



Scanlon
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS

**Independent Accountant's Report on Applying Agreed-Upon Procedures
Over Compliance Applicable to Massachusetts School Districts'
Student Activity Funds**

For the Year Ended June 30, 2018

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS

**Independent Accountant's Report on Applying Agreed-Upon Procedures
Over Compliance Applicable to Massachusetts School Districts'
Student Activity Funds**

For the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	2
Independent Accountant's Report on Applying Agreed-Upon Procedures	3
Accompanying Notes	4
Schedule of Findings and Recommendations	5-6
Supplemental Schedules:	
Schedule A – Balance Sheet – Student Activities	7
Schedule B – Student Activity Fund Account Balances	8
Schedule B-1 – Oak Middle School – Subsidiary Account Balances	9
Schedule B-2 – Sherwood Middle School – Subsidiary Account Balances	10

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

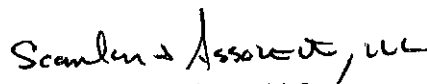
Town of Shrewsbury School Committee
Town of Shrewsbury
Shrewsbury, Massachusetts

We have performed the procedures, which were agreed to by the management of the Shrewsbury Public Schools, solely to assist the Shrewsbury Public Schools and the Massachusetts Department of Elementary and Secondary Education (DESE) in evaluating the Shrewsbury Public Schools' assertion that it has complied with DESE Guidelines with respect to Student Activity Funds for the Shrewsbury Middle and Elementary Schools. The Shrewsbury Public Schools' management is responsible for the Student Activity Fund. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures performed, which are set forth in the Guidelines, either for the purpose for which this report has been requested or for any other purpose.

We performed procedures specified in the DESE *Agreed Upon Procedures and Audit Guidelines* applicable to the Shrewsbury Middle and Elementary Schools' Student Activity Funds for the year ended June 30, 2018. We have listed instances of noncompliance in the accompanying Schedule of Findings and Recommendations.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Shrewsbury Public Schools' compliance with the Guidelines. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Shrewsbury Public Schools, its management, the School Committee and the Massachusetts Department of Elementary and Secondary Education and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.



Scanlon & Associates, LLC
South Deerfield, Massachusetts
November 7, 2018

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
Student Activity Fund
Accompanying Notes
June 30, 2018

General

The student activity fund is a group of self-balancing accounts for the use of student activities. The fund is governed under provisions established by Section 47 of Chapter 71 of the Massachusetts General Laws and policies adopted by the Shrewsbury School Committee under this Act. All moneys received are deposited with the Town Treasurer into a Student Activity Agency Account for the school.

The School Committee has authorized the School Department's Director of Business Services to maintain a checking account with a maximum amount authorized of \$75,000. The checking account is used for expenditures only. Periodically, to the extent that funds are available in the Student Activity Agency Account, the Town Treasurer reimburses the Student Activity checking account, through the warrant process.

Revenues

The revenue of this fund is revenue that is earned by activities of classes or clubs and is not derived from Town activities. Examples include class dues, class dances, class projects such as food sales, sale of small goods, etc., of which are credited to the proper activity fund.

Expenditures

Expenditures are charged to each club or class account.

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
Student Activity Fund
Schedule of Findings and Recommendations
June 30, 2018

1. Middle Schools Musical and Drama Ticket Sales

The middle schools (Oak and Sherwood) have plays and musicals for which an admission fee is charged. There is currently no form to report the proceeds of ticket sales for admission to the events.

For proper accountability we recommend that pre-numbered tickets be used. After the event a report on ticket sales be prepared. The report would include the first and last ticket numbers sold, total number of tickets sold, complimentary admissions, total amount received, and amounts of any sales of concessions collected at the event. The ticket sales should be reconciled to the total cash collected and deposited.

2. Gift Cards Documentation

We noted several purchases of gift cards. These were used as raffle prizes for a fundraiser and community service gifts to needy persons from a PTO donation. There was no documentation or acknowledgement of who actually received and used the gift cards.

We recommend that for proper accountability of the use of gift cards, a list of the recipients be prepared and the recipients sign the list to acknowledge the receipt of the gift cards.

3. Charitable Donations from Fundraisers – Lack of Documentation

Several donations to charities were made from funds raised by student groups at the schools to benefit the charities. The Requests for Payment submitted to the Central Office did not have any backup documentation.

Gifts to charitable organizations from money raised for those organizations should have some backup documentation, such as an acknowledgement from the student organization of the intent of the fundraiser, a brochure from the school describing the fundraiser, or an acknowledgement from the receiving organization of the donation.

4. Sherwood Middle School Gifts in Miscellaneous Account

Our review of the records at the school level for Sherwood Middle School indicated several gifts that were deposited into the "Miscellaneous" subsidiary account of the student activity fund.

Gifts that are for specific student activities, such as field trips, can be deposited into the student activity fund. Gifts that are to supplement operations of the school should be deposited with the Town and posted to the gift account for the school.

5. Sherwood Middle School Lost Books

There were several deposits into the "Miscellaneous" account at Sherwood Middle School that were receipts for lost books.

Receipts from lost school books fall under Chapter 44 Section 53 of the Massachusetts General Laws, which states that money recovered from students in public schools for loss of

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
Student Activity Fund
Schedule of Findings and Recommendations
June 30, 2018

or damage to school books and materials shall be paid to the Town treasury and may be used by the School Committee for the restoration or replacement of such books or materials without further appropriation.

Funds collected from lost books should be deposited to the Town into the Lost Book Revolving account.

6. Variances to Town's Balances

As of June 30, 2018, there is a variance to the Town's general ledger of \$21,335.65 between the Town Treasurer and the Town Accountant's Munis general ledger, with the Town Accountant's general ledger being higher. The Town Accountant and the Town Treasurer should research this variance.

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
STUDENT ACTIVITY FUND
BALANCE SHEET
June 30, 2018

ASSETS

Cash:	
In Custody of Assistant Superintendent for Finance and Operations:	
Checking Account:	
Bank of America	\$ 13,394.31
In Custody of Town Treasurer:	
Agency Account:	
Bank of America	<u>126,296.37</u>
TOTAL ASSETS	<u><u>\$ 139,690.68</u></u>

FUND BALANCE

Fund Balance:	
Student Activity Fund (SCHEDULE B)	<u><u>\$ 139,690.68</u></u>

See Accompanying Notes.

SCHEDULE B

**SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
STUDENT ACTIVITY FUND
ACCOUNT BALANCES
June 30, 2018**

<u>Name of School/Account</u>	<u>Balance</u>
Beal School	\$ 386.70
Coolidge School	3,019.20
Floral Street School	5,828.44
Parker Road Preschool	151.04
Paton School	2,518.25
Spring Street School	1,929.80
Oak Middle School	79,073.11
Sherwood Middle School	46,722.34
Interest Account	61.80
TOTAL SCHEDULE B	<u>\$ 139,690.68</u>

See Accompanying Notes.

SCHEDULE B-1

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
 STUDENT ACTIVITY FUND
 OAK MIDDLE SCHOOL - SUBSIDIARY ACCOUNT BALANCES
 June 30, 2018

<u>Name of Account</u>	<u>Balance</u>
Chinese Field Trip	\$ 34.38
Cross Country	1,230.10
Community Service Learning Club	4,423.10
Fall Play	13,772.33
French Field Trip	1,215.00
Grade 7 Blue	60.18
Grade 8 Activities	10,220.74
Grade 8 Gold	820.00
Heiffer Project	3,257.60
Interest Based Workshop	534.73
Latin Field Trip	94.65
Media	26.15
Miscellaneous	386.98
Musical	15,054.85
Returned/Bad Checks	215.90
Science Olympiad	208.08
Speech	662.69
Student Voice	3,610.06
Teamworks	1,393.73
Yearbook	21,851.86
TOTAL SCHEDULE B-1	<u>\$ 79,073.11</u>

See Accompanying Notes.

SCHEDULE B-2

SHREWSBURY MIDDLE AND ELEMENTARY SCHOOLS
 STUDENT ACTIVITY FUND
 SHERWOOD MIDDLE SCHOOL - SUBSIDIARY ACCOUNT BALANCES
 June 30, 2018

<u>Name of Account</u>	<u>Balance</u>
Art	\$ 161.58
Book Fair	827.63
Coffee Cart	186.49
Drama	12,741.63
Field Trips	3,319.14
Miscellaneous	4,594.94
Ski Club	2,474.46
Speech	1,601.05
Tufts	87.42
Yearbook	20,728.00
TOTAL SCHEDULE B-2	\$ 46,722.34

See Accompanying Notes.