

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

PREPARED BY:
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MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

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October 3, 2019

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, 2019. 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, 2019, 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, 2019 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, 2019.
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, 2019, 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 receipts, we found a receipt that was issued in November but was not deposited until February. We recommend that deposits are made in a timely manner.

REYNOLDS MIDDLE SCHOOL

1. During our testing of receipts, in the month of December we noted multiple deposits for Washington D.C. Fundraiser, Choir, and Band that were not issued a receipt. We recommend receipts be issued for all monies received.

SALISH PONDS ELEMENTARY SCHOOL

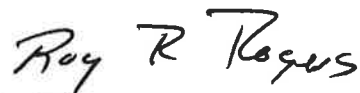
1. During our testing of bank reconciliations, we noted that a 'deposit in transit' amount of \$255 was mistakenly included in the August bank reconciliation, although it was written and deposited in September. We recommend bank reconciliations be reviewed for accuracy.

SWEETBRIAR ELEMENTARY SCHOOL

1. During our testing of bank reconciliations, we noted that an outstanding check in the amount of \$3,925.10 and an outstanding deposit amount of \$476.05 were mistakenly included in the February bank reconciliation, although both were dated in March and cleared the bank in March. We recommend bank reconciliations be reviewed for accuracy.

WILKES ELEMENTARY SCHOOL

1. During our testing of bank reconciliations, we noted an outstanding check in the amount of \$130.67 that was not relevant to the August Reconciliation due to the date of the check but was included in the reconciliation. We recommend bank reconciliations be reviewed for accuracy.



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October 3, 2019

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, 2019 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, 2019, 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
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REYNOLDS SCHOOL DISTRICT
COMBINED BALANCE SHEET (CASH BASIS)
At June 30, 2019

ASSETS

Cash on Deposit:

Reynolds High School	
Checking	\$ 201,376
Total Reynolds High School	<u>201,376</u>
Alder Elementary School	5,118
Davis Elementary School	19,883
Fairview Elementary School	1,029
Glenfair Elementary School	3,445
Hartley Elementary School	13,363
HB Lee Middle School	18,598
Margaret Scott Elementary School	5,583
Reynolds Learning Academy	5,396
Reynolds Middle School	32,083
Salish Ponds Elementary School	10,506
Sweetbriar Elementary School	9,899
Troutdale Elementary School	1,580
Walt Morey Middle School	27,698
Wilkes Elementary School	5,763
Woodland Elementary School	4,728
Total Assets	<u>\$ 366,048</u>

FUND BALANCES

Fund Balance:

Reynolds High School	\$ 201,376
Alder Elementary School	5,118
Davis Elementary School	19,883
Fairview Elementary School	1,029
Glenfair Elementary School	3,445
Hartley Elementary School	13,363
HB Lee Middle School	18,598
Margaret Scott Elementary School	5,583
Reynolds Learning Academy	5,396
Reynolds Middle School	32,083
Salish Ponds Elementary School	10,506
Sweetbriar Elementary School	9,899
Troutdale Elementary School	1,580
Walt Morey Middle School	27,698
Wilkes Elementary School	5,763
Woodland Elementary School	4,728
Total Fund Balance	<u>\$ 366,048</u>

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, 2019**

	Balance 7/01/18	Receipts	Disbursements	Balance 6/30/19
Reynolds High School	\$ 207,434	\$ 445,253	\$ 451,313	\$ 201,374
Alder Elementary School	4,076	7,277	6,235	5,118
Davis Elementary School	18,323	4,410	2,850	19,883
Fairview Elementary School	1,029	-	-	1,029
Glenfair Elementary School	3,500	1,805	1,860	3,445
Hartley Elementary School	13,722	1,652	2,011	13,363
HB Lee Middle School	13,273	36,616	31,291	18,598
Margaret Scott Elementary School	1,413	11,819	7,649	5,583
Reynolds Learning Academy	9,057	1,339	5,000	5,396
Reynolds Middle School	29,197	33,291	30,405	32,083
Salish Ponds Elementary School	10,531	14,909	14,933	10,507
Sweetbriar Elementary School	9,946	6,394	6,441	9,899
Troutdale Elementary School	1,940	1,332	1,692	1,580
Walt Morey Middle School	25,833	15,602	13,736	27,699
Wilkes Elementary School	5,347	10,670	10,254	5,763
Woodland Elementary School	4,412	5,462	5,146	4,728
	<u>\$ 359,033</u>	<u>\$ 597,831</u>	<u>\$ 590,816</u>	<u>\$ 366,048</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 \$383,718 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, 2019 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, 2019.

6. SUBSEQUENT EVENTS

Events have been evaluated for the year ended June 30, 2019 through October 3, 2019, the issuance date of the financial statements. No subsequent events were identified by management that required note disclosure.

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