

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7
STUDENT ACTIVITY FUND
MULTNOMAH COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018



**12700 SW 72nd Ave.
Tigard, OR 97223**

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Independent Accountants' Compilation Report	3
FINANCIAL STATEMENTS AND SCHEDULES:	
Combined Balance Sheet (Cash Basis)	4
Combined Statement of Receipts, Disbursements and Cash Balances	5
Notes to Financial Statements	6

This Page Intentionally Left Blank



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

November 8, 2018

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, 2018. 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, 2018, 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, 2018 and test them for the following attributes:
 - Receipt copies were issued and accounted for in numerical sequence
 - Receipt copies 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 during the year including June 30, 2018.
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, 2018, and tested them for the following attributes:
 - Backup documentation was present to support the disbursement
 - Documentation that the disbursement was properly approved was present
3. Performed a count of petty cash and compared with current petty cash reconciliation.

FINDINGS:

ALDER ELEMENTARY SCHOOL

1. During our testing of disbursements, we found one instance where a check did not have any evidence of approval for the disbursement. We recommend that the check disbursement request be approved prior to the check being written and the approval be kept with the disbursement backup.

FAIRVIEW ELEMENTARY SCHOOL

1. During our testing of bank reconciliations, we found that a check that cleared in November was left as outstanding until the February reconciliation. We recommend a thorough review of cleared and uncleared transactions to ensure that the bank reconciliation accurately reflects the School's cash balances at the end of each month.

HB LEE MIDDLE SCHOOL

1. During our testing of receipts, we found that a receipt copy number was issued twice for the School. One receipt copy was issued using the District's receipt book but credited against the ASB account, while the duplicate numbered receipt was issued using the School's ASB receipt book. We recommend that the School verifies that the correct receipt book is being used when receipt copies are being issued.



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



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

November 8, 2018

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

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Management is responsible for the accompanying special-purpose cash basis combined balance sheet and combined statement of receipts, disbursements and cash balances of the Student Activity Funds of the Reynolds School District as of June 30, 2018 and the related notes to the financial statements, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the special-purpose financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these special-purpose financial statements.

As discussed in Note 3, the special-purpose financial statements of the Reynolds School District Activity Funds are intended to present the financial position and the changes in financial position of only the student activity funds and do not purport to, and do not, present fairly the financial position of the Reynolds School District as of June 30, 2018, 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.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

This Page Intentionally Left Blank

REYNOLDS SCHOOL DISTRICT
COMBINED BALANCE SHEET (CASH BASIS)
At June 30, 2018

ASSETS

Cash on Deposit:

Reynolds High School	
Checking	\$ 205,084
Cash on Hand	2,350
Total Reynolds High School	207,434

Alder Elementary School	4,076
Davis Elementary School	18,323
Fairview Elementary School	1,029
Glenfair Elementary School	3,500
Hartley Elementary School	13,722
HB Lee Middle School	13,273
Margaret Scott Elementary School	1,413
Reynolds Learning Academy	9,057
Reynolds Middle School	29,197
Salish Ponds Elementary School	10,531
Sweetbriar Elementary School	9,946
Troutdale Elementary School	1,940
Walt Morey Middle School	25,833
Wilkes Elementary School	5,347
Woodland Elementary School	4,412

Total Assets	\$ 359,033
--------------	------------

FUND BALANCES

Fund Balance:

Reynolds High School	\$ 207,434
Alder Elementary School	4,076
Davis Elementary School	18,323
Fairview Elementary School	1,029
Glenfair Elementary School	3,500
Hartley Elementary School	13,722
HB Lee Middle School	13,273
Margaret Scott Elementary School	1,413
Reynolds Learning Academy	9,057
Reynolds Middle School	29,197
Salish Ponds Elementary School	10,531
Sweetbriar Elementary School	9,946
Troutdale Elementary School	1,940
Walt Morey Middle School	25,833
Wilkes Elementary School	5,347
Woodland Elementary School	4,412

Total Fund Balance	\$ 359,033
--------------------	------------

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, 2018**

	Balance 7/01/17	Receipts	Disbursements	Balance 6/30/18
Reynolds High School	\$ 209,133	\$ 391,820	\$ 393,519	\$ 207,434
Alder Elementary School	2,670	6,472	5,066	4,076
Davis Elementary School	14,607	11,100	7,384	18,323
Fairview Elementary School	1,039	-	10	1,029
Glenfair Elementary School	3,536	2,608	2,644	3,500
Hartley Elementary School	12,086	7,209	5,573	13,722
HB Lee Middle School	9,506	22,034	18,267	13,273
Margaret Scott Elementary School	1,155	1,762	1,504	1,413
Reynolds Learning Academy	8,357	1,243	543	9,057
Reynolds Middle School	22,741	23,213	16,757	29,197
Salish Ponds Elementary School	10,278	9,054	8,801	10,531
Sweetbriar Elementary School	10,455	6,090	6,599	9,946
Troutdale Elementary School	773	4,538	3,371	1,940
Walt Morey Middle School	24,238	23,843	22,248	25,833
Wilkes Elementary School	2,820	15,337	12,810	5,347
Woodland Elementary School	4,204	2,397	2,189	4,412
	<u>\$ 337,598</u>	<u>\$ 528,720</u>	<u>\$ 507,285</u>	<u>\$ 359,033</u>

See Accompanying Notes and Independent Accountants' Compilation Report

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

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 revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures 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

Activities in 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 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 administered by District staff who direct 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.

4. CASH

Cash held in the bank for the Student Activity Funds includes \$376,960 held in demand deposits. Refer to Reynolds School District's basic financial statements and footnotes for FDIC and collateral coverage available to protect these funds.

5. SUPPLY INVENTORIES

Inventories of supplies on hand at June 30, 2018 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, 2018.

6. SUBSEQUENT EVENTS

Events have been evaluated for the year ended June 30, 2018 through November 8, 2018, the issuance date of the financial statements. No subsequent events were identified by management that required note disclosure.

This Page Intentionally Left Blank
