

INDEPENDENT AUDIT REPORT

Organization: Friends of Saugatuck Middle/High School

EIN: 88-1803770

Audit Period: January 1, 2023 – June 30, 2024

Completed by: Heidi Hunt

Date Completed: October 30, 2024

The following documents were reviewed:

1. Bylaws
2. 990-N
3. Minutes
4. Bank Statements and Reconciliations
5. Treasurer Reports

As an independent reviewer of the financial recordkeeping practices of The Friends of Saugatuck Middle/High School, I conducted a thorough examination of key financial and governance documents to assess the transparency, accuracy, and overall compliance of the organization's financial practices. My review encompassed the PTO's bylaws, most recent IRS Form 990 filing, meeting minutes, bank statements and reconciliations, and the treasurer's reports. The purpose of this audit is to provide an objective overview of the financial processes currently in place, highlight any areas where adjustments may enhance clarity or compliance, and offer recommendations that may strengthen future recordkeeping. The following report outlines findings, suggestions, and any questions identified during this review.

Findings:

1. The bylaws appear to have been amended; however, they do not include the Secretary's signature, making it difficult to confirm if they reflect the most current version. Additionally, was not able to locate documentation in the minutes that confirms formal approval of the amendments. Including these details in future records would help ensure clear alignment on the bylaws' current status.
2. Was not able to clearly identify when the approved budget was adopted within the minutes. It would be beneficial to have a recorded vote specifically for the budget and notate within the minutes.
3. In December 2023, a \$689 furniture expense was paid with Check #1021, and the receipt was provided. However, it was not clear whether this expense was part of the budget or categorized under discretionary spending. According to the bylaws, unbudgeted expenses exceeding \$500 require approval via a majority vote by the Board of Directors via a regular scheduled meeting or electronic vote.
4. The September 19, 2024, minutes state that there was discussion of the budget, but no budget was attached.

Suggestions:

1. To facilitate easier review, it would be helpful to include checks and receipts only for items that have cleared within each monthly bank statement. For example, in the January 2023 report, documentation was included for a check to Farmhouse Deli on January 25, 2023, but did not clear until the following month. This was a similar practice found throughout the monthly review.
2. In October 2023, a receipt was not submitted for a \$50.31 reimbursement to Kelly Roche. To enhance dual control, dual signatures should be required for any reimbursements made without an accompanying receipt. In addition, this should be noted and documented within the monthly Treasurer Report.

3. In December 2023, a \$790.00 payment was made to Farmhouse Deli using verbiage in an email rather than an official invoice. To help reduce the risk of potential fraud, it would be beneficial to obtain an official invoice prior to payment whenever possible.
4. It would be helpful to attach the Treasurer's Report to the minutes each month and to include a Budget-to-Actual expenditure comparison within the report. These additions could enhance clarity and provide a more comprehensive view of financial activities.
5. A Conflict-of-Interest Statement should be signed annually for the officers of the Board.

Comments:

Overall, the financial reporting is clear and transparent, with only a few minor findings and suggestions. The PTO's transition to MoneyMinder is commendable, and the inclusion of the reconciliation reporting cover sheet is a valuable enhancement for clarity.

Signature:

Heidi Hunt

10/31/2024

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