

ANCHORAGE SCHOOL DISTRICT
STUDENT ACTIVITIES
MANAGEMENT REVIEW AND ANALYSIS
Year Ended June 30, 2008

Prepared By
Altman, Rogers & Co.

**ANCHORAGE SCHOOL DISTRICT
STUDENT ACTIVITIES**

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**ANCHORAGE SCHOOL DISTRICT
STUDENT ACTIVITIES**

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EXECUTIVE SUMMARY

Introduction

The purpose of this review was to evaluate activities, systems, procedures and practices to ensure that the Anchorage School District is effectively managing Student Activity Funds and following sound accounting principles. Student Activity Funds include all student-generated revenue and related expenditures in the fiscal year ending June 30, 2008. The scope of this review includes 8 high schools, 9 middle schools, 5 alternative schools, and 2 extra curricular groups, which are reported on individually on the following pages.

For each of the schools and groups reviewed, a step-by-step program was followed to ensure complete evaluation of the decentralized accounting system. Our procedures were as follows:

Before beginning site visits, we identified each school or group as either a high or low risk school, based on prior year findings, volume of operations, and staff turnover. For high risk sites, we expanded our sample sizes for items tested to include 25 cash disbursements, 15 cash receipts and 5 adjustments. For low risk sites, we reduced our sample sizes to 5 cash disbursements, 5 cash receipts and 5 adjustments.

When on site:

1. Interviewed student activities personnel to determine the following:
 - If prior year findings have been resolved.
 - Segregation of duties between the Assistant Principal and Activities Clerk
 - The adequacy of the reporting system and if it is meeting the needs of the Activity Clerks and the District
 - If student activities personnel are receiving adequate support from the District
2. Documented the accounting systems used by the schools or groups.
3. Performed analysis and testing of those systems in the following areas:
 - **Administration** - We selected several activity groups to determine if they are meeting administrative requirements relating to sponsors, enrollment rosters, and administrative approval, as defined by the District.
 - **Cash and investment accounts** - We reviewed the bank reconciliations to determine if they are being done monthly in accordance with the Student Activities Accounting Manual. We verified that the June 30, 2008 bank reconciliation book balance agreed with the amount reported as cash at year end.
 - **Transfers and adjustments** - We selected adjustments to review throughout the year. We determined if transfers were being done in accordance with District

EXECUTIVE SUMMARY, Continued

policy and that adjustments were being posted correctly as to account, amount and timing.

- **Cash receipts** - We obtained a listing of cash receipts for the fiscal year and selected individual receipts for review to determine if the receipt was recorded correctly according to District policy. We also verified that the receipt was deposited in the activities bank account in a timely manner.
- **Cash disbursements** - We obtained a list of checks written throughout the fiscal year and selected individual checks for review to determine if they were being issued in accordance with District policy, using either purchase orders or check requests, and were accompanied by all necessary supporting documentation.
- **Reporting**- We reviewed monthly reports submitted to the District to determine if they were filed on a timely basis and in accordance with District policy.
- **District revenue and cost reimbursements** - We reviewed all payments received from Anchorage School District to determine that they were credited to the correct activity account. For cost reimbursements from the District, we verified that they were deposited in the activities account where the original funds were expended.
- **Vending machine revenue and Principal's account** - Through inquiry of activities personnel and review of account activity, we determined how the school spends its vending machine revenue and recorded expenses in the account.
- **Contracts for goods or services** - Through inquiry of activities personnel, we determined if the school had any large purchases of goods or services during the year, and if so, that the competitive bid process was used.
- **Authorization** - Through inquiry and observation, we determined if the proper authorization is taking place at the school, either through purchase orders or check requests. If the school uses check requests in place of purchase orders, we determined that authorization had taken place before the purchase and is evident on the check request form.
- **Safeguarding of assets** - Through inquiry of activities personnel, we determined if cash that was collected was stored in a secure location between the time of collection and deposit.
- **Ending cash balances** - We compared the ending cash balances for each school to those of the prior years to identify any significant variances. Any unusual variances identified were evaluated to determine if they were reasonable.

4. We documented and discussed any findings with the activities personnel.

Summary of Recommendations and Results

Overall, the Anchorage School District performs an excellent job of accounting for Student Activity Programs. In most cases, the schools and groups have implemented prior year recommendations and the procedures set forth in the Student Activity Funds Accounting Manual.

EXECUTIVE SUMMARY, Continued

During our current year review, we noted the following concerns related to accounting procedures in various locations, as well as recommendations made in prior review reports, which still had noncompliance by site:

- Purchases lacked the required authorization or authorization was incomplete.

Recommendation: A purchase order or check request should be issued for all purchases requiring Student Activity Funds. The Activities Clerk should indicate on the face of the purchase order that the account has adequate funds available and the Principal or Activities Principal should review and sign the completed form authorizing the transaction.

- Purchases lacked the required supporting documentation.

Recommendation: All documentation supporting a purchase (receipt, invoice, personal service contract, etc.) should be attached to a copy of the corresponding check and purchase order/check request, and be filed appropriately.

- Transfers made at year end lacked the Transfer Authorization Form.

Recommendation: The Student Activity Accounting Manual requires that the Transfer Authorization Form be used for all transfers made by the Student Activities Clerk during the year including transfers made at year end to eliminate deficit balances in student account groups.

- Lack of adequate support for adjusting entries.

Recommendation: In the course of our audit, we noted that there is no effective system in place to properly document the authorization and purpose for adjusting entries. It appears that a hard copy of adjustment entries is the sole documentation retained in the records. Adjusting entries have a similar effect on accounting records as do expenditures made with a check, therefore there should be some level of oversight. To provide adequate accounting transaction documentation, not only for audit purposes but also to ensure adequate internal controls, we propose that the District add a policy requiring Student Activities Clerks to have some documentation support similar to the transfer authorization form.

EXECUTIVE SUMMARY, Continued

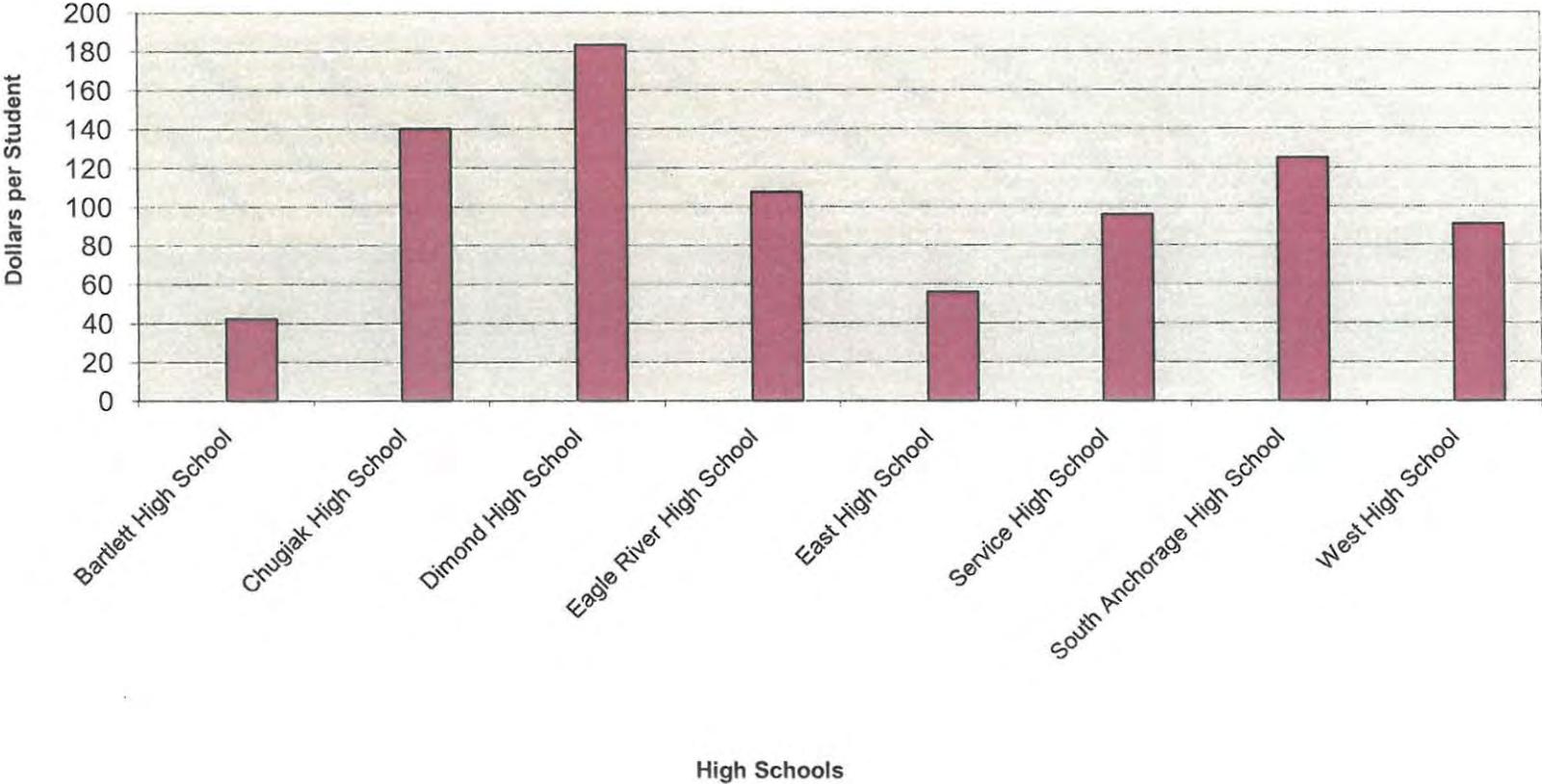
- o Lack of adequate controls over receipts.

Recommendation: Adequate segregation of duties should be implemented for all cash receipt transactions. At a minimum two people should be verifying transactions. All receipts and documentation should be retained for future review. All deposit sheets should be agreed to bank deposits with discrepancies followed up on.

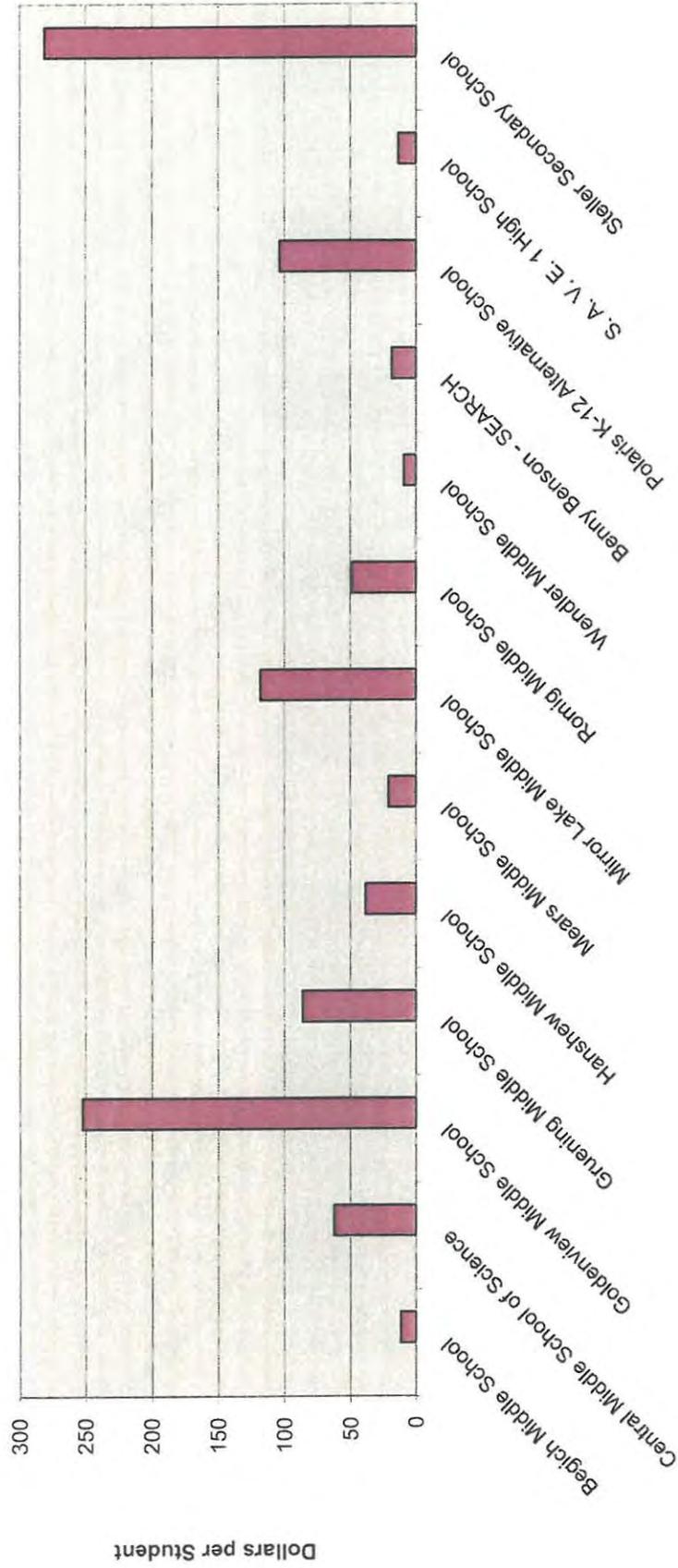
As part of our procedures we also inquired of student activities personnel to determine if the District's Accounting Department provides sufficient instructions and directions to the schools for managing the student activity funds. Common recommendations from student activity personnel included: Increased training, including additional technical support in operating and using the accounting software.

We would like to acknowledge the courtesy and assistance extended to us by the personnel of the Anchorage School District, in particular the Student Activity Personnel assisting us at each of the twenty schools and two extra curricular groups.

**Anchorage School District
Funds Per Student by School
As of June 30, 2008**



Anchorage School District
 Funds Per Student by School
 As of June 30, 2008



Middle and Alternative Schools

BARLETT HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, and recorded correctly as to activity account. Except for the following, no discrepancies were noted:

There were five purchase orders that did not have the proper supporting documentation. Checks were issued without an invoice showing the proper amount due. All transactions should contain sufficient supporting documentation to verify amounts recorded.

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account.

BARLETT HIGH SCHOOL, Continued

During the year the school received three reimbursements from the District totaling \$31,635. Funds were applied to the following student activity groups:

• Flag Football	5,535
• General Activities	3,851
• Cross Country running	2,594
• Football	13,214
• Wrestling	1,982
• Boys Basketball	1,562
• Sports Medicine	<u>2,897</u>
Total	\$ <u>31,635</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that the school earned \$13,938 in vending machine revenue during FY08. The school transferred this income into the general student activities account and used this income for various student activities throughout the year.

The expenditures in the Principal's Account totaled \$4,349 and were spent on the following:

• Student recognition	2,267
• Student shirts	1,673
• Student fees	290
• Staff luncheon	<u>119</u>
Total	\$ <u>4,349</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, we have determined the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school used purchase orders to authorize and approve expenditures. All purchase order requisition forms reviewed were signed by the requestor and the activities principal and were prepared in advance of purchases.

BARLETT HIGH SCHOOL, Continued

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school isn't maintaining a cash balance that is comparable to prior years. Per our inquiry with Student Activities Clerk, we determined that the decrease from 2006 through 2007 was due to a sharp decrease in vending revenues and purchase of sports uniforms. The decrease in cash from 2007 through 2008 is due to the purchase of football equipment as well as flag football expenses for the year.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$71,057	\$107,845	\$142,121

CHUGIAK HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

CHUGIAK HIGH SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Reimbursements totaled \$61,745, and were for the following:

• Athletics	13,077
• Girls Basketball	4,868
• Cheerleading	1,523
• Flag football	6,105
• Gymnastics	599
• Region IV	4,589
• Rifle	616
• Swimming	500
• Tennis	1,528
• Volleyball	690
• Wrestling	115
• Cross Country running	367
• Cross Country skiing	5,205
• Volleyball	1,368
• NJROTC	5,391
• General activities	8,729
• Principal's account	2,338
• Vending	160
• Staff support	<u>3,977</u>
	<u>61,745</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts, and used to supplement the principals account. During the year the school earned \$35,822 in vending machine revenue. \$8,652 was spent of staff student recognition.

The principal's account was used to fund expenditures for staff/student recognition totaling \$15,010.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases for goods or services during the year.

CHUGIAK HIGH SCHOOL, Continued

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance in 2007 that is comparable to 2006.

However, the 2008 decrease in ending cash was from a decrease in vending contracts.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$182,826	\$205,129	\$205,014

Dimond High School
Student Activities

Activities Principal:
Activities/Stock Clerk:

Kevin Theonnes
Bonnie Wheelles

DIMOND HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected five cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected five cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash transactions were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

DIMOND HIGH SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Interest payments from the District were properly credited to the general activities account. During the year the school received reimbursements from the District totaling \$68,270. Funds were applied to the following accounts:

• Medical supplies	2,237
• Flag football	13,828
• Cross country	7,120
• General student activities	26,856
• Equipment for activities	12,963
• Tennis/Rifle general expenses	2,110
• Student travel	<u>3,156</u>
Total	\$ <u>68,270</u>

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts, account used to fund teachers' salaries who work for various student activity groups, and to fund the principal's account. During the year the school earned \$41,339 in vending machine revenue. The transfer made out of the general activity account to student activity groups and the principal's account totaled \$37,660. Funds were transferred for the following purposes:

• Cheerleading expenses	5,313
• Band	398
• Boys Basketball	1,068
• Boys Hockey	4,016
• Soccer	1,288
• Football	7,553
• Girls basketball	812
• Gymnastics	45
• Rifle	4,133
• Tennis	1,198
• Wrestling	272
• Track	4,153
• Miscellaneous athletics	<u>7,411</u>
Total	\$ <u>37,660</u>

DIMOND HIGH SCHOOL, Continued

The principal's account was used to fund expenditures for staff recognition totaling \$650 and student recognition \$1,923.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is slightly higher than last year's balance. Reasons for this change are increases in vending machine revenue and reduced spending in the student activities.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$330,272	\$279,128	\$308,239

EAGLE RIVER HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds

EAGLE RIVER HIGH SCHOOL, Continued

were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received six reimbursements from the District totaling \$29,744. Funds were applied to the following athletic accounts:

• Athletics	19
• Soccer Boys	468
• Soccer Girls	468
• Hockey Boys	265
• Hockey Girls	265
• Volleyball	3,946
• Football	4,637
• Cheerleaders	7,226
• Basketball Girls	197
• Basketball Boys	162
• Track and Field	1,679
• Swimming and Diving	2,000
• Tennis	2,364
• Cross country Skiing	1,000
• Flag Football	1,514
• Gymnastics	1,690
• Admin travel	184
• Cross Country running	367
• General Student Activities	<u>1,293</u>
Total	\$ <u>29,744</u>

- 8. Vending Machine Revenue and Principal's Account:** Eagle River High School earned \$16,569 from vending machines and expended \$4,340 in the current year. Through inquiry of the activities clerk and principal, we have determined that the majority of proceeds were used to cover officiating and sports entry fees as well as staff appreciation items.

• Tournament fees	926
• Staff/student recognition	462
• Staff workshops	382
• Sports costs	<u>2,570</u>
Total	\$ <u>4,340</u>

Eagle River High School doesn't have a principal's account.

EAGLE RIVER HIGH SCHOOL, Continued

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance report provided by the school, and through comparison with prior year ending cash balances, it appears that the school isn't maintaining a cash balance that is comparable to previous years. The increase from 2006 through 2007 was primarily generated due to fundraising activities of the various Athletic "A" accounts, the various Athletic support Group "B" accounts, and various Academic "D". The increase from 2007 to 2008 is due to less money being spent out of the vending machine account.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$92,748	\$69,702	\$34,933

EAST HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. Except for the following, no discrepancies were noted:

One transfer was found to not have any authorization noted on the documentation to authorize the transfer. All transfers should be accompanied by an authorization form to ensure the transaction was approved.

4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. Except for the following, no discrepancies were noted:

One cash receipt was included with a deposit which did not agree with the deposit slip from the bank by \$500. The deposit into the bank was \$500 lower than what was shown as deposited in the system.

5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required.

EAST HIGH SCHOOL, Continued

During our review, we found that the reports for July and August were not submitted until October, the reports for September October and November were not submitted until February. December and January were submitted in April, and February, March and April were not submitted until June, along with the May report which was submitted in a timely manner.

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received reimbursements from the District totaling \$65,452 for the following purposes:

• Uniforms	16,000
• Student travel	10,714
• Athletics	<u>38,738</u>
Total	\$ <u>65,452</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue in the amount of \$29,783 was transferred to the General Activities account.

The principal's account was used to fund expenditures for staff and student recognition during 2008 in the amount of \$6,456. The account was funded with a \$5,000 fund transfer from the general account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

EAST HIGH SCHOOL, Continued

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the cash balance is comparable with previous years. Per conversation with the activities clerk, the declining trend is due to lower vending machine revenues.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$120,041	\$135,706	\$144,227

SERVICE HIGH SCHOOL

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received reimbursements totaling \$55,314. Funds were applied to the following student activity accounts:

SERVICE HIGH SCHOOL, Continued

Contracted services		13,889
Student travel		3,636
Other travel		3,495
Health supplies		5,786
Equipment		18,508
Student activity		<u>10,000</u>
Total	\$	<u>55,314</u>

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk, we have determined that vending machine revenue is used for various student activity expenses. Vending machine revenue of \$13,324 was used to cover:

• Bus monies 07-08		1,000
• Lowe's (BBQ grills)		<u>338</u>
Total	\$	<u>1,338</u>

The principal's account is used to fund expenditures for staff/student recognition totaling \$5,617. Monies were spent for the following purposes:

• Student support		392
• Staff recognition		<u>5,225</u>
Total	\$	<u>5,617</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and the activities principal.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reported provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$178,986	\$175,453	\$243,092

SOUTH HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The District received a total of twenty reimbursements from the District totaling \$48,202:

SOUTH HIGH SCHOOL, Continued

• Athletics	23,915
• Gymnastics	4,822
• Travel	3,983
• Skiing	2,020
• Boys Basketball	1,950
• Track	2,498
• Health Supplies	3,221
• Rifles	5,793
	<u>48,202</u>

8. **Vending Machine Revenue and Principal's Account:** South High School earned \$16,825 from vending machines in the current year. Through inquiry of the activities clerk and principal, we have determined that all vending machine revenues were transferred to the general activities account and used to fund student athletics with the exception of \$3,009 transferred to the principal's account.

The principal's account was used to fund expenditures for staff and student recognitions. Total expenditures for the year were \$2,805.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used purchase orders to authorize and approve expenditures. All cash disbursement transactions were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior years ending cash balances, it appears that the school has yearly increases in the cash balance. Per conversation with the principal and the student activity clerk, this was the result of increased fundraising activities by athletic supporting groups and school academic clubs. South High School is one of the newest schools in the District. We consider it reasonable to see annual increases in their cash balances as student activity groups raised more funds than they spent.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$221,695	\$146,572	\$118,367

WEST HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. Except for the following, no discrepancies were noted:

One deposit for testing was made by the Stock clerk rather than the activities clerk. This deposit never made it to the activities clerk files, but we reviewed the bank statement and verified that the deposit did make it to the bank.

5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. Except for the following, no discrepancies were noted:

The activities clerk could not locate supporting documentation for five transactions selected in our sample. All supporting documentation should be adequately maintained and filed for all transactions.

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

WEST HIGH SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be proper. Interest payments from the District were properly credited to the general activities account. During the year the school received one reimbursement from the District totaling \$28,920. Funds were applied to the following athletic accounts to cover costs of uniforms, officiating fees, and other athletic expenses:

• Volleyball	3,539
• Cross Country	367
• Wrestling	1,683
• Tennis	1,024
• Gymnastics	1,874
• Swimming	505
• Boys Basketball	3,540
• Football	6,310
• Athletics	7,284
• Hockey	<u>2,794</u>
	<u>28,920</u>

8. **Vending Machine Revenue and Principal's Account:** During the year the school earned \$27,636 in vending machine revenue which was transferred to the school general account. Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was used to supplement deficit balances in various Athletics (A) accounts, and to fund the principal's account.

Athletics	25,912
Principals Account	<u>1,724</u>
	<u>27,636</u>

The principal's account was used to cover miscellaneous school-wide expenses totaling \$8,983 during 2008.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

WEST HIGH SCHOOL, Continued

11. **Safeguarding of Assets:** Through inquiry of the student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a safe in which they keep all cash collected, and access is limited to the Student Activities Clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$171,068	\$211,152	\$20,592

BEGICH MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The following are the reimbursements from the District during FY08:

- Clothing 26,866

BEGICH MIDDLE SCHOOL, Continued

8. **Vending Machine Revenue and Principal's Account:** Begich Middle School earned \$3,231 from vending machines in the current year. Through inquiry of the activities clerk and principal, we have determined that current year vending machine revenue were transferred to the general activities of \$2,585, and the principals account of \$646.

The principal's account during 2008 was funded with a portion of vending machine revenue of \$646 and other fund raising activities and reimbursements of \$3,922. Available monies were spent as follows:

- Staff support 4,458
- Student support 291

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school it appears that the cash balance does not vary greatly.

	<u>2008</u>	<u>Beg. Bal.</u>
Total Cash per books	\$13,472	\$5,284

CENTRAL MIDDLE SCHOOL

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** *We attempted to review five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. We were able to review documentation for one of the transfers we selected; however it lacked the proper signatures on the transfer form. We were unable to locate any transfer authorization form for the remaining four transactions.*
4. **Cash Receipts:** We selected 15 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year.
 - *We found one transaction that was counted by and verified by the same person. There should be two different people counting and verifying the funds.*
5. **Cash Disbursements:** We selected 25 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and determined that there were no reimbursements from the District in

CENTRAL MIDDLE SCHOOL, Continued

FY08. Interest payments from the District were properly credited to the general activities account.

8. **Vending Machine Revenue and Principals Account:** Central Middle School earned \$4,632 from vending machines in the current year. Through inquiry of the activities clerk and principal, we have determined that current year vending machine revenue in addition to a carryover balances from the prior years were used to pay for the following costs benefiting the school as a whole:

• Apparel	2,787
• Student recognitions	5,470
• Dances and concerts	433
• Other	<u>1,138</u>
Total	\$ <u>9,828</u>

The principal's account during 2008 was funded with school picture commission. There was also a beginning balance of \$6,866 to help fund the expenses. Available monies were spent as follow:

• Staff recognition	2,000
• Student recognition	3,102
• Conference	1,050
• Other	<u>1,103</u>
Total	\$ <u>7,255</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, principal, and assistant principal.

CENTRAL MIDDLE SCHOOL, Continued

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is slightly lower than last years. An explanation for the decrease in cash is that the school purchased new computers and also saw a decrease in their vending machine revenue.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$39,895	\$54,293	\$66,142

GOLDENVIEW MIDDLE SCHOOL

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and have determined that there was one cost reimbursement from the District in FY08 totaling \$874. This reimbursement was to cover bus expenses for field trips. Interest payments from the District were properly credited to the general activities account.

GOLDENVIEW MIDDLE SCHOOL, Continued

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that the school earned \$5,794 from their vending machines. Monies were used to pay for staff and student recognition, consisting of lunches, gifts for volunteers, and student prizes totaling \$7,760.

• Student support	4,293
• Staff appreciation	2,452
• District	472
• Volunteer appreciation	393
• School décor	<u>150</u>
Total	\$ <u>7,760</u>

Goldenview Middle School doesn't have a Principal account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases for goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school used check requests and purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and the school principal.

12. **Ending Cash Balances:** Based on the review of the year-to-date cash balance reported provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$203,872	\$187,077	\$188,259

GRUENING MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Interest payments from the District were properly credited to the general activities account. During the year the school received one reimbursement from the District totaling \$3,805 which was applied to the Middle School Track & Field account.

GRUENING MIDDLE SCHOOL, Continued

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. Total vending machine revenue was \$4,069 during the year. Transfers from the GMS Vending account totaled \$2,982.

The principal's account was used to fund expenditures for staff t-shirts \$471, student gift cards \$80 and staff luncheon, \$148, for a total of \$699.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, principal and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$50,725	\$43,350	\$55,812

HANSHEW MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that there were no cost reimbursements from the District in FY08. Interest payments from the District were properly credited to the general activities account.
8. **Vending Machine Revenue and Principal's Account:** Hanshew Middle School earned \$2,768 from vending machines. Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was directly recorded into the general activities account and used to cover a wide range of school-wide expenditures.

HANSHEW MIDDLE SCHOOL, Continued

Hanshaw Middle School does not have principal account. It does however have what it calls a "Faculty Fund" that was funded through vending deposits in the amount of \$1,441. We were unable to verify expenses from this account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$31,137	\$26,888	\$25,628

MEARS MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. Several discrepancies were noted:

Four of the transactions did not use the appropriate authorization form. All transfer transactions should use the designated authorization/approval form to ensure all transactions get approved before they are incurred.

4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school received \$3,356 in reimbursements for various expenses coded correctly to the general activity account.

MEARS MIDDLE SCHOOL, Continued

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue for the year totaled \$1,119. The full amount was transferred to the general account for miscellaneous school-wide expenses.

The principal's account was used to fund expenditures of \$2,591, for the following purposes:

• Staff clothing	918
• Staff meals	510
• Miscellaneous staff-related expenses	<u>1,163</u>
Total	\$ <u>2,591</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$19,177	\$21,818	\$14,700

MIRROR LAKE MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments and have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received two reimbursements from the District totaling \$789. Funds were applied to the following accounts:

MIRROR LAKE MIDDLE SCHOOL, Continued

• General activities	331
• Athletics	<u>458</u>
	<u>\$789</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to fund the principal's account as well as the general activities account. The vending machine revenue from the general activities account is used for various student activities throughout the school year. The total vending machine revenue deposited into the general activities was \$2,594. The principal's account is used to fund expenditures for staff recognition totaling \$2,992, and consisting of the following:

• Staff shirts	1,475
• Luncheons	583
• Teacher appreciation	709
• Principal's conference	<u>225</u>
Total	\$ <u>2,992</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$79,072	\$73,463	\$69,937

Romig Middle School

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

Romig Middle School, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school received three reimbursements from the district totaling \$9,953 and were for the following:

• Wrestling	2,863
• Volleyball	2,346
• Science Olympics	125
• Athletics	4,435
• Cross-country skiing	<u>184</u>
Total	\$ <u>9,953</u>

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue account earned \$13,198 during the year. The vending machine revenue is used to fund the Principal's account as well as to support miscellaneous student activities such as student recognition and upgrading school equipment.

The principal's account had expenditures of \$6,433 during the year for staff recognition such as lunches, gifts for staff, as well as awards for students.

• Luncheon	1,300
• Staff appreciation	2,317
• Student recognition	1,074
• Registration for classes	499
• Staff wear	1,163
• Miscellaneous	<u>80</u>
Total	\$ <u>6,433</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

Romig Middle School, Continued

11. Safeguarding of Assets: Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, the assistant principal and the principal.

12. Ending Cash Balances: Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that for 2008 the school is maintaining a cash balance that is comparable to 2007. However, the 2007 cash balance is much larger than 2006. Through inquiry of the activity clerk, the cash increase was due to better fundraising by student activity groups and reduction in general expenditures school wide.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$40,094	\$44,492	\$23,958

WENDLER MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts.

Transfers for the correction of errors and for routine entries are not accompanied by a transfer authorization. In order to ensure that all transfers are recorded correctly an authorization/approval form should be utilized for all transfers.

4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. Except for the following, no discrepancies were noted:
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

WENDLER MIDDLE SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were
8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was used to supplement deficit balances in various student activity group accounts. There were no expenditures during the year.

The Principal's account had total expenditures of \$532 for staff and student support.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the cash balance has been declining steadily for the last three years. Through our inquiry of the activities clerk, this difference was due to a substantial decrease in vending machine revenues as well as Wendler Middle School providing gym uniforms to all the students who couldn't afford them.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$7,915	\$12,162	\$29,250

BENNY BENSON

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.

Benny Benson does not use the same accounting software utilized by the other schools. They have only one activity group and therefore do not utilize activity listings.

2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. The only adjustments posted were for interest earned. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. One discrepancy was noted.

One transaction did not have adequate supporting documentation showing that the transaction was properly approved. Through inquiry of the activities clerk the transaction should have been signed by the principal to indicate transaction approval.

BENNY BENSON, Continued

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis. Benny Benson does not use the prescribed software to run their reports. Instead, they keep track of all activity in excel spreadsheets, which are adequate for the small number of transactions they incur through the year.

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school received four reimbursements from the district totaling \$6,585, which were posted into the school general activity account.

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. The school received \$2,166 in vending machine revenue which was used to fund various school-wide expenses.

Benny Benson does not have a Principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$ 4,518	\$ 927	\$ 4,399

King Career Center

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and have determined that there were no cost reimbursements from the District in FY08. Interest payments from the District were properly credited to the general activities account.
8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue for

King Career Center, Continued

FY08 was \$11,794. The vending machine account is used to fund scholarships. There were no expenditures out of the vending machine account this year.

The principal's account was used to fund expenditures for staff and student recognition totaling \$4,955:

• Staff meals	2,075
• Meetings and conferences	483
• Supplies and items	<u>2,397</u>
Total	\$ <u>4,955</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, and the school principal.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reported provided by the school and through comparison with prior year ending cash balances, it appears that there has been a significant increase in the cash balance between 2007 and 2008. In 2008 the school did not spend any of their vending machine revenue, which caused a large increase in their cash balance.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$109,251	\$86,827	\$92,325

POLARIS K-12

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and have determined that there was one reimbursement from the district for \$1,355. This reimbursement was for fees to the Alaska State Association of DECA.
8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. During the year the school earned \$1,383 in vending machine revenue, with the funds being transferred for the following purposes:

POLARIS K-12, Continued

• Student Activities		691
• Scholarships		346
• Op Group		<u>346</u>
Total	\$	<u>1,383</u>

Polaris K-12 doesn't have a Principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$47,952	\$58,635	\$57,252

STELLER SECONDARY SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts.

Steller uses a blue check request form to authorize transfers. No authorization was obtained for 4 of 5 transfers reviewed. The lack of authorization is due to the routine nature of the transfers which did not have authorization. Regardless of the transfer all transactions should be accompanied with some form of authorization/approval.

4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to

STELLER SECONDARY SCHOOL, Continued

be properly approved and expended. Interest payments from the District were properly credited to the general activities account.

The following were the reimbursements from the District:

- \$4,906 was recorded in the General Activity account for costs originally paid out of the same account for student activity buses.

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. During the year the school earned \$3,150 in vending machine revenue, all of which was transferred for general activities.

Steller Secondary School does not have a Principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests and purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, and principal.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$79,775	\$84,029	\$70,903

COOK INLET FOOTBALL CONFERENCE

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. Except for the following, no discrepancies were noted:

Two of the transfers selected were lacking the required documentation of authorization. All transfers should be accompanied by documentation indicating that it was authorized by management.

4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 10 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, and recorded correctly as to activity account. One discrepancy was noted:

One check was not able to be located by the activities clerk. All documentation must be retained and filed.

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

Some bank reconciliations and reports were not submitted timely, August was submitted in November, October and November in February, and January in April.

COOK INLET FOOTBALL CONFERENCE, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and determined that there were no reimbursements from the District in FY08.
8. **Vending Machine Revenue and Principal's Account:** This activity is not applicable to the association, as it deals strictly with the activities associated with running the ASD high school football.
9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the association had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the association sponsor is the one who primarily approves purchases for payment. The activities principal reviews all payments before they are made.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The association has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years. The trend upward is just normal fluctuations in the cash balance.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$3,997	\$2,529	\$1,073

ANCHORAGE HOCKEY ASSOCIATION

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the association meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and determined that there were no reimbursements from the District in FY08.
8. **Vending Machine Revenue and Principal's Account:** This activity is not applicable to the association, as it deals strictly with the activities associated with running the ASD high school hockey.

ANCHORAGE HOCKEY ASSOCIATION, Continued

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the association had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the association sponsor is the one who primarily approves purchases for payment. The activities principal reviews all payments before they are made.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The association has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the association and through comparison with prior year ending cash balances, it appears that the association is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$880	\$828	\$814

SAVE

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** SAVE high school makes transfers only for the purpose of transferring funds for negative balances.

Transfers do not use the transfer authorization form, as the student activity clerk was not aware that such a form should be used. All transfers should be accompanied by an approval/authorization form to ensure incorrect transactions are not posted.

4. **Cash Receipts:** We selected 15 cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, and recorded correctly as to activity account. Except for the following, no discrepancies were noted:

One check request lacked the supporting documentation which would show the receipt of the proper service. Vendor invoices should be attached to all expenditures to provide documentation that transactions were recorded for the correct amount.

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

SAVE, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. \$3,392 recorded into the general activities account was the only reimbursement during the year.

8. **Vending Machine Revenue and Principal Account:** SAVE High School earned \$1,135 from vending machine in the current year. Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was used for scholarships.

S.A.V.E. does not have a principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school used check requests to authorize and approve expenditures. All check requests reviewed were signed by the requestor and activities principal except one (See finding on cash disbursement) and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

Per conversation with activities clerk, reasons for trending cash balance. This is mainly due to the drop in vending machine revenues due to the requirement for healthy snacks and free fruits and vegetables.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$3,469	\$7,794	\$9,939

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

MEMORANDUM

May 29, 2009

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: RESPONSE TO MANAGEMENT ANALYSIS AND REVIEW OF STUDENT ACTIVITIES

The Student Activities Fund Management Review and Analysis was conducted by Altman Rogers & Company and is based on the decentralized student activity accounts of fiscal year 2007-2008. This review is an annual internal control to ensure the appropriate procedures are followed with the decentralized student activity funds as the accounts are considered to be a high risk activity. This memo and attached report serves to provide the District response to the findings and recommendations of the review and analysis.

In general, the review found no critical holes within established procedures, or with the execution of these procedures throughout the year of activity reviewed. The process of the review serves not just to inform the School Board and Administration of any errors, but to validate from an external perspective that established procedures support strong internal controls. In the case of the activity of fiscal year 2007-2008, Altman Rogers & Company states in the executive summary that the district "*performs an excellent job of accounting for Student Activity Programs.*" Of course, with any activity of similar volume of the district's student activities, some errors and mistakes will be identified and documented as they have been in this review for your consideration.

In the executive summary of the Student Activities Management Review and Analysis, general recommendations were made based on summaries of trends found among all of the schools audited. Included were a number of recommendations to the Accounting Department. Below are the responses.

1. **Recommendation:** A purchase order or check request should be issued for all purchases requiring Student Activity Funds. The Activities Clerk should indicate on the face of the purchase order that the account has adequate funds available and the Principal or Activities Principal should review and sign the completed form authorizing the transaction.

Response: The Accounting Department has procedures requiring the Activities Clerks to indicate on the Purchase Request/Pre-Authorization Form that funds are available for the purchase. There are also procedures requiring the signature of the

Principal or Activities Principal for the purchase to be made. The Accounting Department regularly works with the schools to reinforce this procedure.

- 2. Recommendation:** All documentation supporting a purchase (receipt, invoice, personal service contract, etc.) should be attached to a copy of the corresponding check and purchase order/check request, and be filed appropriately.

Response: The Accounting Department has procedures set in the Student Activities Accounting Manual that require the Activity Clerks to attach documentation to their checks. The documentation for each purchase should include a copy of the check, the signed Purchase Request/Pre-Authorization Form, a copy of the Purchase Order or Personal Service Contract (if applicable), and a copy of the receipt or invoice. The Accounting Department regularly works with the schools to reinforce this procedure.

- 3. Recommendation:** The Student Activity Accounting Manual requires that the Transfer Authorization Form be used for all transfers made by the Student Activities Clerk during the year including transfers made at year end to eliminate deficit balances in student account groups.

Response: The Accounting Department agrees with this assessment and regularly works with the schools to ensure this procedure is followed.

- 4. Recommendation:** In the course of our audit, we noted that there is no effective system in place to properly document the authorization and purpose for adjusting entries. It appears that a hard copy of adjustment entries is the sole documentation retained in the records. Adjusting entries have a similar effect on accounting records as do expenditures made with a check, therefore there should be some level of oversight. To provide adequate accounting transaction documentation, not only for audit purposes but also to ensure adequate internal controls, we propose that the District add a policy requiring Student Activities Clerks to have some documentation support similar to the transfer authorization form.

Response: The Accounting Department agrees with this recommendation and will be implementing new procedures in fiscal year 2010 to require authorization of adjustments. Form S/A #115, Adjustment Authorization, and supporting documentation will be required for adjustments.

- 5. Recommendation:** Adequate segregation of duties should be implemented for all cash receipt transactions. At a minimum two people should be verifying transactions. All receipts and documentation should be retained for future review. All deposit sheets should be agreed to bank deposits with discrepancies followed up on.

Response: The Accounting Department has procedures in place that require the segregation of duties when making deposits. The sponsors of the student activity organizations are required to fill out and sign a Money Count Sheet when they

turn money into the Activities Clerk. The clerk is required to recount and notate any overage or shortage of funds that the sponsor turned in and follow up with the sponsor about the discrepancy. The clerk should then write a receipt for the transaction. The total amount of receipts should agree to the amount of the bank deposit and all the money count sheets are kept as supporting documentation.

6. As part of our procedures we also inquired of student activities personnel to determine if the District's Accounting Department provides sufficient instructions and directions to the schools for managing the student activities funds. Common recommendations from student activity personnel included: increased training, including additional technical support in operating and using the accounting software.

Response: The Accounting Department agrees that training can always be improved on. The current training includes a dedicated accountant who travels to each location to provide new and existing employees on-site training and guidance for accounting principles, software instruction and procedural guidelines. In addition, the accountant is always available for communication and regularly works with schools through email and phone communication. For fiscal year 2009, we placed the Activities Accounting program on a centralized server that allows the Student Activities Accountant "live" access to assist with any problems the clerks may have with the software immediately.

The following pages reflect the full report from Altman Rogers & Company with responses inserted to each recommendation, discrepancies or exceptions noted.

CC/JS/CS

BARLETT HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, and recorded correctly as to activity account. Except for the following, no discrepancies were noted:

There were five purchase orders that did not have the proper supporting documentation. Checks were issued without an invoice showing the proper amount due. All transactions should contain sufficient supporting documentation to verify amounts recorded.

Response: We have a practice of always issuing purchase orders with every check that we write. For the checks in question, a purchase order should not have been written, and instead, a check request form should have been used and the coach/teacher should have brought us the receipt. We are now using the new forms and a purchase order is only issued when items are being ordered.

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

BARLETT HIGH SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account.

During the year the school received three reimbursements from the District totaling \$31,635. Funds were applied to the following student activity groups:

• Flag Football	5,535
• General Activities	3,851
• Cross Country running	2,594
• Football	13,214
• Wrestling	1,982
• Boys Basketball	1,562
• Sports Medicine	<u>2,897</u>
Total	\$ <u>31,635</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that the school earned \$13,938 in vending machine revenue during FY08. The school transferred this income into the general student activities account and used this income for various student activities throughout the year.

The expenditures in the Principal's Account totaled \$4,349 and were spent on the following:

• Student recognition	2,267
• Student shirts	1,673
• Student fees	290
• Staff luncheon	<u>119</u>
Total	\$ <u>4,349</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, we have determined the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school used purchase orders to authorize and approve expenditures. All purchase order requisition forms reviewed were signed by the requestor and the activities principal and were prepared in advance of purchases.

BARLETT HIGH SCHOOL, Continued

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school isn't maintaining a cash balance that is comparable to prior years. Per our inquiry with Student Activities Clerk, we determined that the decrease from 2006 through 2007 was due to a sharp decrease in vending revenues and purchase of sports uniforms. The decrease in cash from 2007 through 2008 is due to the purchase of football equipment as well as flag football expenses for the year.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$71,057	\$107,845	\$142,121

CHUGIAK HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

CHUGIAK HIGH SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Reimbursements totaled \$61,745, and were for the following:

• Athletics	13,077
• Girls Basketball	4,868
• Cheerleading	1,523
• Flag football	6,105
• Gymnastics	599
• Region IV	4,589
• Rifle	616
• Swimming	500
• Tennis	1,528
• Volleyball	690
• Wrestling	115
• Cross Country running	367
• Cross Country skiing	5,205
• Volleyball	1,368
• NJROTC	5,391
• General activities	8,729
• Principal's account	2,338
• Vending	161
• Staff support	<u>3,977</u>
	<u>61,745</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts, and used to supplement the principal's account. During the year the school earned \$35,822 in vending machine revenue. \$8,652 was spent of staff student recognition.

The principal's account was used to fund expenditures for staff/student recognition totaling \$15,010.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases for goods or services during the year.

CHUGIAK HIGH SCHOOL, Continued

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance in 2007 that is comparable to 2006.

However, the 2008 decrease in ending cash was from a decrease in vending contracts.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$182,826	\$205,129	\$205,014

DIMOND HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected five cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected five cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash transactions were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

DIMOND HIGH SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Interest payments from the District were properly credited to the general activities account. During the year the school received reimbursements from the District totaling \$68,270. Funds were applied to the following accounts:

• Medical supplies	2,237
• Flag football	13,828
• Cross country	7,120
• General student activities	26,856
• Equipment for activities	12,963
• Tennis/Rifle general expenses	2,110
• Student travel	<u>3,156</u>
Total	\$ <u>68,270</u>

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts, account used to fund teachers' salaries who work for various student activity groups, and to fund the principal's account. During the year the school earned \$41,339 in vending machine revenue. The transfer made out of the general activity account to student activity groups and the principal's account totaled \$37,660. Funds were transferred for the following purposes:

• Cheerleading expenses	5,313
• Band	398
• Boys Basketball	1,068
• Boys Hockey	4,016
• Soccer	1,288
• Football	7,553
• Girls basketball	812
• Gymnastics	45
• Rifle	4,133
• Tennis	1,198
• Wrestling	272
• Track	4,153
• Miscellaneous athletics	<u>7,411</u>
Total	\$ <u>37,660</u>

DIMOND HIGH SCHOOL, Continued

The principal's account was used to fund expenditures for staff recognition totaling \$650 and student recognition \$1,923.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is slightly higher than last year's balance. Reasons for this change are increases in vending machine revenue and reduced spending in the student activities.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$330,272	\$279,128	\$308,239

EAGLE RIVER HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds

EAGLE RIVER HIGH SCHOOL, Continued

were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received six reimbursements from the District totaling \$29,744. Funds were applied to the following athletic accounts:

• Athletics	19
• Soccer Boys	468
• Soccer Girls	468
• Hockey Boys	265
• Hockey Girls	265
• Volleyball	3,946
• Football	4,637
• Cheerleaders	7,226
• Basketball Girls	197
• Basketball Boys	162
• Track and Field	1,679
• Swimming and Diving	2,000
• Tennis	2,364
• Cross country Skiing	1,000
• Flag Football	1,514
• Gymnastics	1,690
• Admin travel	184
• Cross Country running	367
• General Student Activities	<u>1,293</u>
Total	\$ <u>29,744</u>

- 8. Vending Machine Revenue and Principal's Account:** Eagle River High School earned \$16,569 from vending machines and expended \$4,340 in the current year. Through inquiry of the activities clerk and principal, we have determined that the majority of proceeds were used to cover officiating and sports entry fees as well as staff appreciation items.

• Tournament fees	926
• Staff/student recognition	462
• Staff workshops	382
• Sports costs	<u>2,570</u>
Total	\$ <u>4,340</u>

Eagle River High School doesn't have a principal's account.

EAGLE RIVER HIGH SCHOOL, Continued

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance report provided by the school, and through comparison with prior year ending cash balances, it appears that the school isn't maintaining a cash balance that is comparable to previous years. The increase from 2006 through 2007 was primarily generated due to fundraising activities of the various Athletic "A" accounts, the various Athletic support Group "B" accounts, and various Academic "D". The increase from 2007 to 2008 is due to less money being spent out of the vending machine account.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$92,748	\$69,702	\$34,933

EAST HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. Except for the following, no discrepancies were noted:

One transfer was found to not have any authorization noted on the documentation to authorize the transfer. All transfers should be accompanied by an authorization form to ensure the transaction was approved.

Response: As this was paperwork from the previous Activities Clerk, Ms. Sept and Mrs. Roberts are making every effort to make sure paperwork is completed in a proper manner.

4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. Except for the following, no discrepancies were noted:

One cash receipt was included with a deposit which did not agree with the deposit slip from the bank by \$500. The deposit into the bank was \$500 lower than what was shown as deposited in the system.

Response: This was paperwork submitted by the previous Activities Clerk. After researching and speaking with the previous Clerk, it was found that one of the deposits by JROTC was off in the amount of the checks submitted and was reported improperly.

5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.

EAST HIGH SCHOOL, Continued

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required.

During our review, we found that the reports for July and August were not submitted until October, the reports for September October and November were not submitted until February. December and January were submitted in April, and February, March and April were not submitted until June, along with the May report which was submitted in a timely manner.

Response: As this was paperwork from the previous Activities Clerk, Ms. Sept and Mrs. Roberts are making every effort to make sure paperwork is completed in a proper manner.

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received reimbursements from the District totaling \$65,452 for the following purposes:

• Uniforms	16,000
• Student travel	10,714
• Athletics	<u>38,738</u>
Total	\$ <u>65,452</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue in the amount of \$29,783 was transferred to the General Activities account.

The principal's account was used to fund expenditures for staff and student recognition during 2008 in the amount of \$6,456. The account was funded with a \$5,000 fund transfer from the general account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

EAST HIGH SCHOOL, Continued

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the cash balance is comparable with previous years. Per conversation with the activities clerk, the declining trend is due to lower vending machine revenues.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$120,041	\$135,706	\$144,227

SERVICE HIGH SCHOOL

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received reimbursements totaling \$55,314. Funds were applied to the following student activity accounts:

SERVICE HIGH SCHOOL, Continued

Contracted services	13,889
Student travel	3,636
Other travel	3,495
Health supplies	5,786
Equipment	18,508
Student activity	<u>10,000</u>
Total	\$ <u>55,314</u>

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk, we have determined that vending machine revenue is used for various student activity expenses. Vending machine revenue of \$13,324 was used to cover:

• Bus monies 07-08	1,000
• Lowe's (BBQ grills)	<u>338</u>
Total	\$ <u>1,338</u>

The principal's account is used to fund expenditures for staff/student recognition totaling \$5,617. Monies were spent for the following purposes:

• Student support	392
• Staff recognition	<u>5,225</u>
Total	\$ <u>5,617</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and the activities principal.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reported provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$178,986	\$175,453	\$243,092

SOUTH HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The District received a total of twenty reimbursements from the District totaling \$48,202:

SOUTH HIGH SCHOOL, Continued

• Athletics	23,915
• Gymnastics	4,822
• Travel	3,983
• Skiing	2,020
• Boys Basketball	1,950
• Track	2,498
• Health Supplies	3,221
• Rifles	5,793
	<u>48,202</u>

8. **Vending Machine Revenue and Principal's Account:** South High School earned \$16,825 from vending machines in the current year. Through inquiry of the activities clerk and principal, we have determined that all vending machine revenues were transferred to the general activities account and used to fund student athletics with the exception of \$3,009 transferred to the principal's account.

The principal's account was used to fund expenditures for staff and student recognitions. Total expenditures for the year were \$2,805.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used purchase orders to authorize and approve expenditures. All cash disbursement transactions were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior years ending cash balances, it appears that the school has yearly increases in the cash balance. Per conversation with the principal and the student activity clerk, this was the result of increased fundraising activities by athletic supporting groups and school academic clubs. South High School is one of the newest schools in the District. We consider it reasonable to see annual increases in their cash balances as student activity groups raised more funds than they spent.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$221,695	\$146,572	\$118,367

WEST HIGH SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. Except for the following, no discrepancies were noted:

One deposit for testing was made by the Stock clerk rather than the activities clerk. This deposit never made it to the activities clerk files, but we reviewed the bank statement and verified that the deposit did make it to the bank.

Response: I have reviewed the procedure with both Sonya Jones the Activities Clerk, and Jenni Schauer the Stock Clerk and they are both aware that deposits for testing must be run through the activities office.

5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. Except for the following, no discrepancies were noted:

The activities clerk could not locate supporting documentation for five transactions selected in our sample. All supporting documentation should be adequately maintained and filed for all transactions.

WEST HIGH SCHOOL, Continued

Response: This discrepancy took place when the West High Activities office had lost their experienced clerk, and had hired an inexperienced clerk that was let go during her probation period. At that time neither Sonya nor I were involved in running West High Activities. Cash disbursements that were reviewed during Sonja's involvement adhered to the district's policy relating to cash disbursements.

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be proper. Interest payments from the District were properly credited to the general activities account. During the year the school received one reimbursement from the District totaling \$28,920. Funds were applied to the following athletic accounts to cover costs of uniforms, officiating fees, and other athletic expenses:

• Volleyball	3,539
• Cross Country	367
• Wrestling	1,683
• Tennis	1,024
• Gymnastics	1,874
• Swimming	506
• Boys Basketball	3,540
• Football	6,310
• Athletics	7,284
• Hockey	<u>2,794</u>
	<u>28,920</u>

8. **Vending Machine Revenue and Principal's Account:** During the year the school earned \$27,636 in vending machine revenue which was transferred to the school general account. Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was used to supplement deficit balances in various Athletics (A) accounts, and to fund the principal's account.

Athletics	25,912
Principals Account	<u>1,724</u>
	<u>27,636</u>

The principal's account was used to cover miscellaneous school-wide expenses totaling \$8,983 during 2008.

WEST HIGH SCHOOL, Continued

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of the student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a safe in which they keep all cash collected, and access is limited to the Student Activities Clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$171,068	\$211,152	\$20,592

BEGICH MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The following are the reimbursements from the District during FY08:

- Clothing 26,866

BEGICH MIDDLE SCHOOL, Continued

8. **Vending Machine Revenue and Principal's Account:** Begich Middle School earned \$3,231 from vending machines in the current year. Through inquiry of the activities clerk and principal, we have determined that current year vending machine revenue were transferred to the general activities of \$2,585, and the principals account of \$646.

The principal's account during 2008 was funded with a portion of vending machine revenue of \$646 and other fund raising activities and reimbursements of \$3,922. Available monies were spent as follows:

• Staff support	4,458
• Student support	291

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school it appears that the cash balance does not vary greatly.

	<u>2008</u>	<u>Beg. Bal.</u>
Total Cash per books	\$13,472	\$5,284

CENTRAL MIDDLE SCHOOL

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** *We attempted to review five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. We were able to review documentation for one of the transfers we selected; however it lacked the proper signatures on the transfer form. We were unable to locate any transfer authorization form for the remaining four transactions.*

Response: Policies and procedures have been reviewed. Current staff is using the S/A #110, Transfer Authorization Sheet and are aware of the requirement for this form.

4. **Cash Receipts:** We selected 15 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year.

We found one transaction that was counted by and verified by the same person. There should be two different people counting and verifying the funds.

Response: Policies and procedures have been reviewed Current staff performs the count then utilize other staff members for verifying funds.

5. **Cash Disbursements:** We selected 25 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.

CENTRAL MIDDLE SCHOOL, Continued

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and determined that there were no reimbursements from the District in

FY08. Interest payments from the District were properly credited to the general activities account.

8. **Vending Machine Revenue and Principals Account:** Central Middle School earned \$4,632 from vending machines in the current year. Through inquiry of the activities clerk and principal, we have determined that current year vending machine revenue in addition to a carryover balances from the prior years were used to pay for the following costs benefiting the school as a whole:

• Apparel	2,787
• Student recognitions	5,470
• Dances and concerts	433
• Other	<u>1,138</u>
Total	\$ <u>9,828</u>

The principal's account during 2008 was funded with school picture commission. There was also a beginning balance of \$6,866 to help fund the expenses. Available monies were spent as follow:

• Staff recognition	2,000
• Student recognition	3,102
• Conference	1,050
• Other	<u>1,103</u>
Total	\$ <u>7,255</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

CENTRAL MIDDLE SCHOOL, Continued

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, principal, and assistant principal.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is slightly lower than last years. An explanation for the decrease in cash is that the school purchased new computers and also saw a decrease in their vending machine revenue.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$39,895	\$54,293	\$66,142

GOLDENVIEW MIDDLE SCHOOL

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and have determined that there was one cost reimbursement from the District in FY08 totaling \$874. This reimbursement was to cover bus expenses for field trips. Interest payments from the District were properly credited to the general activities account.
8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that the school earned \$5,794 from

GOLDENVIEW MIDDLE SCHOOL, Continued

their vending machines. Monies were used to pay for staff and student recognition, consisting of lunches, gifts for volunteers, and student prizes totaling \$7,760.

• Student support	4,293
• Staff appreciation	2,452
• District	472
• Volunteer appreciation	393
• School décor	<u>150</u>
Total	\$ <u>7,760</u>

Goldenview Middle School doesn't have a Principal account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases for goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school used check requests and purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and the school principal.
12. **Ending Cash Balances:** Based on the review of the year-to-date cash balance reported provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$203,872	\$187,077	\$188,259

GRUENING MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Interest payments from the District were properly credited to the general activities account. During the year the school received one reimbursement from the District totaling \$3,805 which was applied to the Middle School Track & Field account.

GRUENING MIDDLE SCHOOL, Continued

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. Total vending machine revenue was \$4,069 during the year. Transfers from the GMS Vending account totaled \$2,982.

The principal's account was used to fund expenditures for staff t-shirts \$471, student gift cards \$80 and staff luncheon, \$148, for a total of \$699.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, principal and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$50,725	\$43,350	\$55,812

HANSHEW MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that there were no cost reimbursements from the District in FY08. Interest payments from the District were properly credited to the general activities account.
8. **Vending Machine Revenue and Principal's Account:** Hanshew Middle School earned \$2,768 from vending machines. Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was directly recorded into the general activities account and used to cover a wide range of school-wide expenditures.

HANSHEW MIDDLE SCHOOL, Continued

Hanshew Middle School does not have principal's account. It does however have what it calls a "Faculty Fund" that was funded through vending deposits in the amount of \$1,441. We were unable to verify expenses from this account.

Response: Hanshew Middle School has never had a principal's account. We do have a faculty fund which is used to help support activities such as:

Teacher meetings and supplies during 6th grade orientation
Family fun night – prizes and activities
Committee meetings (steering, safety, activities, curriculum) refreshments
Staff dinner for parent-teacher conferences
Gifts for annual staff appreciation
Award for Spelling Bee champion
End-of-year recognitions
Guest speaker/presenter gifts

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$31,137	\$26,888	\$25,628

MEARS MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. Several discrepancies were noted:

Four of the transactions did not use the appropriate authorization form. All transfer transactions should use the designated authorization/approval form to ensure all transactions get approved before they are incurred.

Response: Mears staff will use the appropriate forms and all staff will be aware of the policy.

4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to

MEARS MIDDLE SCHOOL, Continued

be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school received \$3,356 in reimbursements for various expenses coded correctly to the general activity account.

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue for the year totaled \$1,119. The full amount was transferred to the general account for miscellaneous school-wide expenses.

The principal's account was used to fund expenditures of \$2,591, for the following purposes:

• Staff clothing	918
• Staff meals	510
• Miscellaneous staff-related expenses	<u>1,163</u>
Total	\$ <u>2,591</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$19,177	\$21,818	\$14,700

MIRROR LAKE MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments and have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. During the year the school received two reimbursements from the District totaling \$789. Funds were applied to the following accounts:

MIRROR LAKE MIDDLE SCHOOL, Continued

• General activities	331
• Athletics	<u>458</u>
	<u>\$789</u>

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to fund the principal's account as well as the general activities account. The vending machine revenue from the general activities account is used for various student activities throughout the school year. The total vending machine revenue deposited into the general activities was \$2,594. The principal's account is used to fund expenditures for staff recognition totaling \$2,992, and consisting of the following:

• Staff shirts	1,475
• Luncheons	583
• Teacher appreciation	709
• Principal's conference	<u>225</u>
Total	\$ <u>2,992</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.

10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.

11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.

12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$79,072	\$73,463	\$69,937

**Romig Middle School
Student Activities**

**Activities Principal:
Activities/Stock Clerk:**

**Sven Gustafson
Libby Roosdett**

Romig Middle School

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school received three reimbursements from the district totaling \$9,953 and were for the following:

Romig Middle School, Continued

• Wrestling	2,863
• Volleyball	2,346
• Science Olympics	125
• Athletics	4,435
• Cross-country skiing	<u>184</u>
Total	\$ <u>9,953</u>

8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue account earned \$13,198 during the year. The vending machine revenue is used to fund the Principal's account as well as to support miscellaneous student activities such as student recognition and upgrading school equipment.

The principal's account had expenditures of \$6,433 during the year for staff recognition such as lunches, gifts for staff, as well as awards for students.

• Luncheon	1,300
• Staff appreciation	2,317
• Student recognition	1,074
• Registration for classes	499
• Staff wear	1,163
• Miscellaneous	<u>80</u>
Total	\$ <u>6,433</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, the assistant principal and the principal.

Romig Middle School, Continued

12. Ending Cash Balances: Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that for 2008 the school is maintaining a cash balance that is comparable to 2007. However, the 2007 cash balance is much larger than 2006. Through inquiry of the activity clerk, the cash increase was due to better fundraising by student activity groups and reduction in general expenditures school wide.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$40,094	\$44,492	\$23,958

WENDLER MIDDLE SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts.

Transfers for the correction of errors and for routine entries are not accompanied by a transfer authorization. In order to ensure that all transfers are recorded correctly an authorization/approval form should be utilized for all transfers.

Response: Wendler will use a transfer authorization form to accompany the correction of errors and for routine entries such as bank interest. This application of policy will be implemented by the appropriate staff members at Wendler.

4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. Except for the following, no discrepancies were noted:
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were

WENDLER MIDDLE SCHOOL, Continued

correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school did not receive any reimbursements other than interest from the district during the fiscal year.

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was used to supplement deficit balances in various student activity group accounts. There were no expenditures during the year.

The Principal's account had total expenditures of \$532 for staff and student support.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the cash balance has been declining steadily for the last three years. Through our inquiry of the activities clerk, this difference was due to a substantial decrease in vending machine revenues as well as Wendler Middle School providing gym uniforms to all the students who couldn't afford them.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$7,915	\$12,162	\$29,250

Benny Benson
Student Activities

Activities Principal:
Activities/Stock Clerk:

Sam Spinella
Brandy Butcher

BENNY BENSON

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.

Benny Benson does not use the same accounting software utilized by the other schools. They have only one activity group and therefore do not utilize activity listings.

2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. The only adjustments posted were for interest earned. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. One discrepancy was noted.

One transaction did not have adequate supporting documentation showing that the transaction was properly approved. Through inquiry of the activities clerk the transaction should have been signed by the principal to indicate transaction approval.

Response: The above check request not being signed for approval by the principal was simply an oversight. I will be more careful in the future so this does not happen again.

BENNY BENSON, Continued

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis. Benny Benson does not use the prescribed software to run their reports. Instead, they keep track of all activity in excel spreadsheets, which are adequate for the small number of transactions they incur through the year.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. The school received four reimbursements from the district totaling \$6,585, which were posted into the school general activity account.
8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. The school received \$2,166 in vending machine revenue which was used to fund various school-wide expenses.

Benny Benson does not have a Principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$ 4,518	\$ 927	\$ 4,399

**King Career Center
Student Activities**

**Activities Principal:
Activities/Stock Clerk:**

**Guy Okada
Sydney Reed**

King Career Center

The following areas were audited for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the district.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they are done in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions for testing to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all funds collected throughout the year and money count sheets were used, if applicable, and that a cash receipt was issued for all funds collected throughout the year. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements for testing to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation, received, and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and have determined that there were no cost reimbursements from the District in FY08. Interest payments from the District were properly credited to the general activities account.
8. **Vending Machine Revenue and Principals Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue for

King Career Center

FY08 was \$11,794. The vending machine account is used to fund scholarships. There were no expenditures out of the vending machine account this year.

The principal's account was used to fund expenditures for staff and student recognition totaling \$4,955:

• Staff meals	2,075
• Meetings and conferences	483
• Supplies and items	<u>2,397</u>
Total	\$ <u>4,955</u>

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases or goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, and the school principal.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that there has been a significant increase in the cash balance between 2007 and 2008. In 2008 the school did not spend any of their vending machine revenue, which caused a large increase in their cash balance.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$109,251	\$86,827	\$92,325

POLARIS K-12

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and have determined that there was one reimbursement from the district for \$1,355. This reimbursement was for fees to the Alaska State Association of DECA.
8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. During the year the school earned \$1,383 in vending machine revenue, with the funds being transferred for the following purposes:

POLARIS K-12, Continued

• Student Activities		691
• Scholarships		346
• Op Group		<u>346</u>
Total	\$	<u>1,383</u>

Polaris K-12 doesn't have a Principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests in place of purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$47,952	\$58,635	\$57,252

STELLER SECONDARY SCHOOL

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts.

Steller uses a blue check request form to authorize transfers. No authorization was obtained for 4 of 5 transfers reviewed. The lack of authorization is due to the routine nature of the transfers which did not have authorization. Regardless of the transfer all transactions should be accompanied with some form of authorization/approval.

Response: Steller will make sure that all transfers will have authorization. We will continue using our preferred method of authorization/approval which is "blue check request form" or some other form of authorization to approve all transactions. This will not be an issue for next year, 2009-10.

4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

STELLER SECONDARY SCHOOL, Continued

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account.

The following were the reimbursements from the District:

- \$4,906 was recorded in the General Activity account for costs originally paid out of the same account for student activity buses.

8. **Vending Machine Revenue and Principal's Account:** Through inquiry of the activities clerk and principal, we have determined that vending machine revenue is used to supplement deficit balances in various student activity group accounts. During the year the school earned \$3,150 in vending machine revenue, all of which was transferred for general activities.

Steller Secondary School does not have a Principal's account.

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school primarily used check requests and purchase orders to authorize and approve expenditures. All check requisition forms reviewed were signed by the requestor and activities principal and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk, administrative assistant, and principal.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$79,775	\$84,029	\$70,903

COOK INLET FOOTBALL CONFERENCE

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were completed for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. Except for the following, no discrepancies were noted:

Two of the transfers selected were lacked the required documentation of authorization. All transfers should be accompanied by documentation indicating that it was authorized by management.

Response: As this was paperwork from the previous Activities Clerk, Ms. Sept and Mrs. Roberts are making every effort to make sure paperwork is completed in a proper manner.

4. **Cash Receipts:** We selected 5 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 10 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, and recorded correctly as to activity account. One discrepancy was noted:

One check was not able to be located by the activities clerk. All documentation must be retained and filed.

Response: This was paperwork from the previous Activities Clerk. Every effort was made to find the check. It was not found in last year's files. Ms. Sept and Mrs. Roberts are making sure paperwork is completed and stored in a proper manner.

COOK INLET FOOTBALL CONFERENCE, Continued

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.

Some bank reconciliations and reports were not submitted timely, August was submitted in November, October and November in February, and January in April.

Response: As this was paperwork from the previous Activities Clerk, Ms. Sept and Mrs. Roberts are making every effort to make sure paperwork is completed in a proper manner.

7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and determined that there were no reimbursements from the District in FY08.
8. **Vending Machine Revenue and Principal's Account:** This activity is not applicable to the association, as it deals strictly with the activities associated with running the ASD high school football.
9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the association had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the association sponsor is the one who primarily approves purchases for payment. The activities principal reviews all payments before they are made.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The association has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years. The trend upward is just normal fluctuations in the cash balance.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$3,997	\$2,529	\$1,073

ANCHORAGE HOCKEY ASSOCIATION

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the association meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** We reviewed five expense adjustments to ensure that they were done in accordance with District policy and had the proper authorization for all transfers between activity accounts. No discrepancies were noted.
4. **Cash Receipts:** We selected 15 cash receipts transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 5 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if cash disbursements were properly authorized, accompanied by proper supporting documentation and recorded correctly as to activity account. No discrepancies were noted.
6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and determined that there were no reimbursements from the District in FY08.
8. **Vending Machine Revenue and Principal's Account:** This activity is not applicable to the association, as it deals strictly with the activities associated with running the ASD high school hockey.

ANCHORAGE HOCKEY ASSOCIATION, Continued

9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the association had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the association sponsor is the one who primarily approves purchases for payment. The activities principal reviews all payments before they are made.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The association has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the association and through comparison with prior year ending cash balances, it appears that the association is maintaining a cash balance that is comparable to past years.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$880	\$828	\$814

The following areas were evaluated for adherence to District student activities policies and procedures, as well as internal controls relating to student activities accounting:

1. **Administration:** Through observation and inquiry, we have determined that the activity groups of the school meet the administrative requirements relating to sponsors, enrollment rosters, constitutions and administrative approval, as defined by the District.
2. **Cash and Investment Accounts:** We have reviewed monthly cash reconciliations and determined that they were performed in accordance with District procedures. Bank account reconciliations were done for all twelve months of the fiscal year.
3. **Transfers:** SAVE high school makes transfers only for the purpose of transferring funds for negative balances.

Transfers do not use the transfer authorization form, as the student activity clerk was not aware that such a form should be used. All transfers should be accompanied by an approval/authorization form to ensure incorrect transactions are not posted.

Response: The transfer issue has been corrected and the proper form will be used by the student activity clerk, with signed approval authorization, when future transactions are posted.

4. **Cash Receipts:** We selected 15 cash receipt transactions to review for adherence to District policy relating to cash receipts and to determine if cash receipts were properly recorded as to amount, period and activity account coding. We verified that a cash receipt was issued for all monies collected and money count sheets were used, if applicable. No discrepancies were noted.
5. **Cash Disbursements:** We selected 25 cash disbursements to review for adherence to District policy relating to cash disbursements and to determine if transactions were properly authorized, accompanied by proper supporting documentation, and recorded correctly as to activity account. Except for the following, no discrepancies were noted:

One check request lacked the supporting documentation which would show the receipt of the proper service. Vendor invoices should be attached to all expenditures to provide documentation that transactions were recorded for the correct amount.

Response: Teacher did not supply supporting documentation when submitting check request. A plan has been implemented to avoid this lack of documentation in the future.

SAVE, Continued

6. **Reporting:** Through inquiry of the activities clerk and observation of monthly reports, we have determined that the school is filing monthly reports as required, on a timely basis.
7. **District Revenue and Cost Reimbursements:** We have reviewed all cash receipts from the District and for cost reimbursement payments have determined that the funds were correctly credited to the student activity group that had originally expended the funds. Supporting documentation for the purchases being reimbursed was reviewed and found to be properly approved and expended. Interest payments from the District were properly credited to the general activities account. \$3,392 recorded into the general activities account was the only reimbursement during the year.
8. **Vending Machine Revenue and Principal Account:** SAVE High School earned \$1,135 from vending machine in the current year. Through inquiry of the activities clerk and principal, we have determined that vending machine revenue was used for scholarships.

S.A.V.E. does not have a principal's account.
9. **Contracts for Goods and Services:** Through inquiry of student activities personnel and review of cash disbursements and purchase orders, the school had no large purchases of goods or services during the year.
10. **Authorization:** Through inquiry of the student activities clerk and through our review of cash disbursements, we have determined that the school used check requests to authorize and approve expenditures. All check requests reviewed were signed by the requestor and activities principal except one (See finding on cash disbursement) and were prepared in advance of purchases.
11. **Safeguarding of Assets:** Through inquiry of student activities personnel, we have determined that there are adequate safeguards in place to ensure all cash collected is deposited intact. The school has a lock box in which they keep all cash collected, and access is limited to the student activities clerk and administrative assistant.
12. **Ending Cash Balances:** Based on our review of the year-to-date cash balance reports provided by the school and through comparison with prior year ending cash balances, it appears that the school is maintaining a cash balance that is comparable to past years.

Per conversation with activities clerk, reasons for trending cash balance. This is mainly due to the drop in vending machine revenues due to the requirement for healthy snacks and free fruits and vegetables.

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Cash per books	\$3,469	\$7,794	\$9,939