



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

CHELMSFORD PUBLIC SCHOOL DISTRICT
REPORT ON APPLYING AGREED-UPON
PROCEDURES
IN RELATION TO THE PARKER MIDDLE SCHOOL
STUDENT ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2022

CHELMSFORD PUBLIC SCHOOL DISTRICT
REPORT ON APPLYING AGREED-UPON PROCEDURES
IN RELATION TO THE PARKER MIDDLE SCHOOL
STUDENT ACTIVITY FUNDS

JUNE 30, 2022

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES IN RELATION TO THE PARKER MIDDLE 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 Parker Middle School student activity funds for the period July 1, 2021, through June 30, 2022. 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.

We are required to be independent of the District and to meet our ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.



June 14, 2023

Student Activity Schedules

SCHEDULE OF STUDENT ACTIVITY BALANCES - CASH BASIS

June 30, 2022

ASSETS

Cash and cash equivalents..... \$ 58,415

STUDENT ACTIVITY BALANCES

Band..... \$ 1,479
Chorus..... 3,492
Cross Country..... 70
Drama..... 34,098
General Student Body Fund..... 869
Grade 5 and Field Trips..... 346
Grade 6 and Field Trips..... 1,586
Grade 7 and Field Trips..... 8,295
Grade 8 and Field Trips..... 2,546
Orchestra..... 1,416
School Store..... 152
Student Council..... 67
Yearbook..... 3,999

TOTAL STUDENT ACTIVITY BALANCES..... \$ 58,415

SCHEDULE OF ACTIVITIES - CASH BASIS

June 30, 2022

Receipts:	
Student activities.....	\$ <u>60,765</u>
Disbursements:	
Student activities.....	<u>48,271</u>
Increase (decrease) in student activity balances.....	12,494
STUDENT ACTIVITY BALANCES AT BEGINNING OF YEAR.....	<u>45,921</u>
STUDENT ACTIVITY BALANCES AT END OF YEAR.....	\$ <u><u>58,415</u></u>

SCHEDULE OF SUPPORT, RECEIPTS AND DISBURSEMENTS - CASH BASIS

June 30, 2022

	Beginning Balances	Receipts	Disbursements	Receipts Over (Under) Disbursements	Ending Balances
Band.....	\$ 258	\$ 6,355	\$ 5,134	\$ 1,221	\$ 1,479
Chorus.....	1,410	8,482	6,400	2,082	3,492
Cross Country.....	10	610	550	60	70
Drama.....	27,972	15,427	9,301	6,126	34,098
General Student Body Fund.....	1,708	1,014	1,853	(839)	869
Grade 5 and Field Trips.....	346	-	-	-	346
Grade 6 and Field Trips.....	796	1,650	860	790	1,586
Grade 7 and Field Trips.....	858	11,600	4,163	7,437	8,295
Grade 8 and Field Trips.....	3,212	7,820	8,486	(666)	2,546
Orchestra.....	756	4,266	3,606	660	1,416
School Store.....	152	-	-	-	152
Stand Up Parker.....	-	1,135	1,135	-	-
Student Council.....	4,067	1,125	5,125	(4,000)	67
Yearbook.....	4,376	1,281	1,658	(377)	3,999
Totals.....	\$ <u>45,921</u>	\$ <u>60,765</u>	\$ <u>48,271</u>	\$ <u>12,494</u>	\$ <u>58,415</u>

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 the receipt is accompanied by a school deposit slip.

Comments

We noted that the revenue transactions selected for testing did not have pre-numbered receipts or tickets, student listings, and/or any supporting documentation that indicated who collected the funds and when the funds were collected. Because information regarding the collection of funds was not maintained, we were unable to determine the timing between when the monies were collected and when they were turned over to the principal's office for deposit. Currently, documentation procedures do not exist that would allow for the determination of when funds are collected by the class advisor and when they are turned over to the principal's office. As a result, we were unable to determine if funds were turned over within 24 hours of being collected. By not utilizing pre-numbered receipts or tickets, the ability to determine if a particular deposit is complete of all funds collected does not exist.

We recommend that the standard deposit form be updated to include a field for the date of fund raiser/receipt. This will provide the ability to verify if funds are being turned over to the principal's office within 24 hours of being collected. We also recommend that the School review its current receipt process, relative to the student activity funds, to determine the most practical procedures that can be implemented to ensure a proper audit trail for the funds collected by the advisor prior to turning the funds over to the Principal's office.

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.