

**REYNOLDS SCHOOL DISTRICT  
STUDENT ACTIVITY FUNDS  
MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**



**12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223**



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MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
STUDENT ACTIVITY FUNDS

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

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**PAULY, ROGERS AND CO., P.C.**  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

November 20, 2015

To the Board of Education  
Multnomah County School District No. 7  
Fairview, Oregon

### **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by Reynolds School District, solely to assist you with respect to the Student Activity Funds as of and for the year ended June 30, 2015. We applied the agreed upon procedures listed below to selected financial records. Management is responsible for 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 below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings for all schools are as follows:

1. **PROCEDURE:** Select a random sample of disbursements during the fiscal year ended June 30, 2015, and test them for the following attributes:
  - Backup documentation was present to support the disbursement
  - Documentation was present that the disbursement was properly approved
  - Review the cancelled checks for consistency with the recorded disbursements and for proper signatures in accordance with the Activity Fund Policy
2. **PROCEDURE:** Select a random sample of receipts during the fiscal year ended June 30, 2015 and test them for the following attributes:
  - Receipts were issued and accounted for in numerical sequence
  - Receipts that were issued were deposited in the bank in a timely manner
  - Monies collected were credited to the proper account
3. **PROCEDURE:** Review bank reconciliations and bank statements for accuracy and evidence of review for three months including June 30, 2015.
4. **PROCEDURE:** Review the internal control procedures manual and provide suggestions for improvement.

In addition, for Reynolds High School we:

1. Expanded on samples noted on test #1 and #2 above.
2. Selected a random sample of petty cash disbursements for the fiscal year ended June 30, 2015, and tested them for the following attributes:
  - Backup documentation was present to support the disbursement
  - Documentation that the disbursement was properly approved
3. Performed a count of petty cash and compared with current petty cash reconciliation.

## FINDINGS:

### ALDER ELEMENTARY SCHOOL:

1. During our testing of receipts, we found funds were deposited more than two weeks after the date on the receipt copy. We recommend that all money be deposited into the bank in a timely manner.
2. During our testing we were not able to locate a receipt slip. We recommend all receipts slips be retained in accordance with District policy.
3. During our testing we noted a deposit in which \$21 more cash was deposited than the receipts which were attached to it. We recommend that all funds received be concurrently issued a receipt.

### HB LEE MIDDLE SCHOOL:

1. During our testing of receipts, we found funds were deposited more than two weeks after the date on the receipt copy. We recommend all money be deposited into the bank in a timely manner.

### REYNOLDS HIGH SCHOOL:

1. During our testing we noted a deposit in which \$18 more cash was deposited than was noted on the reconciliation. We recommend that the deposit reconciliation should directly tie to the deposit slip.
2. During our review of disbursements, we noted student body approved expenditure amounts are crossed off and adjusted with no evidence of approval for the adjusted number. Adjusted numbers are supported by receipts and appear reasonable, but we were unable to determine if the amounts listed were present at the time of the approval. We recommend that if an amount needs to be adjusted a single strike through of the former amount along with the approver initialing near the strikethrough to show that the approver is aware of this new amount.

### REYNOLDS LEARNING ACADEMY:

1. During our testing of receipts, we found multiple receipts which were recorded more than once for a single transaction. (A good example of this is tree sales which have their own booklet.) These sales are then given an additional receipt when the cash is received, and sometimes an additional receipt when cash is deposited, thereby making three receipts for the same sale and deposit, thereby making it difficult to trace the actual amount received.
2. During our testing of receipts we noticed there is no reconciliation shown for amounts from the tree sales to the cash amount received. It is possible that the tree sale deposits had discrepancies but there was no reconciliation to test the deposited amount. We recommend that all deposits with more than a few receipts have a reconciliation attached to easily determine the total amount of monies that has been received.
3. During our testing of receipts, we found a scrap piece of paper recording the receipt of \$349 from the student store. We recommend that the receipts book be used whenever monies are received.
4. During our testing of receipts we found a deposit was \$25 less than the cash deposited. Upon further investigation it appeared that this amount was duplicated on more than one of the included receipts. We recommend that all cash be tracked accurately, and only a single receipt be issued for each transaction.



5. During our testing of receipts, we found that for many receipts, all three carbon copies were still in the receipt book. This means that receipt copies are not being handed out when money is being received. We recommend that one receipt copy be given to the individual making the payment, one be put on file to attach to the deposit slip when deposited and the other remain on the receipt book.
6. During our testing of receipts, we found funds were deposit more than two weeks after the date on the receipt copy. We recommend all money be deposited into the bank in a timely manner.

REYNOLDS MIDDLE SCHOOL

1. A check processed with only a single signature on it. We recommend that two signatures be included on all issued checks per District policy.

TROUTDALE ELEMENTARY SCHOOL

1. A check processed with only a single signature on it. We recommend that two signatures be included on all issued checks per District policy.

WALT MOREY MIDDLE SCHOOL

1. We found a receipt which did not have the full date, only the month was written on it. All receipts should be properly dated.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

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November 20, 2015

To the Board of Education  
Multnomah County School District No. 7  
Portland, Oregon

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

We have compiled the accompanying special-purpose cash basis combined balance sheet, and related combined statement of receipts, disbursements and cash balances of the Student Activity Funds of Reynolds School District as of and for the year ended June 30, 2015. We have not audited or reviewed the accompanying special-purpose financial statements and, accordingly, do not express an opinion or provide any assurance about whether the special-purpose financial statements are in accordance with the cash basis of accounting.

The management of Reynolds School District is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

As discussed in Note 3, the special-purpose financial statements present only the student activity fund and do not purport to, and do not, present fairly the financial position of Reynolds School District, as of June 30, 2015, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Reynolds School District in presenting financial information in the form of special-purpose financial statements without the undertaking to obtain or provide any assurance that there are no material modifications that should be made to the special-purpose financial statements.

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

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**REYNOLDS SCHOOL DISTRICT**  
**COMBINED BALANCE SHEET (CASH BASIS)**  
**At June 30, 2015**

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ASSETS

Cash on Deposit:

Reynolds High School	
Checking	\$ 192,690
Savings	6,919
Cash on Hand	1,050
Total Reynolds High School	<u>200,659</u>

Alder Elementary School	1,894
Davis Elementary School	12,004
Glenfair Elementary School	1,697
Wilkes Elementary School	1,414
HB Lee Middle School	11,800
Hartley Elementary School	8,948
Margaret Scott Elementary School	3,273
Reynolds Learning Academy	1,902
Woodland Elementary School	2,845
Salish Ponds Elementary School	12,235
Sweetbriar Elementary School	9,613
Fairview Elementary School	996
Walt Morey Middle School	17,570
Reynolds Middle School	16,467
Troutdale Elementary School	<u>415</u>

Total Assets	<u>\$ 303,732</u>
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FUND BALANCES

Fund Balance:

Reynolds High School	\$ 200,659
Alder Elementary School	1,894
Davis Elementary School	12,004
Glenfair Elementary School	1,697
Wilkes Elementary School	1,414
HB Lee Middle School	11,800
Hartley Elementary School	8,948
Margaret Scott Elementary School	3,273
Reynolds Learning Academy	1,902
Woodland Elementary School	2,845
Salish Ponds Elementary School	12,235
Sweetbriar Elementary School	9,613
Fairview Elementary School	996
Walt Morey Middle School	17,570
Reynolds Middle School	16,467
Troutdale Elementary School	<u>415</u>

Total Fund Balance	<u>\$ 303,732</u>
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See Accompanying Notes and Independent Accountants' Compilation Report

**REYNOLDS SCHOOL DISTRICT**

**COMBINED STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CASH BALANCES  
For the Year Ended June 30, 2015**

	Balance 7/01/14	Receipts	Disbursements	Balance 6/30/15
Reynolds High School	\$ 235,320	\$ 542,510	\$ 577,171	\$ 200,659
HB Lee Middle School	4,847	43,875	36,922	11,800
Reynolds Middle School	15,060	32,174	30,767	16,467
Walt Morey Middle School	12,495	41,411	36,336	17,570
Alder Elementary School	3,767	3,437	5,310	1,894
Davis Elementary School	11,595	7,425	7,016	12,004
Fairview Elementary School	1,840	1,621	2,465	996
Glenfair Elementary School	1,962	2,207	2,472	1,697
Hartley Elementary School	8,173	8,555	7,780	8,948
Margaret Scott Elementary School	3,045	2,175	1,947	3,273
Reynolds Learning Academy	3,220	9,605	10,923	1,902
Salish Ponds Elementary School	13,753	10,296	11,814	12,235
Sweetbriar Elementary School	10,962	11,053	12,402	9,613
Troutdale Elementary School	1,087	3,700	4,372	415
Wilkes Elementary School	5,074	6,676	10,336	1,414
Woodland Elementary School	3,033	9,717	9,905	2,845
	<u>\$ 335,233</u>	<u>\$ 736,437</u>	<u>\$ 767,938</u>	<u>\$ 303,732</u>

See Accompanying Notes and Independent Accountants' Compilation Report

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
STUDENT ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENT

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1. ACCOUNTING METHOD

The cash method of accounting is used for activity funds. Under the cash method, receipts are recognized when cash is received and disbursements are recorded when they are actually paid. The cash basis of accounting is not in accordance with generally accepted accounting principles (GAAP) in the United States of America; however, it complies with state legal requirements.

Under GAAP the fund financial statements require that receipts be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and disbursements are recorded as goods and services are received. Management believes the cash basis of accounting is preferable for the student activity funds due to their lack of complexity.

2. DESCRIPTION OF FUNDS

Receipts of the various student activity funds are derived from academic, social, athletic, and cultural activities of the students. The funds are administered by the students and faculty of the local schools and are generally restricted for the specific purposes noted in each fund.

3. RELATED PARTY TRANSACTIONS

Reynolds School District (the District) is a municipal corporation governed by an elected seven-member Board of Directors. Administration officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. The operations of the student activity funds are administrated by District staff who directs what activities and events are participated in.

The activity funds only account for the above activities and do not include all operations of Reynolds School District. Therefore, the student activity fund statements are not intended to present fairly the financial position and results of operations of Reynolds School District in conformity with accounting principles generally accepted in the United States of America. The student activity funds are included as an agency fund in the Reynolds School District basic financial statements, which include all operations of the District and can be found in a separately issued report.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
STUDENT ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENT

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4. CASH

Cash held by the Student Activity Funds includes \$308,422 held in demand deposits and \$6,919 held in various time certificates of deposit. Refer to Reynolds School District's basic financial statements and footnotes for FDIC and collateral coverage available to protect these funds. The maturity dates and balances for time certificates of deposit are as follows:

<u>MATURITY DATE</u>	<u>BALANCE</u>
06/30/15	\$ 6,919
<b>TOTAL</b>	<b><u>\$ 6,919</u></b>

5. SUPPLY INVENTORIES

Inventories of supplies on hand at June 30, 2015 are valued at cost using the first in, first out method of accounting. Management believes there were no material inventories on hand at June 30, 2015.

6. SUBSEQUENT EVENTS

Events have been evaluated for the year ended June 30, 2015 through November 20, 2015, the issuance date of the financial statements. No subsequent events were identified by management that required note disclosure.