

PATRICK & ASSOCIATES, LLC

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January 12, 2024

MANAGEMENT LETTER

Kentucky State Committee for School District Audits
Board of Education of the Pulaski County School District
Somerset, KY

In planning and performing our audit of the basic financial statements of the Pulaski County School District (the District) for the year ended June 30, 2023, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters we consider to be opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. Comments included in the prior year management letter have been included in the memorandum, along with the current year status of each finding. A separate report dated January 12, 2024, contains our report on the District's internal control. This letter does not affect our report dated January 12, 2024, on the financial statements of the Pulaski County School District.

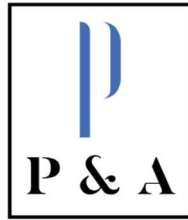
We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and the implementation of suggested procedures is currently being reviewed. We will be pleased to discuss these in further detail at your convenience, to perform additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of management, the members of the Pulaski County School District, others within the District, the Kentucky Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Tammy R. Patrick, CPA

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January 12, 2024

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS

Prior Year Recommendations – District

Pulaski High School

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report was not filed by July 25, 2022. Redbook requires the annual report to be filed by 25th July.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not a copy of the annual financial report for the Band Booster Club on file for the school year 2021-2022. There was what appeared to be a receipt/disbursement ledger submitted without any further supporting documentation such as bank statements, etc. In addition, there were no dates or signatures on the information provided. Redbook requires that external support organizations provide an annual report that must be submitted to the principal by July 25th for the preceding year.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

TICKET SALES

We noted that the two ticket sales events tested were not properly completed and missing the required signatures.

Current Year Status and Recommendation

Similar finding noted during the 2023 audit.

Northern Middle School

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report that was on file for the 2021-2022 fiscal year shows a discrepancy between the beginning and ending balance on the General Ledger Financial statement. The difference appears to have been a recurring issue and based on CFO's response, she was unaware of this issue. Also, we noted that the Annual Financial Report was not filed by July 25, 2022. Redbook requires year-end financial reports to be turned into the central office by July 25, 2022.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Prior Year Recommendations – District (Continued)

Northern Middle School (Continued)

INVENTORY CONTROL WORKSHEET

We noted that the Inventory Control Worksheets (F-SA-5) are not being maintained as required by any sport that includes that were on file for concessions that activity which included football, girls basketball, boys basketball, boys soccer, girls soccer, volleyball, etc. Redbook requires inventory control worksheets to be completed on a monthly basis to document the flow of inventory.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

TICKET SALES

We noted during review of ticket sales that the Requisition and Report of Ticket Sales Form (F-SA-1) that was submitted for the softball game held on 3/31/21 that the signature of ticket taker and the person in charge were missing. In addition, the ending ticket stub was missing making it unclear whether all the money has been properly accounted for. The Requisition and Report of Ticket Sales Form (F-SA-1) for a boys soccer game held on 4/13/21 was missing the the signature of ticket taker and the person in charge. Redbook requires that these duties be segregated and the beginning and ending ticket stubs be retained.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

CREDIT CARDS

We noted that on one occasion that the credit card was not returned the next day and another occasion where there was no date and time when it/if was returned Redbook requires that the card be checked by in the same or next business day.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

Southern Middle School

FUNDRAISERS

The fund raiser approval form for cheerleading was missing the sponsor's signature. In addition, cheerleading fundraisers may be considered school-wide fundraisers and require the approval of the board. The fundraiser active date was June 1, 2021, and to go through August 2022, however, the signature date of the principal wasn't until August 12, 2021. Fundraisers effective date should not be prior to the approval date. In addition, fundraisers are based on annual approval and should not be approved and permitted in another year without additional approval submissions. Finally, each fundraiser should be submitted separately and not as multiple fundraisers all at once.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not an Annual Financial Report on file for Baseball Boosters. Redbook requires that external support organizations provide an Annual Financial Report signed by the principal by the 25th of July.

Current Year Status and Recommendation

Similar finding noted during the 2023 audit.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Prior Year Recommendations – School Activity Funds (Continued)

Burnside Elementary School

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report was not filed timely. Redbook requires that the report be filed by July 25th and signed by both the bookkeeper and principal.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not a copy of the PTA insurance on file for the school year 2020-2021. Redbook requires that external support organizations provide proof of insurance annually to the school.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

FUNDRAISERS

Feud For Food was lacking board approval since it would be considered a school-wide fundraiser. Redbook requires school-wide fund raisers be approved by the board.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

Eubank Elementary School

FUNDRAISERS

We noted that the school is not using the updated forms for the fundraiser approval forms. The updated forms require the signature of the sponsor in addition to the signature of the principal.

Current Year Status and Recommendation

Similar finding noted during the 2023 audit.

Nancy Elementary School

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not a Annual Financial Report on file for the school year 2021-2022. Redbook requires that external support organizations obtain an Annual Financial Report signed by the principal by the 25th of July.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

Northern Elementary School

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was an Annual Financial Report and Budget, however the reports were signed or dated and therefore it was underminable whether these reports were filed by the 25th of July. We recommend that all reports be signed and dated as required.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Prior Year Recommendations – School Activity Funds (Continued)

Oak Hill Elementary School

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there an Annual Financial Report on filed, however, the report did not contain the signatures of any member of the PTO, the principal, or dates and therefore it was underminable whether submitted timely. Redbook requires that external support organizations obtain an Annual Financial Report signed by the principal by the 25th of July.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

DISBURSEMENTS

During testing it was noted that the school paid interest and late fee due to unpaid balance. Payments are required to be made within 30 days to prevent the payment of such fees and interest.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

Pulaski Elementary School

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report was not filed by July 25, 2022, the signature of the principal was August 29, 2022. Redbook requires the annual financial report financial report be filed with the board by 25th July.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was a copy of the PTA annual financial report on file for the school year 2021-2022, however, the form was not signed and dated by the principal. Without being signed and date by the principal, it is underminable whether the principal received it and when. Redbook requires that external support organizations provide an annual report that must be submitted to the principal by July 25th for the preceding year.

Current Year Status and Recommendation

Similar finding noted during the 2023 audit.

CREDIT CARDS

We noted that on numerous occasions that the credit cards were not returned the next day and numerous other occasions where there were no dates and times when the credit cards were returned, lost, or stolen. In addition, the forms where incomplete in other regards as well, such as missing the printed name of the person getting the card and failing to fill out the check in/out times. Redbook requires that the cards be checked by in the same or next business day and the forms should be properly completed to reduce the risks of fraud.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Prior Year Recommendations – School Activity Funds (Continued)

Southern Elementary School

CREDIT CARDS

We noted that on multiple occasions that a credit card was not properly signed back in and times were missing for all sign in/out dates. Redbook requires that the card be checked by in the same or next business day.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

FUNDRAISERS

We noted that the school is not using the updated forms for the fundraiser approval forms. The updated forms require the signature of the sponsor in addition to the signature of the principal.

Current Year Status and Recommendation

Similar finding noted during the 2023 audit.

Shopville Elementary School

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report was not filed by July 25, 2022. The date signed by the principal and bookkeeper was July 29, 2022. Redbook requires year-end financial reports to be turned into the central office by July 25, 2022.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

SEGREGATION OF DUTIES

We noted during the review of the Internal Control Questionnaire, completed by the school's bookkeeper, that the bookkeeper is performing the following duties: enters invoices into the accounting system, prints checks, photocopies checks/records receipts, records revenue in the accounting system, and takes the deposit to the bank. Redbook requires adequate segregation of duties and therefore a review process should be documented by initialing all supporting documentation such as invoices, deposit slips, deposit receipts, bank statements, bank reconciliations, etc.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was an Annual Financial Report, however the report was not filed timely or signed by the principal. The report provided was dated August 22, 2022. Redbook requires that external support organizations provide an Annual Financial Report signed by the principal by the 25th of July.

Current Year Status and Recommendation

No similar issues noted during the 2023 audit.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Current Year Recommendations

Pulaski High School

FUNDRAISERS AND INVENTORY

During fundraiser testing there was not a fundraiser approval form found for the “Pit Stop” fundraiser. Also, the inventory maintained was done so at cost rather than the required sales prices.

TICKET SALES

We noted that the two ticket sales events worksheets tested were not properly completed and missing the required signatures of the ticket taker and person in charge.

Northern Middle School

TICKET SALES

We noted that both of the ticket sales events tested did not have the proper forms completed. Both ticket sales forms were missing the signatures of the ticket taker and the person in charge.

Southern Middle School

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not an Annual Financial Report on file for Soccer Boosters or Softball Boosters. Redbook requires that external support organizations provide an Annual Financial Report signed by the principal by the 25th of July.

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report was not signed and were unable to determine whether filed by July 25, 2022. Redbook requires the annual report to be filed by 25th July.

TICKET SALES

We noted that one of the two ticket sales events tested was not properly completed and was missing the required signature of the person in charge.

Eubank Elementary School

FUNDRAISERS

We noted that the school is not using the updated forms for the fundraiser approval forms. The updated forms require the signature of the sponsor in addition to the signature of the principal.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not a PTO annual financial statement on file. Redbook requires that external support organizations provide an Annual Financial Report signed by the principal by the 25th of July.

Nancy Elementary School

ANNUAL FINANCIAL REPORT

We noted that the Annual Financial Report was not signed by the principal or bookkeeper. Without signing and dating we were unable to determine whether the report was filed by July 25, 2023.

TICKET SALES

We noted that the two ticket sales events tested were not properly completed and missing the required signatures for ticket seller, ticket taker, and person in charge of sales.

Pulaski Elementary School

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not an Annual Financial Report, Insurance, Fundraiser Approval Forms were on file for the PTO as required. Redbook requires that external support organizations provide an Annual Financial Report signed by the principal by the 25th of July. Also, Redbook requires that the school maintain proof in insurance for the booster club and fundraiser approval forms.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Current Year Recommendations (Continued)

Pulaski Elementary School (Continued)

TICKET SALES

We noted that both of ticket sales events tested did not have the required completed forms. The forms were missing the was missing the required signatures of the person in charge and ticket taker.

Southern Elementary School

FUNDRAISERS

We noted that the school is not using the updated forms for the fundraiser approval forms. The updated forms require the signature of the sponsor in addition to the signature of the principal.

Shopville Elementary School

INVENTORY

We noted that inventory worksheets are not being properly completed. The inventory is being accounted for at cost rather than at the sale price as required. Failure to properly complete inventory sheet resulted in not being able to determine whether inventory is accurate, or money collected is accurate.

MULTIPLE RECEIPT FORMS

Multiple receipt forms are not completed correctly. The signature of the sponsor and the school treasurer is missing. Failure to properly complete forms results in the lack of internal controls.

MANAGEMENT'S RESPONSE:

All comments and suggestions as provided by Patrick & Associates involve the School Activity Funds. Each of these are outlined in the "Redbook." Management will have a Redbook update and pre-audit meeting in the next quarter to address the comments and suggestions made with each bookkeeper.