

**DANVILLE INDEPENDENT
SCHOOL DISTRICT**

MANAGEMENT LETTER
COMMENTS

YEAR ENDED JUNE 30, 2019

Kentucky State Committee for School District Audits and
Members of the Board of Education
Danville Independent School District
Danville, Kentucky

In planning and performing our audit of the financial statements of Danville Independent School District for the year ended June 30, 2019, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report dated November 15, 2019 contains our report on the District's internal control structure. This letter does not affect our report dated November 15, 2019 on the financial statements of the District.

We will review the status of our comments during our next audit engagement. We have already discussed the comments and suggestions with various District personnel, and their implementation is currently being reviewed. We will be pleased to discuss them in further detail at your convenience, to perform any 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, members of the board of education, 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.

Respectfully,

Stiles, Carter & Associates, CPAs, P.S.C.
Stiles, Carter & Associates, CPAs, P.S.C.
Bardstown, Kentucky
November 15, 2019

DANVILLE INDEPENDENT SCHOOL DISTRICT

MANAGEMENT LETTER COMMENTS

JUNE 30, 2019

PRIOR YEAR UNCORRECTED COMMENTS

BATE MIDDLE SCHOOL

IMPROPER FORM - REPEAT

We noted that the deposit made on 3/26/19 included a Multiple Receipt Form (F-SA-6) for the receipt Bookfair proceeds. Redbook requires that Bookfair receipts be reported on a Sales Collection Form (F-SA-17).

MANAGEMENT'S RESPONSE:

JWBMS has the appropriate forms and the bookkeeper has been made aware of the appropriate form to be used. We will remedy this in the future through staff education.

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BATE MIDDLE SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUB

We noted that the annual financial report for the PTO for the 2018-2019 school year was not signed by the organization's treasurer or president and was not signed and dated by the school's principal. Redbook requires that the principal sign off on the annual financial report for each external booster by 7/15/2019.

We also noted that the liability insurance for the PTO expired before the school year was over. Redbook requires that the liability insurance extend until the completion of all activities for the respective external booster club.

MANAGEMENT'S RESPONSE:

We were in transition in regard to the bookkeeper position at the close of last fiscal year. We will remedy this through bookkeeper training and communication with our PTO organization concerning appropriate protocols.

DANVILLE HIGH SCHOOL

CASH AWARD

Check # 24051 was written to student James Cooch for a scholarship. Redbook states that Cash awards cannot be made directly to the students.

MANAGEMENT'S RESPONSE

This check was written in May of 2019. I have reviewed procedures and policies and the bookkeeper and myself understand to not distribute funds directly to students regarding cash awards. If this required is made, we will work hand in hand with CO to ensure compliance.

CREDIT CARDS

We noted that there were multiple entries on the Credit Card Sign In/Out Form (F-SA-13) that show that the cards were checked out for multiple business days at a time. Such instances include the 4/18/2019 entry on the card ending in 6904, 2/14/19 entry on the card ending in 6903, and 3/21/19 entry on the card ending in 6902. Redbook requires that the credit cards be checked in the same day or the next business day.

MANAGEMENT'S RESPONSE

DANVILLE INDEPENDENT SCHOOL DISTRICT

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The bookkeeper and I will reeducate the whole staff using the school staff newsletter. This will be complete by December 1, 2019 as noted in newsletter. We will also type up announcement sheet and remind each person who checks out the card the time when card needs to be returned.

EXTERNAL SUPPORT/BOOSTER CLUB

We noted that the annual financial report for the football team, girls' basketball, PTO, soccer, baseball, band, and boys' basketball for the 2018-2019 school year was not signed by the organization's treasurer or president and was not signed and dated by the school's principal. Redbook requires that the principal sign off on the annual financial report for each external booster by 7/15/2019.

We also noted that the annual External Support/Booster Organization Budget Worksheet (F-SA-4B) that was on file for the Soccer team for the 2018-2019 school year was not signed by the organization's treasurer or president and was not signed and dated by the school's principal. Redbook requires that the principal approve the external support/booster club budgets within the first 30 days of the school year or within 30 days of the first transaction for the fiscal year.

We also noted that the liability insurance for the Boys' Basketball team expired before their season was over. Redbook requires that the liability insurance extend until the completion of all activities for the respective external booster club.

MANAGEMENT'S RESPONSE

We have reviewed current booster information to ensure that it is in compliance. I have reviewed budgets and insurance information to ensure that it is up to date. I will have the bookkeeper prepare a sheet with deadlines, share it with the AD and share it with all booster reps. We will develop a system of communication for booster reps.

COACHES CARDS

We noted the school purchased approximately 4 coaches' cards for individuals. Per discussion with the school's bookkeeper, we noted that coaches' cards were purchased for the principals, assistant principals, and the AD. Redbook disallows the purchase of coaches' cards for individuals who are not head coaches or assistant coaches.

MANAGEMENT'S RESPONSE:

This was for the 2018-19 school year. I will not approve nor the AD or bookkeeper purchase of coaching cards through this avenue. It has been corrected and will continue to be non-allowed per Redbook.

EDNA L. TOLIVER ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUBS

We noted that the Danville Schools PTO had proof of liability insurance coverage on file but the coverage ended on 12/06/18. Redbook requires that all booster clubs submit a proof of general liability insurance for each school year the booster club is active.

MANAGEMENT'S RESPONSE:

Toliver Elementary School will have a procedure in place to notify our PTO a month before the expiration date is to expire for our liability insurance coverage. Once it is renewed a copy will be given to Toliver Elementary School.