

CHELMSFORD PUBLIC SCHOOL DISTRICT

***REPORT ON APPLYING AGREED-UPON PROCEDURES
IN RELATION TO THE CHELMSFORD HIGH SCHOOL
STUDENT ACTIVITY FUNDS***

YEAR ENDED JUNE 30, 2019

CHELMSFORD PUBLIC SCHOOL DISTRICT

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STUDENT ACTIVITY FUNDS

JUNE 30, 2019

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES IN RELATION TO THE CHELMSFORD HIGH SCHOOL STUDENT ACTIVITY FUNDS

To the Honorable School Committee and
Management of the Chelmsford Public School District
Chelmsford, Massachusetts

We have performed the procedures enumerated in the Massachusetts Department of Elementary and Secondary Education's (DESE) "Agreed-Upon Procedures and Audit Guidelines: Student Activity Funds", which were agreed to by the Chelmsford Public School District (District), solely to assist the District with an evaluation of the systems of internal controls and compliance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47) as related to the Chelmsford High School student activity funds for the period July 1, 2018, through June 30, 2019. The District is responsible for the administration and system of internal controls surrounding the student activity funds. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Massachusetts Department of Elementary and Secondary Education's "Agreed-Upon Procedures and Audit Guidelines: Student Activity Funds" either for the purpose for which this report has been requested or for any other purpose.

We have listed our comments and the corresponding agreed-upon procedures in the accompanying Schedule of Comments.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on cash and student activity balances. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Chelmsford Public School District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Powers & Sullivan, LLC

June 29, 2020

Student Activity Schedules

SCHEDULE OF STUDENT ACTIVITY BALANCES - CASH BASIS

June 30, 2019

ASSETS

Cash and cash equivalents..... \$ 259,643

STUDENT ACTIVITY BALANCES

Athletics.....	\$ 10,741
ATWE.....	2,480
Badminton.....	1
Band.....	3,709
Basketball - Girls.....	1,937
Best Buddies.....	362
Career Center.....	1,423
Cheerleading.....	3,905
Chorus.....	2,115
Class of 2019.....	28,116
Class of 2020.....	6,257
Class of 2021.....	5,192
Class of 2022.....	372
Cross Country.....	750
Dance Team.....	2,737
DECA.....	23,372
ECO Club.....	871
Field Hockey.....	7,268
Field Trips.....	2,286
Fine Arts.....	5,342
Football.....	2,067
General Student Body Fund.....	21,693
Golf.....	447
Ice Hockey - Boys.....	2,948
Ice Hockey - Girls.....	441
International Relations.....	444
Key Club.....	465
Lacrosse - Boys.....	1,239
Lacrosse - Girls.....	2,606
LIME.....	1,981
Lion Yearbook.....	7,016
Melting Pot Club.....	19
Mme Queenan Boutique.....	387
Mock Trial.....	256
National Business HS.....	437
National Honors Society.....	1,163
NEHS.....	788
Orchestra.....	840
PAVE Program.....	584
Reality Check.....	698
SAGA.....	857
Ski Team.....	313
Soccer - Boys.....	6,164
Soccer - Girls.....	6,886

(Continued)

SCHEDULE OF STUDENT ACTIVITY BALANCES - CASH BASIS

June 30, 2019

Softball.....	7,971
Speech and Debate Team.....	1,312
Student Council.....	1,845
Student Trainers.....	204
Swim Team - Boys.....	131
Swim Team - Girls.....	95
Tennis - Boys.....	416
Tennis - Girls.....	1,332
Theater Guild.....	63,009
Thomas Jefferson Forum.....	581
Track.....	1,191
Tri-M.....	89
Voice Student News.....	365
Volleyball - Boys.....	1,970
Volleyball - Girls.....	4,599
World Language HS - LFS.....	1,189
Wrestling.....	<u>3,369</u>
TOTAL STUDENT ACTIVITY BALANCES.....	\$ <u>259,643</u>

(Concluded)

SCHEDULE OF ACTIVITIES - CASH BASIS

June 30, 2019

Receipts:	
Student activities.....	\$ <u>420,035</u>
Disbursements:	
Student activities.....	<u>391,309</u>
Increase (decrease) in student activity balances.....	28,726
STUDENT ACTIVITY BALANCES AT BEGINNING OF YEAR.....	<u>230,917</u>
STUDENT ACTIVITY BALANCES AT END OF YEAR.....	\$ <u><u>259,643</u></u>

SCHEDULE OF SUPPORT, RECEIPTS AND DISBURSEMENTS - CASH BASIS

June 30, 2019

	Beginning Balances	Receipts	Disbursements	Transfers In (Out)	Receipts Over (Under) Disbursements	Ending Balances
Art Club.....	\$ 54	\$ -	\$ -	\$ (54)	\$ (54)	-
Athletics.....	10,610	18,953	18,822	-	131	10,741
ATWE.....	3,561	1,207	2,288	-	(1,081)	2,480
Badminton.....	1	-	-	-	-	1
Band.....	1,429	8,383	6,103	-	2,280	3,709
Basketball - Boys.....	50	-	-	(50)	(50)	-
Basketball - Girls.....	603	4,388	3,054	-	1,334	1,937
Be the Change Project.....	1	-	-	(1)	(1)	-
Best Buddies.....	260	660	558	-	102	362
Career Center.....	1,236	1,919	1,732	-	187	1,423
Cheerleading.....	2,884	7,743	6,611	(111)	1,021	3,905
Chelmsford Garden Club.....	25	-	-	(25)	(25)	-
Chorus.....	3,735	962	2,582	-	(1,620)	2,115
Class of 2016.....	4,755	-	4,755	-	(4,755)	-
Class of 2018.....	19,599	10	19,609	-	(19,599)	-
Class of 2019.....	8,339	94,140	74,363	-	19,777	28,116
Class of 2020.....	2,634	15,885	12,262	-	3,623	6,257
Class of 2021.....	787	5,849	1,444	-	4,405	5,192
Class of 2022.....	250	1,135	1,013	-	122	372
Cross Country.....	631	750	631	-	119	750
Dance Team.....	1,245	1,492	-	-	1,492	2,737
DECA.....	3,066	60,374	40,068	-	20,306	23,372
ECO Club.....	871	-	-	-	-	871
Field Hockey.....	6,885	2,555	2,172	-	383	7,268
Field Trips.....	1,436	17,015	17,388	1,223	850	2,286
Fine Arts.....	4,180	2,825	1,663	-	1,162	5,342
Football.....	1,975	21,797	21,705	-	92	2,067
Future Teachers Club.....	1,761	-	-	(1,761)	(1,761)	-
General Student Body Fund.....	9,428	9,132	779	3,912	12,265	21,693
Golf.....	447	-	-	-	-	447
Gymnastics.....	77	-	-	(77)	(77)	-
Ice Hockey - Boys.....	15,259	5,600	17,911	-	(12,311)	2,948
Ice Hockey - Girls.....	441	-	-	-	-	441
International Relations.....	888	1,614	2,170	112	(444)	444
Key Club.....	266	673	474	-	199	465
Lacrosse - Boys.....	1,389	-	150	-	(150)	1,239
Lacrosse - Girls.....	4,195	-	1,589	-	(1,589)	2,606
LIME.....	3,661	1,354	3,034	-	(1,680)	1,981
Lion Yearbook.....	5,851	9,358	8,193	-	1,165	7,016
Melting Pot Club.....	125	217	323	-	(106)	19
Mme Queenan Boutique.....	452	-	65	-	(65)	387
Mock Trial.....	509	477	730	-	(253)	256
National Business HS.....	437	-	-	-	-	437
National Honors Society.....	1,163	5,481	5,481	-	-	1,163
NEHS.....	-	3,580	2,792	-	788	788
Orchestra.....	536	479	175	-	304	840
PAVE Program.....	949	-	365	-	(365)	584
Reality Check.....	866	489	657	-	(168)	698
Resiliency.....	-	3,735	3,735	-	-	-
SAGA.....	857	-	-	-	-	857
Science Organization.....	(152)	-	-	152	152	-
Ski Club.....	314	-	-	(314)	(314)	-
Ski Team.....	2,681	797	3,165	-	(2,368)	313
Soccer - Boys.....	5,609	7,871	7,316	-	555	6,164
Soccer - Girls.....	6,541	6,065	5,720	-	345	6,886

SCHEDULE OF SUPPORT, RECEIPTS AND DISBURSEMENTS - CASH BASIS

June 30, 2019

	Beginning Balances	Receipts	Disbursements	Transfers In (Out)	Receipts Over (Under) Disbursements	Ending Balances
Softball.....	\$ 8,227	\$ 3,175	\$ 3,431	\$ -	\$ (256)	\$ 7,971
Special Olympics.....	1	-	-	(1)	(1)	-
Speech and Debate Team.....	1,190	3,538	3,416	-	122	1,312
Student Council.....	983	1,022	160	-	862	1,845
Student Trainers.....	85	580	461	-	119	204
Swim Team - Boys.....	1,966	3,276	5,111	-	(1,835)	131
Swim Team - Girls.....	1,579	5,554	7,038	-	(1,484)	95
Tech Ed Student Build.....	41	-	-	(41)	(41)	-
Tennis - Boys.....	416	-	-	-	-	416
Tennis - Girls.....	1,049	283	-	-	283	1,332
Theater Guild.....	43,583	66,581	47,155	-	19,426	63,009
Thomas Jefferson Forum.....	1,807	-	1,226	-	(1,226)	581
Track.....	3,287	5,427	7,523	-	(2,096)	1,191
Tri-M.....	89	-	-	-	-	89
Unidentified.....	2,964	-	-	(2,964)	(2,964)	-
Voice Student News.....	320	45	-	-	45	365
Volleyball - Boys.....	1,267	1,240	537	-	703	1,970
Volleyball - Girls.....	10,256	-	5,657	-	(5,657)	4,599
World Language HS - LFS.....	1,189	-	-	-	-	1,189
Wrestling.....	4,966	4,350	5,947	-	(1,597)	3,369
Totals.....	\$ 230,917	\$ 420,035	\$ 391,309	\$ -	\$ 28,726	\$ 259,643

SECTION IV. – REVENUE, RECEIPTS AND DEPOSITS**School Deposits**DESE Guideline

The receipts process is most susceptible to theft and abuse since cash collections for student activities are normally decentralized, and individuals collecting cash are often young students inexperienced with cash handling.

Agreed Upon Procedures

Make a selection of receipts to test. This sample population should be a representative sample of receipts that are made from the school deposit slips. Upon determination of the samples to be tested, perform the following procedures on each sample:

1. Determine if pre-numbered receipts are used.
2. Determine if funds are remitted within twenty-four hours or within the next business day (if a weekend day) to the principal's office.
3. Determine if funds were remitted by the principal's office to the Town Treasurer's agency account within one week.

Comments

Pre-numbered receipts are not being utilized and reconciled at functions that would benefit from this control. Also, in the event where pre-numbered receipts are not feasible, there was no evidence provided to ensure that two people collected, counted, and turned over the funds to the principal's office. This process of two people collecting and counting the funds received should be detailed on a separate standard form that is signed off by those two individuals to attest to the monies collected.

In a sample of 25 receipts transactions, we noted the following:

- 10 instances where checks were not turned over to the Principal's office within twenty-four hours;
- 15 instances where we were unable to determine if checks were turned over within 24 hours due to lack of supporting documentation.
- One instance where the bank deposit was made more than 1 week after receipt by the Principal's office.

We recommend that funds be turned over in accordance with DESE guidelines and that procedures be developed to ensure that sufficient support accompany each deposit. The support documentation should enable a person, independent of the transaction, to understand the purpose of the transaction.

SECTION V. – PURCHASING AND DISBURSEMENTS**School Disbursements**DESE Guideline

MGL 71, Section 47 gives the responsibility for the establishment of student activity accounts to the School Committee and the enforcement of School Committee policies to the School Principals; such is the case with purchasing and disbursements. It is important that disbursement policies are sound, controlled, and designed to

benefit only the students.

Agreed Upon Procedure

Make a selection of disbursements to test. This sample population should be a representative sample of disbursements selected from the school check register. Upon determination of the samples to be testing, determine if anyone other than the students benefited from the disbursement.

Comment

In a sample of 25 disbursement transactions, we noted 12 reimbursements to a faculty advisor; of which, two of these reimbursements totaled over \$1,000.

We recommend that the District should review its' policies and procedures related to the procurement of goods and service. The aim of the review should be to mitigate purchases that are funded with the use of personal credit cards. We also recommend that the Principal approve, in advance, any reimbursement that will be \$1,000 or greater.

SECTION VII. – STUDENT TRAVEL

Enhance Student Travel Policy

DESE Guideline

The School Committee should adopt policies and procedures for student travel related to student activities (i.e. field trips, overnight, and abroad). The policy should address how travel is to be authorized, the method or methods of paying travel expenditures, and final accountability for all travel costs associated with a trip. The following should be included in the policy:

- A statement of final accountability must be submitted by the authorized trip sponsor promptly after the completion of the trip. Final accountability statements should include at least the following: date; notation of advance funds received (if applicable - amount, date, and check number); complete listing of itemized expenditures paid - together with documentary evidence of payment; totals of cash or checks expended; notation and totals of credit card or open account expenses (if applicable); the amount returned to the student activities if advances received exceed documented expenditures; the amount of additional reimbursement requested if travel expenses incurred exceed travel advances received; signature of person completing final accountability statement and signature of School Principal or their designee to indicate that there has been an acceptable final accountability.

Agreed Upon Procedure

Through review of School Committee policies, determine if the policy for student travel is adequate.

Comment

The District's student travel policy does not require that a statement of final accountability be submitted by the authorized trip sponsor promptly after the completion of the trip. We recommend that the School Committee policy be revised to require a statement of final accountability to be submitted at the completion of a trip.