

**To:** Robert Edwards, Superintendent  
**From:** Kristopher Williamson, Business Administrator, Faculty Auditor  
**Date:** Thursday, February 27, 2025  
**Subject:** CAP for June 30, 2024 Extraclassroom Audit Report

As part of the district's Extraclassroom Audit, our auditors, Mengel, Metzger, Barr and Company, reviewed our internal controls over financial reporting. During their review, the following immaterial deficiencies in our internal controls were noted. Our prior and current year deficiencies are noted below along with our response to these findings.

**Prior Year Deficiencies Pending Corrective Action**

**Sales tax is not being collected and remitted on taxable fundraisers.**

*Annual training will be provided by the Faculty Auditor (Kristopher Williamson) to all club advisors, which will include guidance on sales tax remittance from fundraisers. Follow-up training will be provided to all club advisors prior to June 30, 2025.*

**There is no process in place to ensure individuals receiving payments in excess of \$600 in a calendar year are appropriately issued an IRS Form 1099, when required.**

*IRS Forms 1099 were issued to individuals who were paid in excess of \$600 for services provided in 2023 and 2024. The Faculty Auditor (Kristopher Williamson) will continue to work with the Central Treasurer and GO Bookkeeper to ensure that processes are in place for tracking payments to individuals from various clubs to ensure that 1099 Forms are prepared and provided as appropriate by June 30, 2025.*

**There is no formal process in place for fundraising activities**

*The Faculty Auditor (Kristopher Williamson) will work with the High School and Junior High Principals to develop a formal process for organizing and approving fundraising events by June 30, 2025.*

**There is no formal process in place for clubs to reconcile their books with those maintained by the Central Treasurer.**

*The Faculty Auditor (Kristopher Williamson) will meet with the Central Treasurer to review procedures used when meeting with Student Treasurers and will develop written procedures by June 30, 2025.*

**Receipts are not pre-numbered.**

*A system is currently in place to digitally create receipt numbers for deposits, payments, and transfers. The Faculty Auditor (Kristopher Williamson) will continue to work with the Central Treasurer to refine the process of issuing receipts. Written guidelines will be developed by June 30, 2025.*

**There was a raffle conducted during the year.**

*The Faculty Auditor (Kristopher Williamson) will provide annual training to club advisors regarding raffles. Follow-up training will be provided to all club advisors prior to June 30, 2025.*

## **Current Year Deficiencies in Internal Control**

### **Profit and Loss Statements**

There were three instances where profit and loss statements were not clearly identified on the general ledger.

*The Faculty Auditor (Kristopher Williamson) will provide annual training to all club advisors regarding profit and loss statements and will provide guidance on how to ensure revenues, expenses, and sales tax remitted from fundraisers are clearly traceable to the club ledger and to the Central Treasurer's ledger. Follow-up training will be provided to all club advisors prior to June 30, 2025.*

### **Bank Reconciliation**

Bank reconciliations are not being reviewed by an individual who is independent of their preparation.

*The Faculty Auditor (Kristopher Williamson) currently reviews monthly statements provided by the GO Bookkeeper. A formal process will be developed to ensure that an independent review of the monthly bank reconciliations is conducted and signed off by the Faculty Auditor by June 30, 2025.*

### **Deficit Balance**

There was one club that ended the year with a deficit balance.

*The Audit Committee recommends an updated BOE Policy #5220 to be approved by the Board of Education within 60 days or the next Audit Committee meeting, whichever comes later. The Faculty Auditor (Kristopher Williamson) will review and propose a revision of Board Policy #5220 (Co-Curricular Activity Fund), which indicates that "no accounts shall remain unpaid at the end of the school year." The Faculty Auditor will propose language to add to this policy which will address a process for any club that may experience unanticipated financial difficulties at the end of the school year for review by the Audit and Policy Committees by June 30, 2025.*

## **Other Items**

### **Inactive Clubs**

Eight clubs were identified as inactive in the 2023-24 school year.

*The Faculty Auditor (Kristopher Williamson) will work with the High School and Junior High Principals to review all clubs to determine if they will be inactive in the upcoming school year. A review of all current extraclassroom clubs will be conducted by June 30, 2025.*