413
School Band	1,761	584	639	1,706
Ski Club	2,892	-	15	2,877
Student Council	15,271	2,778	4,474	13,575
Washington Trip	93,974	50,280	67,844	76,410
Yearbook	3,663	2,210	5,657	216
Sales Tax 8%	89	101	91	99
Sales Tax 4%	(11)	11	-	-
Total Spry Middle School	<u>\$ 145,645</u>	<u>\$ 56,576</u>	<u>\$ 83,466</u>	<u>\$ 118,755</u>
 GRAND TOTAL	 <u><u>\$ 524,160</u></u>	 <u><u>\$ 240,031</u></u>	 <u><u>\$ 363,907</u></u>	 <u><u>\$ 400,284</u></u>

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(See accompanying notes to financial statement)

WEBSTER CENTRAL SCHOOL DISTRICT

EXTRACLASROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2021

(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.

(Note 3) COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, limited activities and student involvement in the Extraclassroom activities and transactions have resulted from the date of closure through the end of the 2020-21 fiscal year.

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, 2021. 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.

Schroeder High School:

Prior Year Deficiency Pending Corrective Action –

Reconciliations

Our examination revealed one instances in the Student Council where no reconciliation of items sold to total cash collected was prepared.

Spry Middle School:

Prior Year Deficiency Pending Corrective Action –

Drama Club

During the course of our examination we noted that the Drama Club Faculty Advisor is preparing the profit and loss statements without student involvement. In addition, the student treasurer is not involved with maintaining a separate set of books.

Willink Middle School:

Current Year Deficiency in Internal Control –

Commingled Fundraising Receipts

Our examination revealed two instances in the Washington DC trip where revenue recorded on the profit and loss statements could not be fully traced to the general ledger because multiple fundraisers were deposited on one slip and not broken out on the general ledger.

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 2020-21 fiscal year:

<u>Thomas High School</u>		<u>Schroeder High School</u>	<u>Willink Middle School</u>
Art Club	Math Club	Best Buddies	Band
Concert Band	Science Olympiad	FBLA	Lego Club
Dance Team	Ski-N-Board Club	Rotary Interact/Cultural Arts	Student/Parent Band
France Club	Speech & Debate	Ski Club	
LOTE Club	Student Council #2		<u>Spry Middle School</u>
Model UN			Library Club

Prior Year Recommendations:

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

Schroeder High School –

1. The Yearbook Club Student Treasurer was involved with the bookkeeping and counting cash.
2. There was no activity in the Chorus Club for the 2020-21 fiscal year. In addition, the Student Council appeared to be remitting sales tax correctly.

Spry Middle School –

1. The Sales Tax 8% account did not have a deficit cash balance at year end.
2. There did not appear to be any payments to employees for extra work performed that needed to be processed through the District’s payroll.

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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.

Rochester, New York
December 15, 2021

Mengel, Metzger, Baw & Co. LLP