

PATRICK & ASSOCIATES, LLC

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January 9, 2025

MANAGEMENT LETTER

Kentucky State Committee for School District Audits
Board of Education of the Hart County School District
Munfordville, KY

In planning and performing our audit of the basic financial statements of the Hart County School District (the District) for the year ended June 30, 2024, 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 9, 2025, contains our report on the District's internal control. This letter does not affect our report dated January 9, 2025, on the financial statements of the Hart County School District.

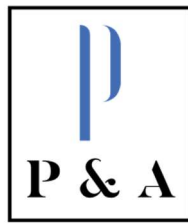
We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and the implementation of suggested procedures is currently being reviewed. We will be pleased to discuss these in further detail at 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 Hart 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.

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MEMORANDUM – SUMMARY OF COMMENTS AND RECOMMENDATIONS

Prior Year Comments and Recommendations

HART COUNTY HIGH SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the report and the June 2023 bank reconciliation were not signed by the bookkeeper or the principal for approval.

Current Year Status and Recommendation

Similar finding noted during the 2024 audit.

BONNIEVILLE ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTERS

During our review we noted that there was no EIN on file for Bonnieville Elementary PTO. Redbook requires that an external support/booster organization must provide the EIN to the District.

Current Year Status and Recommendation

No similar issues noted during the 2024 audit.

CUB RUN ELEMENTARY SCHOOL

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: photocopies checks/records receipts, records revenue in the accounting system and takes the deposit to the bank (when not picked up by the courier). Redbook requires the person that photocopies checks/records receipts and records revenue in the accounting system to be different from the person that takes the deposit to the bank.

Current Year Status and Recommendation

No similar issues noted during the 2024 audit.

MEMORIAL ELEMENTARY SCHOOL

ANNUAL FINANCIAL REPORT

We noted that the report was not signed by the bookkeeper or the principal for approval.

Current Year Status and Recommendation

No similar issues noted during the 2024 audit.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Prior Year Comments and Recommendations (Continued)

MEMORIAL ELEMENTARY SCHOOL (Continued)

EXTERNAL SUPPORT/BOOSTERS

During our review we noted that the School Activity Fund Support/Booster Organization Budget (Form F-SA-4-B) for PTSA was not signed and dated.

Current Year Status and Recommendation

No similar issues noted during the 2024 audit.

FUNDRAISER SUMMARY

We noted during our fundraiser test work that form F-SA-2B was not completed for the fundraisers for Jr. Beta / Memorial Elementary PTSA (Valentines Day Candy / Packages and Sales of School-themed Decals).

Current Year Status and Recommendation

No similar issues noted during the 2024 audit.

TICKET SALES

We noted during our testing of ticket sales procedures that the wrong ticket numbers were listed on the form for the Volleyball match on March 13, 2023.

Current Year Status and Recommendation

No similar issues noted during the 2024 audit.

Current Year Recommendations

HART COUNTY HIGH SCHOOL

TRANSFERS

We noted the transfer forms are not properly completed. Transfer forms requires the signature of the sponsor of the activity in which the money is being transferred from, these signatures were missing on transfer formed reviewed.

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

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

ANNUAL FINANCIAL REPORT

There was not an annual financial statement on file. The annual financial statement was received on the date of fieldwork. Redbook requires that an Annual Financial Report signed by the bookkeeper and principal be filed and turned into the board office by the 25th of July.

NEGATIVE ACTIVITY FUND BALANCE

At year end, one activity account had a negative balance when accounts payables was taken into consideration. The bank account balance should have been \$1,822. Redbooks requires that if the school activity fund bank account ends the year with a negative balance (after taking receivable and accounts payable into consideration), then the district's general fund shall cover any deficit by June 30.

BONNIEVILLE ELEMENTARY SCHOOL

TICKET SALES

We noted a ticket sales events tested did not have the required completed form. The form was missing the signatures of the ticket taker, ticket seller, and person in charge.

MULTIPLE RECEIPT FORM (MRF)

We noted a multiple receipt form that was not properly completed and was missing the signature of the person remitting the form to the bookkeeper.

MEMORANDUM – SUMMARY OF COMMENTS AND SUGGESTIONS (Continued)

Current Year Recommendations (Continued)

LEGRANDE ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that a fundraiser by the PTO was not signed by the principal. The principal or a designee's approval of all other fundraisers proposed by external support/booster organizations, including the use of funds, is required. The Fundraiser & Crowdfunding Approval (Form FSA-2A) shall be completed and approved before the fundraiser begins.

MEMORIAL ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not a PTO booster club budget on file. Redbook requires external booster club budgets to be submitted to the principal within the first thirty days of the school year or within thirty days of the first transaction of the group.

MUNFORDVILLE ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER ORGANIZATION

We noted that there was not a PTO booster club 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.

DEPOSITS

The school does not list the receipt numbers on the deposit slips. Redbook requires that the deposit slips have the receipt numbers noted.

Management's Response:

The new finance officer for Hart County Schools started the role on July 1, 2024. After consulting with district finance support staff and school bookkeepers, it was decided that a Redbook refresher was definitely needed.

The finance officer, benefits coordinator/school account coordinator, and two school bookkeepers attended a Redbook Training hosted by GRREC on August 28, 2024. Additionally, a Redbook training performed by RJ Flannery, LLC was held on October 17, 2024 at the Hart County Schools Central Office for external booster club officers. Each external booster club currently in existence within the Hart County Schools' purview was represented either by their president, treasurer, or both. Additionally, Mr. Flannery has already committed to a full Redbook refresher training for all school bookkeepers (which will be made mandatory) later in Spring 2025, depending upon the timeline for imminent Redbook revisions that have been indicated to occur in early 2025.

Individually, given the recommendations made by the auditor's team, the finance officer and school account coordinator will meet with each school principal and bookkeeper to review required practices relating to the deficiencies found. In regards to the specific deficiency noted at Hart County High School for two consecutive years, a specific consultation will be held with district finance staff and the HCHS team prior to their submission of FY25 financial records to ensure the recommendations found herein are followed.