

*Independent Accountant's Report on Applying Agreed-Upon Procedures*

Berwick Area School District  
Administration Office  
500 Line Street  
Berwick, PA 18603

We have performed the procedures enumerated below, which were agreed to by Berwick Area School District (the District) and the Berwick 12th Man Football Boosters (the Booster), on the recorded fiscal year activity of the Booster for the year ended June 30, 2018. The Booster Officers are responsible for the recorded fiscal year activity of the Booster for the year ended June 30, 2018. 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

We were given access to the District's Board Policy Section 915 regarding Booster Groups. This Policy section details the District's mandated requirements regarding all Booster Groups relating to recognition, fundraising, student participation in fundraising, small games of chance/lotteries, violations, and chain of command. We explored each requirement as described below.

In order to gain recognition of the Board, a booster group must present to the District a set of bylaws or similar rules governing the activities of the organization. The booster group must also comply with all District policies and guidelines relating to booster groups, as well as the P.I.A.A. and Wyoming Valley Conference rules and regulations, and any other governing body regulating the activity which the booster group is an organization.

- We have viewed the bylaws provided by the Booster for fiscal year ending June 30, 2018.

In order to receive continued recognition of the Board, a booster group must (1) submit to the District a business plan on an annual basis, that at a minimum, outlines the proposed fundraising activities, the specific purposes of the fundraising activities, and any other major expenditures; (2) present a proposed budget for the forthcoming year; and (3) file an annual accounting of expenditures for the prior year with the Business Manager.

- We have viewed the annual accounting of expenditures for the fiscal year ending June 30, 2017 submitted by the Booster.
- We were unable to view (1) a business plan submission for fiscal year ending June 30, 2018 or (2) a proposed budget for fiscal year ending June 30, 2018.
- The District noted its strengthened policy enforcement during the fiscal year ending June 30, 2018. The Booster cleared a portion of this noncompliance for fiscal year ending June 30, 2019, as we have viewed the business plan and proposed budget for fiscal year ending June 30, 2019.

Fundraising activities by booster groups shall be approved by the District. Fundraising shall only be approved for the following types of activities and only if the booster group is in compliance with all of the requirements of this policy. (1) To supplement equipment, supplies and programs for the various interscholastic athletic and extracurricular programs within the district, with the advice and approval of the Athletic Director. (2) To support district student scholarships. (3) To supplement equipment, supplies and programs for individual schools, with the advice and approval of the Business Manager. (4) To provide other types of activities, with the approval of the Business Manager.

- During our testing, we identified 22 out of 71 deposits that did not provide detailed enough documentation to clearly relate to a fundraising activity approved by the Board. Without further documentation we were unable to conclude that these deposits were for an approved activity.

Students will not be permitted to participate in any fundraising activities unless the following requirements are complied with. (1) The booster group has been recognized by the district. (2) The fundraising activity has been approved as required by the provisions of this policy. (3) There are no restrictions on the participation of any student in the activities or benefits of the booster group (i.e., banquets) if that student does not achieve a certain fundraising goal, except in instances where in order to participate in a field trip which has been approved by the appropriate coach or activity director, a fundraising goal has been established for the purpose of defraying costs.

- As stated above, during our testing, we identified 22 out of 71 deposits that did not provide detailed enough documentation to clearly relate to a fundraising activity approved by the Board. Without further documentation we were unable to conclude that these deposits were for an approved activity.
- The documentation provided did not disclose restrictions on the participation of any student in the activities or benefits of the Booster.

Small games of chance or lotteries shall not be permitted, except as expressly outlined in Board Policy Section 915 and as permitted by the Small Games of Chance Act. In order for a booster group to conduct small games of chance, the following must occur. (1) The booster group must be recognized by the Board in accordance with this policy. (2) The booster group is responsible to apply for any required permit pursuant to the Small Games of Chance Act. The group must show evidence to the Superintendent or designee that it has satisfied the proper requirements and has obtained a permit renewal before fundraising activities commence. (3) The group is responsible for remaining in compliance with applicable laws and regulations as to permit approval.

- The Booster maintained a license for small games of chance within the County of Columbia for the entire fiscal year ending June 30, 2017 and fiscal year ending June 30, 2018.

Booster groups that violate this policy or P.I.A.A. and Wyoming Valley Conference rules and regulations may have their recognition revoked or suspended by the District.

- The Booster did not submit to the District a business plan or a proposed budget for the fiscal year ending June 30, 2018 in order to receive the continued recognition of the Board, as required by the District's Board Policy Section 915.
- During our testing, we did not identify any suspended or revoked recognition of the Booster by the District.

Concerns/Issues of members of booster groups should be directed in the following order: activity advisor or coach; Athletic Director; building principal; Business Manager; and Superintendent.

- The documentation provided for our testing did not disclose any concerns or issues, nor their order of resolution if such an instance occurred.

In addition to testing the compliance of Board Policy Section 915, we were also instructed to review each recorded transaction of the Booster during the period July 1, 2017 through June 30, 2018. We were given access to the Booster's check register in which the group records its transactions. We were also given copies of the Booster's bank statements within the period of July 1, 2017 through July 31, 2018.

- All deposits (71) and disbursements (177) listed on the check register have been reconciled to the bank statements with the exception of 20 outstanding checks and 4 voided checks.
- Of the 177 disbursements, 22 checks did not have supporting documentation, 3 withdraws for startup expenditures did not have supporting documentation, 5 checks for coaches did not include numerical supporting documentation, 1 check was issued for an unlisted coach, and 18 checks did not have the required two signatures.
- Of the 71 deposits, 22 deposits that did not provide detailed enough documentation to clearly relate to a fundraising activity approved by the Board.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the recorded fiscal year activity of the Booster Club for the year ended June 30, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to bring to the District's attention that 2 of the 177 disbursements were related to the purchase of alcohol. Although this was not detailed in the agreed upon procedures, we find it unusual relating to the activity of a District Booster.

This report is intended solely for the information and use of the audit committees and managements of the Berwick Area School District and the Berwick 12th Man Football Boosters, and is not intended to be and should not be used by anyone other than these specified parties.

*Klucik & Associates, P.C.*

Shamokin, Pennsylvania  
November 7, 2018