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GLENS FALLS CITY SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND-CASH BASIS
Year Ended June 30, 2017

GLENS FALLS CITY SCHOOL DISTRICT
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Year ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Glens Falls City School District:

We have audited the accompanying financial statements of the Extraclassroom Activity Funds of the Glens Falls City School District as of June 30, 2017, which comprise the Statement of Assets, and Fund Balance-Cash Basis and the related Statement of Cash Receipts and Disbursements-Cash Basis for the year then ended, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund balance of the Extraclassroom Activity Funds of the Glens Falls City School District as of June 30, 2017, and its receipts and disbursements for the year then ended, in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "Raymond D. Heussen CPA". The signature is written in dark ink and is positioned above the typed name and date.

Claverack, New York
September 19, 2017

GLENS FALLS CITY SCHOOL DISTRICT
STATEMENT OF ASSETS AND FUND BALANCE-CASH BASIS
June 30, 2017

SEE NOTE 2 TO FINANCIAL STATEMENTS FOR DISCLOSURE

ASSETS

Cash	-Middle School	\$ 6,092.00
	-High School	25,922.78
		<u>\$ 32,014.78</u>

FUND BALANCE

Fund Balance	-Middle School	\$ 6,092.00
	-High School	25,922.78
		<u>\$ 32,014.78</u>

See auditor's report. See note to financial statements.

GLENS FALLS CITY SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-CASH BASIS
MIDDLE SCHOOL
Year ended June 30, 2017

Activities Per General Ledger	Balances 7/1/2016	Receipts	Disburse- ments	Balances 6/30/2017
Team Penobscot	\$ 1,127.34	\$ 2,697.13	\$ 3,201.25	\$ 623.22
Team Mohawk	1,446.70	20,781.00	20,210.24	2,017.46
Team Mohican	1,391.71	625.00	1,836.74	179.97
Team Abenaki	553.90	365.62	1,443.35	(523.83)
Store	854.02	50.14	170.60	733.56
Senate	403.13	3,812.02	2,966.30	1,248.85
Yearbook	3,021.94	9,583.95	12,164.98	440.91
Project Power	448.52	238.11	100.91	585.72
SADD	-	-	-	-
Builders Club	516.14	386.00	-	902.14
Misc.	-	1,011.40	1,127.40	(116.00)
Totals	<u>\$ 9,763.40</u>	<u>\$ 39,550.37</u>	<u>\$ 43,221.77</u>	<u>\$ 6,092.00</u>

See auditor's report. See note to financial statements.

GLENS FALLS CITY SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-CASH BASIS
HIGH SCHOOL
Year ended June 30, 2017

Activities Per General Ledger	Balances 7/1/2016	Receipts	Disburse- ments	Balances 6/30/2017
AFS	\$ 54.07	\$ 1,070.00	\$ 800.82	\$ 323.25
Art Club	-	644.82	259.68	385.14
Class of 2016	734.13	-	734.13	-
Class of 2017	7,265.62	3,945.00	10,786.77	423.85
Class of 2018	1,852.50	25,326.12	20,748.34	6,430.28
Class of 2019	920.00	1,266.00	1,650.00	536.00
Class of 2020	-	881.00	210.00	671.00
Friends of Rachel	215.40	-	-	215.40
Educators Rising	92.76	-	-	92.76
Girls Fun Club	21.60	-	-	21.60
SoroptiMiss	5,131.65	4,725.00	4,154.87	5,701.78
Key Club	2,285.93	2,280.00	3,187.00	1,378.93
NHS	5,090.34	9,085.00	5,756.63	8,418.71
SADD	632.35	-	-	632.35
SAFE	127.54	-	-	127.54
Student Council	402.85	2,691.33	2,529.99	564.19
Totals	\$ 24,826.74	\$ 51,914.27	\$ 50,818.23	\$ 25,922.78

See auditor's report. See note to financial statements.

GLENS FALLS CITY SCHOOL DISTRICT
NOTE TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The Extraclassroom Activity Fund of the District represents funds of the students of the district. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Fund is independent of the district with respect to its financial transactions, and the designation of student management. Separate financial statements are issued for the fund. The District also reports the fund in its financial statements, within the Fiduciary Fund.

The books and records of the Glens Falls City School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets are increased when cash is received and decreased when cash is disbursed.

See auditor's report.

GLENS FALLS CITY SCHOOL DISTRICT
AUDITOR'S FINDINGS AND EVALUATION

Cash Receipts:

We found that generally, the internal accounting controls with regards to cash receipts were adequate to maintain proper accountability beyond the point of initial recording of the cash receipts.

High School:

During our audit we noted the following:

1. Numerous instances where receipts were not deposited in a timely manner.
2. Numerous instances where deposits lacked supporting documentation. (Tally sheets, sales records, student lists)

Middle School:

During our audit we noted numerous instances where receipts were not deposited in a timely manner.

We recommend that all cash receipts be properly completed and deposits be made within three days. The cash receipts should then be properly filed and accessible.

Inactive Clubs:

Middle School:

During our audit, we noted one club was financially inactive during the year.

High School:

During our audit, we noted five clubs were financially inactive during the year.

We recommend that the inactive clubs be reviewed and if the club is no longer in existence, the remaining funds should be disposed of as prescribed by the Board of Education.

Overdrawn Account: (Middle School)

At June 30, 2017, a deficit cash balance existed in Team Abenaki and the Misc. Club.

We suggest stronger control be maintained over cash balances of individual funds and that no fund be allowed a deficit balance at any time. However, if a club must operate with a deficit balance for a period, the club must retain specific authorization from the individual clubs from which monies will be borrowed.

See auditor's report.

GLENS FALLS CITY SCHOOL DISTRICT
AUDITOR'S FINDINGS AND EVALUATION (CONTINUED)

Fundraising Activities: (Middle & High Schools)

All fundraising activities must have the written approval of the Building Principal before they can be undertaken. When any such activity is completed, be it a dance involving admissions or an actual fundraiser, the organization must submit a Profit and Loss Statement to the Central Treasurer showing the complete results of the event. In addition, during a fundraiser, the organization should maintain "tally sheets" whereby those turning in funds will be duly recorded to backup all deposits.

Currently we noted that Profit and Loss Statements were not being prepared for fundraisers and related activities. We recommend that this process be instituted as required by all clubs.

See auditor's report.



September 29, 2017

CORRECTIVE ACTION PLAN

The following is a response to the District's external auditor's findings and evaluations regarding the audit of the Extra-classroom Activity Funds of the Glens Falls City School District as of June 30, 2017.

1. Cash Receipts:

Finding: We found that generally, the internal accounting controls with regards to receipts were adequate to maintain proper accountability beyond the point of initial recording of cash receipts.

High School:

During our audit, we noted the following:

1. Numerous instances where receipts were not deposited in a timely manner.
2. Numerous instances where deposits lacked supporting documentation. (Tally sheets, sales records, student lists)

Middle School:

During our audit, we noted the following:

1. Numerous instances where receipts were not deposited in a timely manner.

Recommendation: We recommend that cash receipts be properly completed and deposits be made within three days. The cash receipts should then be properly filed and accessible.

Response: The District will review with clubs and advisors the importance of completed documentation and timeliness of deposits and will continue to make every effort to provide adequate Extra-classroom Activity training, on an annual basis, beginning in the 2017-2018 school year.

2. Inactive Clubs:

Finding: During our audit we noted clubs were financially inactive during the year.

Middle School:

One inactive club

High School:

Five inactive clubs

Recommendation: We recommend that the inactive clubs be reviewed and if the club is no longer in existence, the remaining funds should be disposed of as prescribed by the Board of Education.

Response: The District will review all existing clubs and charters within the Middle School and High School Extra-classroom Activity Funds to ensure activity within the school year. For those clubs that are deemed inactive, the district will take action to terminate the club and disburse the funds as prescribed by the Board of Education.

3. Overdrawn Account: (Middle School)

Finding: At June 30, 2017, a deficit cash balance existed in Team Abenaki and the Misc. Club.

Recommendation: We suggest stronger control be maintained over cash balances of individual funds and that no fund be allowed a deficit balance at any time. However, if a club must operate with a deficit balance for a period, the club must retain specific authorization from the individual clubs from which monies will be borrowed.

Response: The District will review current practices and implement stronger controls over cash balances of individual funds. The District will establish procedures to obtain proper authorization from the individual clubs from which monies will be borrowed.

4. Fundraising Activities: (Middle & High School)

Finding: All fundraising activities must have the written approval of the Building Principal before they can be undertaken. When any such activity is completed, be it a dance involving admissions or an actual fundraiser, the organization must submit a Profit and Loss Statement to the Central Treasurer showing the complete results of the event. In addition, during a fundraiser, the organization should maintain "tally sheets" whereby those turning in funds will be duly recorded to backup all deposits.

Recommendation: Currently, we noted that Profit and Loss Statements were not being prepared for fundraisers and related activities. We recommend that this process be instituted as required by all clubs.

Response: The District has conveyed this requirement to the advisors of the clubs and will include fundraising activities as a topic of interest for the extra-classroom training. The District will work to ensure that Profit and Loss Statements for activities will be recorded and submitted to the Central Treasurer.