

Johnsburg Central School District

Extra-Classroom Activity Funds

FEBRUARY 2019



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Johnsburg Central School District

Audit Objective

Determine whether extra-classroom activity funds were adequately safeguarded and collections and disbursements were properly accounted for.

Key Findings

- Collections totaling \$26,598 for 10 fundraising activities were not supported by adequate documentation.
- District employees did not submit any documentation to show how funds from 10 cash advances totaling \$19,997 were spent.
- The central treasurer made seven disbursements totaling \$14,189 without adequate supporting documentation.

Key Recommendations

- Ensure student treasurers maintain adequate documentation to support collections.
- Monitor the status of cash advances and prepare reconciliations to ensure funds spent are supported by adequate documentation and for appropriate purposes.
- Prepare check disbursements only after receiving proper authorization and supporting documentation.

District officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate, corrective action.

Background

The Johnsburg Central School District (District) serves the Towns of Chester, Johnsburg and Thurman in Warren County. The District is governed by an elected seven-member Board of Education (Board) that is responsible for the general management and control of the District's financial and educational affairs.

The Superintendent of Schools is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction. The Board appoints a central treasurer to account for and a comptroller to oversee extra-classroom activity (ECA) funds.

Quick Facts

Active ECA Clubs	15
2016-17 ECA Collections	\$107,948
2016-17 ECA Disbursements	\$105,735
Total Cash Balance (All Clubs) as of April 30, 2018	\$36,831

Audit Period

July 1, 2016 – April 30, 2018

Extra-Classroom Activity Funds

ECA funds are administered by and for the benefit of the students. Students raise and spend these funds to promote the general welfare, education and morale of all students and to finance the normal and appropriate extracurricular activities of the student body. The New York State Education Department (SED) published a pamphlet that presents a plan for the management and accounting of ECA funds.¹

How Should Districts Safeguard ECA Funds?

The Regulations of the Commissioner of Education (regulations) were formulated to safeguard ECA funds and provide schools with the opportunity to teach students good business procedures through participation in handling the funds and operating a successful business. The regulations require the Board to adopt and District officials to implement policies and procedures to protect ECA fund money.

The Board should also appoint a faculty auditor to oversee the management of ECA funds. The faculty auditor is responsible for reviewing the extra-classroom financial records to determine whether correct procedures are being used to account for ECA funds and also to certify the accuracy of the entries posted to the records and the account balances listed in the ledgers. In addition, bank reconciliations should be prepared and independently reviewed on a monthly basis.

Policies Were Not Implemented and Bank Reconciliations Were Not Reviewed

Although the Board adopted policies² governing the operations of the ECA funds, it did not ensure District officials implemented and enforced the policies. For example, faculty advisors did not ensure student treasurers issued duplicate press-numbered receipts or maintained any other documentation of the source, date, amount, form (i.e., cash or check) and purpose of amounts collected at fundraisers. Without some form of documentation of the collections, officials cannot ensure all money collected by the ECA clubs was accounted for and properly remitted to the central treasurer for deposit.

In addition, the Board-appointed comptroller, who functioned as the faculty auditor, did not perform adequate reviews of ECA fund records or the required comparisons between the student treasurers' ledgers and the central treasurer's ledger. Furthermore, although we reviewed three bank reconciliations prepared

¹ *The Safeguarding, Accounting and Auditing of Extra-Classroom Activity Funds* pamphlet is available at: http://www.p12.nysed.gov/mgtserv/accounting/extra_classroom_activities_fund.html.

² The District's ECA fund policy indicates that ECA funds will be handled in accordance with the financial procedures illustrated by the SED pamphlet.

by the central treasurer during our audit period and found they were properly prepared, the bank reconciliations and bank statements for the ECA bank account were not independently reviewed.

Because officials did not provide proper oversight of ECA funds, District employees and students did not maintain the funds in accordance with Board policies. This increases the risk that errors or irregularities could occur and remain undetected and uncorrected.

How Should Districts Account for ECA Fund Collections?

Students are responsible for collecting money for ECA fundraisers and remitting the collections to the student treasurer. The student treasurer is responsible for recording the collections and remitting them to the central treasurer for deposit. When collecting funds, students should issue duplicate press-numbered receipts or use some other method to accurately document the source, date, amount, form and purpose of the amounts collected, such as a daily sales report. Faculty advisors are responsible for ensuring student treasurers maintain supporting evidence for collections.

When students remit collections to the central treasurer for deposit, they should provide duplicate receipts or some other adequate documentation for the funds collected to the central treasurer to support the collections. Good business practices require student treasurers and faculty advisors to remit collections to the central treasurer and the central treasurer to deposit collections as soon as possible to prevent the loss or misuse of collections. Furthermore, the central treasurer should deposit collections intact (in the same form as received) to reduce the risk of fraud and concealment. Under no circumstances should ECA funds received be exchanged for employees' personal checks.

Collections Were Not Supported or Deposited Intact

We reviewed 10 fundraisers³ with recorded collections totaling \$26,598 during our audit period to determine whether the collections were supported by adequate documentation and were deposited intact and in a timely manner. We found that none of the recorded collections were supported by adequate documentation, such as duplicate press-numbered receipts or daily sales reports, because the students did not prepare or maintain these records. Instead, the student treasurers and faculty advisors provided the central treasurer with statement of deposit forms that only summarized the collections remitted for deposit.

³ The fundraisers consisted of two candle sales, two dances, two fresh fruit and cheesecake sales, a cookie dough sale, cookie dough and magazine sale, flower sale and a calendar sale held by the Class of 2017, Class of 2020 and the junior high travel and musical clubs. Refer to Appendix B for further information on our sample selection.

Based on the records available, we could not determine whether all collections received were properly remitted to the central treasurer for deposit. As a result, we performed additional testing for eight fundraisers⁴ and found the following:

- For three fundraisers, we calculated that \$7,223 in collections should have been received, but only \$6,862 was deposited. The deposited amounts were less than our calculated amounts by \$210 and \$133 for two fruit and cheesecake sales and \$18 for a calendar sale. For the \$210 and \$133 discrepancies, the club's faculty advisor told us that when the club purchased fruit and cheesecake for the sales, it purchased more than the amounts ordered by individuals for the fundraisers. The club intended to sell the additional fruit and cheesecake at later events, such as concession stand fundraisers. The faculty advisor said the collections for the sales of the additional fruit and cheesecake were included in deposits made by the club after the later events. However, because the club members and student treasurer did not maintain adequate documentation, we could not trace collections from the additional fruit and cheesecake sales to deposits made. For the \$18 discrepancy, the club's faculty advisor told us that one \$15 calendar was not sold or returned to the vendor to receive a credit.
- For four fundraisers, we calculated that \$18,236 in collections should have been received. However, the amounts deposited for the fundraisers exceeded our calculated amounts by \$589. The faculty advisors told us that for each fundraiser the deposits included donations collected from individuals who did not want to purchase items related to the fundraiser (e.g., candles). However, none of the faculty advisors maintained supporting documentation for the donations received.
- For one fundraiser, we calculated that \$285 in collections should have been received, which agreed with the amount deposited.

Because the clubs did not maintain adequate supporting documentation, we also could not determine whether the collections were deposited intact or in a timely manner. Instead, we used the dates recorded by student treasurers or faculty advisors on the statement of deposit forms, which they submitted to the central treasurer with the clubs' collections, to determine whether the central treasurer deposited the collections in a timely manner. We did not identify any discrepancies.

In addition, we reviewed the deposit slips to determine whether there were any checks recorded that did not appear to be related to the fundraiser. We found that one deposit was not made intact because it included a personal check totaling \$100 written by the faculty advisor who provided oversight for the fundraiser.

⁴ When possible, we obtained other documentation, such as order forms for items purchased for resale, and calculated what should have been collected based on the number of items purchased for resale. For the flower sale (deposited collections totaling \$411) and one dance (deposited collections totaling \$215), we were unable to obtain additional documentation to calculate the amount of collections that should have been received and deposited.

The faculty advisor told us she exchanged \$100 in cash received for the fundraiser with her own personal check because she did not want unsecured cash in her classroom. However, the faculty advisor should not have substituted a personal check for fundraiser cash and, instead, should have remitted the cash to the central treasurer for deposit.

When club members and student treasurers do not maintain adequate documentation to support collections, officials cannot ensure that students are adequately accounting for all collections and remitting them to the central treasurer intact and in a timely manner. In addition, when personal checks are exchanged for cash, accountability over the funds is lost and officials cannot ensure that all collections received are deposited.

Although the District's 2016-17 certified public accountant (CPA) audit report also indicated that ECA collections should be supported with adequate documentation, the District did not require club members and student treasurers to maintain this documentation during the 2017-18 fiscal year.

How Should Districts Account for ECA Fund Cash Advances?

Cash advances are provided to District employees to pay directly for expenses they anticipate the club will incur (e.g., travel expenses), instead of paying for these expenses through the regular check disbursement process. The amount of the advances should be limited to what can be reasonably estimated to be the club's expected expenses.

District employees should account for all expenses paid from advances by retaining adequate supporting documentation, such as itemized receipts or invoices. After the event, employees should determine whether a surplus or deficiency exists from the advance. Employees should then promptly remit any unspent funds and supporting documentation for all expenses to the central treasurer. The central treasurer should promptly deposit unspent funds, monitor the status of all advances and prepare reconciliations to ensure advances are properly accounted for.

Cash Advances Were Not Always Used for Authorized Purposes and Supported

We reviewed all 10 cash advances⁵ totaling \$19,997 made during our audit period to determine whether funds spent from the advances were supported by adequate documentation and for appropriate purposes. We also determined whether any

⁵ The advances totaled \$16,000 for expenses incurred while on a foreign trip (three advances), \$1,600 for costumes and props (two advances), \$1,000 for supplies for a concession stand, \$665 for meals (two advances), \$522 for travel expenses and \$210 for a gift card.

unspent funds were remitted to the central treasurer in a timely manner and deposited.

We found that employees who were given cash advances did not submit any documentation to the central treasurer to support how funds from the advances were spent. This occurred because the central treasurer did not require supporting documentation to be submitted for advances made. We requested supporting documentation directly from these employees and found the following:

- For seven advances⁶ totaling \$17,787, the employees provided us with adequate supporting documentation for \$1,040 spent from these advances. As a result, \$16,184 in advances spent were not supported by adequate documentation. We also could not determine the amount of unspent funds that should have been remitted to the central treasurer and deposited. However, for two of these seven advances, \$563 in unspent funds were remitted to the central treasurer in a timely manner and deposited.
- Of the \$16,184 in advance funds spent that were not adequately supported, we determined that \$14,697 was related to three advances totaling \$16,000 for spending money for an 11-day foreign trip to France and Spain attended by 17 students and three chaperones.⁷ The chaperones provided us with their personal bank statements that showed \$14,555 of the \$14,697 was for currency exchanges, cash withdrawals or debit withdrawals for purchases. The chaperones told us the advances were used to provide spending money to students and to make purchases during the trip, but could not provide us with documentation as to how the funds were used, spent or the amounts given to each student.
- For the remaining \$1,487 of the \$16,184 in advance funds spent that were not adequately supported, the employees were able to provide us with explanations as to how these funds were spent. For example, the employees told us \$600 was for students and a faculty advisor to purchase meals on two trips and \$250 was to pay gratuities to guides and a bus driver on a trip. While the explanations seemed reasonable, we could not validate these assertions without adequate supporting documentation.
- Of the \$1,040 in funds spent that were adequately supported, we found that \$70 was used to purchase seven \$10 department store gift cards. However, the disbursing order form for the advance indicated that funds would be used to purchase sets, props, paints and supplies for the musical club. The faculty

6 These advances were given to six employees (one employee received two cash advances) and were for four clubs.

7 The \$16,000 in advances consisted of \$8,000 to the faculty advisor and \$4,000 each to two other teachers, who were the three chaperones attending the trip.

advisor told us she used a portion of the advance to purchase gift cards to be given to senior students as parting gifts, as had been done in the past.

- For the remaining three advances totaling \$2,210, faculty advisors provided adequate supporting documentation for how funds from the advances were spent. Two of the three advances totaling \$1,000 and \$210 were completely spent, and \$513 of the remaining advance totaling \$1,000 was spent. We determined that these expenditures were for appropriate purposes. The remaining \$487 in unspent funds should have been remitted to the central treasurer, but we could only verify that \$467 was remitted to the central treasurer and deposited.⁸

Because the central treasurer did not provide required oversight of cash advances, employees and students were able to use \$16,184 of ECA funds with officials having limited to no assurance whether they were used for appropriate ECA purposes. In addition, without adequate documentation, officials cannot ensure that all unspent funds were properly remitted to the central treasurer for deposit and were not misappropriated.

How Should Districts Account for ECA Fund Disbursements?

The central treasurer should disburse funds to ECA clubs only upon receiving a disbursing order form signed by the student treasurer and faculty advisor. In addition, the central treasurer should not disburse funds until student treasurers present adequate supporting documentation, such as itemized receipts or invoices, to prove the expenditures are for appropriate ECA fund purposes.

Disbursements Were Not Always Supported

During our audit period, the ECA clubs disbursed \$146,591 in funds for ECA activities. We randomly selected 50 check disbursements totaling \$41,192 made during our audit period and reviewed them to determine whether they were supported by approved disbursing order forms, contained adequate documentation and were for appropriate purposes. We found that all were supported by approved disbursing order forms.

However, adequate supporting documentation was not remitted to the central treasurer for seven disbursements totaling \$14,189. Without adequate supporting documentation, the central treasurer would not have been able to confirm whether these seven disbursements were for appropriate purposes. We requested

⁸ The faculty advisor told us the remaining \$20 was used as a cash bank for the club's concession stand and was included with the last collections for concession stand sales that were remitted to the central treasurer for deposit. Collections for concession stand sales were remitted to the central treasurer and deposited on four dates after the cash advance was made. However, because the club did not maintain adequate documentation of collections received, we could not determine whether the \$20 was remitted to the central treasurer and deposited.

supporting documentation from the faculty advisors for the clubs that submitted the disbursing order forms. They provided us with adequate documentation for four disbursements totaling \$13,142, and we determined they were for appropriate purposes.

District officials could not provide adequate supporting documentation for the remaining three disbursements totaling \$1,047. We interviewed District employees and reviewed the disbursing orders forms and canceled check images to determine the purpose for each disbursement and found that they appeared to be for appropriate purposes. They included a payment for flowers for prom and refunds to two students for unspent funds from a trip.⁹

However, we found that the calculation made to determine the amount refunded to each student did not include all unspent funds. As a result, the two students were not refunded the proper amounts. We expanded our review to include the additional 15 disbursements for refunds to the other students who attended the trip and found that each student was entitled to an additional \$33 refund.¹⁰

When officials disburse funds without adequate supporting documentation, they cannot ensure the disbursements are made for appropriate purposes or amounts.

How Should Sales Tax Be Collected, Remitted and Reported?

School districts are not exempt from the provisions of New York State Tax Law when they become vendors of services or property ordinarily sold by private persons. The SED pamphlet outlines activities that require the collection and remittance of sales tax. Each faculty advisor is responsible for knowing which activities their club undertakes that are subject to sales tax and ensuring all sales tax is collected and remitted to the central treasurer.

The central treasurer should maintain records of sales tax collected separately from other club funds. Also, the central treasurer should ensure that the District includes the ECA clubs' taxable sales in its annual sales tax report submitted to the New York State Department of Taxation and Finance (Tax Department) and remits the corresponding sales tax collected to the Tax Department.

⁹ Prior to the foreign trip to France and Spain, students attending the trip were required to pay, with their own personal funds, an amount that was not directly tied into actual expenses, such as air plane tickets and activities. Instead, the required amounts included actual expenses and estimated amounts for expenses, such as meals and miscellaneous purchases. If there were unspent amounts after the trip, those amounts would be refunded to students.

¹⁰ We compared the total deposits for the trip totaling \$43,252, which included collections from the 17 students attending the trip and cash advances returned, to the total check disbursements for the trip \$42,688, which included 17 refunds that were issued to the students, and found an additional leftover balance of \$564 that was not refunded to the students. The leftover balance divided by the 17 students indicated that each student was due an additional \$33.

Sales Tax Was Not Collected, Remitted or Reported

We reviewed five fundraising activities¹¹ during our audit period whose sales were taxable and found that sales tax was not collected or remitted to the central treasurer for any of the five fundraisers. Based on the recorded collections for the five fundraisers, we calculated sales tax totaling \$264 should have been collected and remitted.

In addition, although the District filed annual sales tax reports¹² with the Tax Department in a timely manner during our audit period, the reports were inaccurate because they did not include any sales tax collections related to ECA fundraisers. Based on our review, at least \$264 in sales tax should have been included on the reports.

However, the total that should have been reported is likely greater because we found there were multiple other fundraisers held during our audit period whose sales were taxable. As a result, the District is at risk of incurring penalties or interest from the Tax Department.

Although the District's 2016-17 CPA audit report also indicated that sales tax should be collected, remitted and reported, the District did not do so during the 2017-18 fiscal year.

What Do We Recommend?

The Board and District officials should:

1. Ensure ECA funds are maintained in accordance with District policies.

The comptroller should:

2. Oversee the management of the ECA fund in accordance with District policies.

District officials should:

3. Ensure monthly bank reconciliations and bank statements are independently reviewed and approved.
4. Prohibit the exchange of cash collections with personal checks.
5. Ensure refund checks are issued to students for the amounts identified in this report.

¹¹ Refer to Appendix B for further information on our sample selection.

¹² The sales tax reports were for March 1, 2016 through February 28, 2017 and March 1, 2017 through February 28, 2018.

The faculty advisors should:

6. Ensure club members issue duplicate press-numbered receipts when collecting funds, or use some other method to accurately document the source, date, amount, form and purpose of collections received, such as a daily sales report. Also, ensure student treasurers maintain this documentation to support the collections.
7. Ensure club members collect sales tax for applicable fundraising activities that are subject to sales tax and ensure student treasurers remit the sales tax to the central treasurer.

The central treasurer should:

8. Ensure faculty advisors and student treasurers submit supporting documentation with all ECA fund collections that are remitted for deposit.
9. Monitor the status of cash advances and prepare reconciliations to ensure funds spent from advances are supported by adequate documentation and for appropriate purposes and to ensure that any unspent funds are remitted to her for deposit in a timely manner.
10. Prepare check disbursements only after receiving approved disbursing order forms that have adequate supporting documentation attached, such as itemized receipts or invoices.
11. Ensure the sales tax that is applicable to ECA fundraisers is included in the sales tax report filed annually with the Tax Department and remitted to the Tax Department.

Appendix A: Response From District Officials



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January 2, 2019

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Unit Name: Johnsburg Central School District
Audit Report Title: Extra-Classroom Activities
Audit Report Number: 2018M-150

Dear Mr. Leonard:

The following is both management's response to the audit findings as well as Corrective Action Plan to the recent New York State Comptroller's audit of the Johnsburg Central School District's Extra-Classroom Activities Fund:

We have reviewed the audit and agree with its findings. As stated in the report the District's independent auditor had also commented on the extra-classroom activity funds in their management letter. The District received that report in November of 2017 and had begun working on its corrective action plan and implementation at the time the Comptroller's office notified the district and started its audit in February 2018. At the audit exit conference the District shared with the Comptroller's representatives the Extra-Classroom Activities Procedure Handbook (ECA Procedure Handbook) that was written and implemented by the District at the beginning of the 18-19 school year. The ECA Procedure Handbook is referenced in our corrective action plan. The following includes details of the corrective actions either already taken or proposed.

Recommendation 1:

Ensure ECA funds are maintained in accordance with District policies.

Corrective Action:

The policy committee is reviewing the policies so that they are consistent with the District's operation and newly created ECA Procedure Handbook.

Recommendation 2:

The Comptroller should oversee the management of the ECA fund in accordance with District policies.

Corrective Action:

The new ECA Procedure Handbook defines the role and responsibilities of the Comptroller as well as the roll of all Advisors and Officers. The procedures now requires, the Comptroller, Central Treasurer, Faculty Advisors, Student Activities President and Treasurers to meet annually with the District Business Official to review all the procedures and each person's roles and responsibilities (In September and October of 2018 the mandatory meetings were completed).

Recommendation 3:

Ensure monthly bank reconciliations and bank statements are independently reviewed and approved.

Corrective Action:

The Business Official will review the monthly bank reconciliations that are prepared by the central treasurer.

Recommendation 4:

Prohibit the exchange of cash collections with personal checks.

Corrective Action:

This practice is no longer allowed and is addressed in the ECA Procedures Handbook and reviewed annually.

Recommendation 5:

Ensure refund checks are issued to students for the amounts identified in this report.

Corrective Action:

The refunds referenced in the report were made to the students before the completion of the audit field work in June of 2018. Upon learning of the mistake the checks were cut and refunds were issued.

Recommendation 6:

Ensure club members issue duplicate press-numbered receipts when collecting funds, or use some other method to accurately document the source, date, amount, form and purpose of collections received, such as daily sales report. Also, ensure student treasurers maintain this documentation to support the collections.

Corrective Action:

The ECA Procedure Handbook addresses the requirement for proper documentation of receipts. The manual provides various samples that are to be used to document receipt of funds. Where individual receipts are not practical the procedures for counting cash and signing off is addressed and reviewed.

Recommendation 7:

Ensure club members collect sales tax for applicable fundraising activities that are subject to sales tax and ensure student treasurers remit the sales tax to the central treasurer.

Corrective Action:

The ECA Procedure Handbook includes a section describing the requirement for sales tax. At the annual meeting with the Advisors and Student Officers the requirement for sales tax was reviewed. It is also the responsibility of each group prior to starting a fundraiser to determine if it is subject to sales tax. With the complexities of the sales tax law the Business Official is available to answer all questions regarding sales tax.

Recommendation 8:

Ensure faculty advisors and student treasurers submit supporting documentation with all ECA fund collections that are remitted for deposit.

Corrective Action:

The Central Treasurer has received training as to the required documentation to be submitted with a request for payment and collection of funds. In addition, with the training of the club Treasurers and Advisors, documentation should be supportive of what was actually collected and deposited.

Recommendation 9:

Monitor the status of cash advances and prepare reconciliations to ensure funds spent from advances are supported by adequate documentation and for appropriate purposes and to ensure that any unspent funds are remitted to the central treasurer for deposit in a timely manner.

Corrective Action:

It is required that for a cash advance a requisition be prepared to detail items to be purchased with estimated costs. The requisition is attached to the disbursing order and signed by the advisor, club treasurer and comptroller. In addition, it is now required that the person receiving the advance return a summary breakdown along with all supporting receipts equaling the amount spent.

Recommendation 10:

Prepare check disbursements only after receiving approved disbursing order forms that have adequate supporting documentation attached, such as itemized receipts or invoices.

Corrective Action:

Checks are not to be issued without a supporting invoice. The District will follow the ECA Procedure Handbook in enforcing this policy. In the cases when a cash advance is requested see the corrective action plan to recommendation 9.

Recommendation 11:

Ensure the sales tax that is applicable to ECA fundraisers is included in the sales tax report filed annually with the Tax Department and remitted to the Tax Department.

Corrective Action:

As stated previously the ECA Procedure Handbook includes a section devoted to just Sales Tax. The district has implemented the procedures to report and pay sales tax.

We would like to thank you and your staff for their professionalism during the audit. If you have any questions or should you need further information, please do not hesitate to contact me.

Sincerely,

Michael Markwica,
Superintendent

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and employees and reviewed the policy manual and various financial records and reports to gain an understanding of the District's procedures related to ECA funds and documented any associated effects of deficiencies in those procedures.
- We selected a random sample of three months during our audit period (October 2016 and May and November 2017) and reviewed the central treasurer's ledgers and ECA bank statements to determine whether the central treasurer prepared monthly bank reconciliations and, if so, whether the reconciliations agreed with the central treasurer's ledger cash balance and were independently reviewed.
- Based on the District's records, we could not determine the total number of fundraising activities that occurred during our audit period. We reviewed a judgmental sample of 10 fundraising activities during our audit period to determine whether the collections were supported by adequate documentation and were deposited intact and in a timely manner. Our sample consisted of selecting, without any known bias, 10 fundraising activities that occurred throughout our audit period.
- We reviewed all cash advances made during our audit period to determine whether funds spent from the advances were supported by adequate documentation and for appropriate purposes and whether unspent funds were remitted to the central treasurer in a timely manner and deposited.
- We randomly selected 50 check disbursements during our audit period to determine whether they were supported by approved disbursing order forms, contained adequate documentation and were for appropriate purposes. We expanded our sample to review 15 additional check disbursements that were refunds to students who attended a foreign trip.
- Based on the District's records, we could not determine the total number of fundraising activities that occurred during our audit period. We selected a judgmental sample of five fundraising activities during our audit period and reviewed them to determine whether sales tax was collected in the proper amount, remitted to the central treasurer and reported to the Tax Department. Our sample consisted of selecting, without any known bias, five fundraising activities whose sales were taxable that occurred throughout our audit period.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan

and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-1(3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the District Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

Contact

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