

PTA AUDIT / FINANCIAL REVIEW FORM (PAGE 1 OF 3)

Purpose: To remain in compliance with the bylaws, be in good standing and to verify funds raised and spent by the unit.



Instructions:

- The Board of Directors must select an auditor or auditing committee no later than two weeks prior to the end of the school year. Refer to Bylaws, Article VII, Section 4.
- The treasurer shall submit to the auditor(s) all financial records and forms listed below.
- Local units and councils should scan and email the audit/financial review form to audit990@georgiapta.org or mail to Georgia PTA, 114 Baker St. NE, Atlanta, GA 30308-3366. Audits must be sent in by the last business day in September. You must also send a copy to your local council, if applicable, or to your district Director if there is no council.

Date 9/10/20		PTA Local Unit ID# 9884	
District 10	Council Atlanta	PTA Name Morningside Elementary PTA	
Contact Person Susan Mapen		PTA Position Treasurer	
Address 1053 E Rock Springs Rd NE			City Atlanta
State GA	Zip 30306 - 3047	Email susanmapen@yahoo.com	
Cell Phone 404-668-9480		Home Phone	

Auditor/Auditing Committee: Please complete all sections.

Year 20 19 - 20 20

PTA, please mark PTA boxes in Section A for documents you are providing.

Section A: Please check all Financial records provided

PTA	Auditor
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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- Checkbook register (a listing of all checks)
- All bank statements
- All funds verification forms and deposit slips
- All check request forms with receipts/bills attached
- All treasurer's reports
- Adopted budget and approved amendments
- Copies of all minutes (board, executive and general)
- Copy of local unit bylaws

PTA	Auditor
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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- General ledger report (list of all receipts/disbursements)
- The annual financial report (profit and loss statement)
- Cancelled checks or bank images from bank statement
- Copy of insurance
- All treasurer's reports
- Itemized statements and receipts of bills paid
- Copy of last year's audit report and 990 or 990N
- Copy of the final bank statement for the last audit period

Section B: To be completed by the Auditor ONLY

Y N

- a. Does the amount shown on the first bank statement (adjusted for outstanding checks and deposits) correspond to the starting balance recorded in the checkbook register, ledger, treasurer's reports and ending balance of the last audit?
- b. Were the bank statements reconciled monthly by the treasurer and signed by the president and another person not authorized to sign checks or related to the signers?
- c. Did all the checks written contain two (2) signatures? President, treasurer or one another elected officer?
- d. Were all checks properly recorded in the checkbook register, ledger or treasurer's reports?
- e. Were all bank charges and interest recorded in the checkbook register, ledger and treasurer's reports?
- f. Did the PTA purchase insurance?
- g. Were all authorizations approved by the president or their designee and contain receipts?
- h. Did the PTA make payments by a PTA credit or debit card?
- i. Did the PTA use the Funds Verification Forms?
- j. Were all funds received counted by two persons with the treasurer being the third counter?
- k. Did the funds received match the deposits recorded in the checkbook register, ledger and treasurer's reports?
- l. If the PTA accepts payment by credit/debit cards (e.g. PayPal) are those funds reconciled and posted in the register?
- m. Did you receive a copy of the approved/amended budget?
- n. Was the income spent according to the approved/amended budget?
- o. Did the general meeting minutes contain budget approval?
- p. Did the general meeting minutes include all budget amendments?
- q. Did the general meeting minutes include the audit report approval?
- r. Do the membership numbers match? 267 # of memberships collected? 267 # of membership dues submitted to the state?

Please contact and return the completed audit to the new incoming treasurer. The outgoing treasurer needs to sign the audit form before handing over to the auditor/audit committee.

Outgoing Treasurer's Signature Susan Mapen Date 9/15/20

Outgoing Treasurer's Daytime Phone 404-668-9480 Email susanmapen@yahoo.com

Incoming Treasurer's Name Jim Pusley Daytime Phone _____ Email _____

PTA AUDIT/FINANCIAL REVIEW FORM (PAGE 2 of 3)



Year 2019 - 2020

Date 9/10/20

PTA Name Morningside Elementary PTA PTA LU ID # 9884

Council Atlanta District 10

Dates covered by this audit/financial review from: 6/1/19 to: 5/31/20

- 1. Balance on Hand (From Date of Last Audit)..... \$ 217,773.89, see note on page 3
- 2. Receipts (From last audit to date of audit)..... \$ 377390.78
- 3. Total Cash (add 1 and 2 together)..... \$ 595,164.67
- 4. Disbursements (From last audit to date of audit)..... \$ 313,261.27
- 5. Balance on Hand (Date of Audit, subtract line 4 from line 3)..... \$ 281,903.40
- 6. Bank Statement Balance as of 5/31/20 (date) \$ 290,979.06

7. Checks Outstanding (List check number and amount)

<u>Check #</u>	<u>Amount</u>	<u>Check #</u>	<u>Amount</u>
<u>SEE ATTACHED</u>	<u>LIST</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

8. Total Outstanding Checks..... \$ 9,072.69

9. Balance in Checking Account (Subtract line 8 from line 6)..... \$ 281,957.91, immaterial \$55 variance

Note: Amounts on line 5 and 9 should be the same.

Only one line can be checked, if there are any findings (even minor) line 2 must be checked:

- 1. I (We) have audited the books and find them to be correct.
- 2. I (We) have audited the books and found the following problems and/or make these suggestions.
Problems/suggestions must be noted on page 3 of the audit form.
- 3. I (We) have audited the books and found significant problems that must be reported to the district PTA immediately for assistance. Please document finding on page 3 of the audit form.

Amy E Marriott Digitally signed by Amy E Marriott
Date: 2020.09.10 10:10:07 -0400

Auditor/Reviewer Signature

Auditor/Reviewer Signature

Auditor/Reviewer Signature

Amy Marriott

Auditor/Reviewer Printed Name

Auditor/Reviewer Printed Name

Auditor/Reviewer Printed Name

404-317-8590

Auditor/Reviewer Phone Number

Auditor/Reviewer Phone Number

Auditor/Reviewer Phone Number

Outgoing President's Signature (mandatory)

Outgoing Treasurer's Signature (mandatory)

Date

[Handwritten Signature]

9/15/20

The auditor/auditing committee report must be in writing and submitted with the audit. If the auditor/committee finds there are not adequate records or inappropriate accounting procedures used, this information should be noted.

Note: A copy of the Financial Review/Audit must be submitted to Georgia PTA by the last business day in September. Once the appropriate 990 is filed with the IRS, please submit the IRS filing verification form and appropriate documents to Georgia PTA.

NEW Morningside Elementary PTA

Checking, Period Ending 05/31/2020

RECONCILIATION REPORT

Reconciled on: 06/12/2020

Reconciled by: susanmapen@gmail.com

Any changes made to transactions after this date aren't included in this report.

Summary

	USD
Statement beginning balance	141,633.31
Service charge	-2.00
Interest earned	1.20
Checks and payments cleared (20)	-10,790.04
Deposits and other credits cleared (4)	8,683.05
Statement ending balance	139,525.52
Uncleared transactions as of 05/31/2020	-9,072.69
Register balance as of 05/31/2020	130,452.83
Cleared transactions after 05/31/2020	0.00
Uncleared transactions after 05/31/2020	-7,158.42
Register balance as of 06/12/2020	123,294.41

Details

Checks and payments cleared (20)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/06/2020	Bill Payment	3699	Claire Burke	-8.93
04/23/2020	Bill Payment	3735	Kelli Hadfield	-440.00
04/23/2020	Bill Payment	3733	Hayden Kelly	-22.00
04/23/2020	Bill Payment	3731	Annette Ransom	-184.77
04/23/2020	Bill Payment	3734	Jana Kovac	-1,452.70
05/01/2020	Journal	28R		-35.00
05/01/2020	Journal	28R		-20.00
05/06/2020	Bill Payment	3739	Joanna Fmdak	-100.00
05/06/2020	Bill Payment	3740	Julie Turner	-200.00
05/06/2020	Bill Payment	3738	Cindy Cherry	-46.19
05/06/2020	Bill Payment	3737	Allyson Summer Houston Snapp	-200.00
05/06/2020	Bill Payment	3743	Rebecca Georges	-211.67
05/06/2020	Bill Payment	3741	Kate Floyd	-292.09
05/06/2020	Bill Payment	3742	Kerry Weinheimer	-415.00
05/08/2020	Bill Payment	3746	Misty Moore	-205.14
05/08/2020	Bill Payment	3745	Amazon Capital Services	-52.99
05/15/2020	Bill Payment	3750	Lisa Olmsted	-1,711.56
05/15/2020	Bill Payment	3748	Travis Welsh	-200.00
05/19/2020	Bill Payment	3751	Arshia Haji Khalili	-106.99
05/22/2020	Bill Payment	3756	Lisa Olmsted	-4,885.01
Total				-10,790.04

Deposits and other credits cleared (4)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/16/2020	Deposit		Morningside Foundation	5,000.00
05/27/2020	Deposit		Various	3,632.64
05/27/2020	Journal	29R		0.11
05/27/2020	Deposit		Amazon	50.30
Total				8,683.05

Additional Information

Uncleared checks and payments as of 05/31/2020

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
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6/12/2020

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
07/01/2017	Journal	24R		-1,387.00
03/06/2020	Check	3697	BSA	-500.00
03/10/2020	Bill Payment	3715	Staffing911, Inc	-50.00
04/01/2020	Journal	23R		-35.00
04/02/2020	Bill Payment	3720	Deborah Solomon	-150.00
05/06/2020	Bill Payment	3744	Zina Rhodes	-133.27
05/15/2020	Bill Payment	3749	Allison Espelosin	-108.00
05/15/2020	Bill Payment	3747	Allison Espelosin	-109.91
05/19/2020	Bill Payment	3752	Carrie Roetger	-602.55
05/19/2020	Bill Payment	3753	Stephanie Felton	-106.88
05/22/2020	Bill Payment	3754	Brittany Hamilton	-200.00
05/22/2020	Bill Payment	3757	Sara Hamilton	-200.00
05/22/2020	Bill Payment	3758	Sue Bates	-200.00
05/22/2020	Bill Payment	3755	Jostens Inc.	-1,553.08
05/29/2020	Bill Payment	3760	Playworld	-2,648.00
05/29/2020	Bill Payment	3759	Atlanta Public Schools Transp...	-1,089.00
Total				-9,072.69

Uncleared checks and payments after 05/31/2020

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
06/11/2020	Bill Payment	3764	Tywane Owens	-164.67
06/11/2020	Bill Payment	3763	Susan Mapen	-243.27
06/11/2020	Bill Payment	3761	Audrey Sofianos	-5,750.48
06/11/2020	Bill Payment	3762	Lobbyguard	-1,000.00
Total				-7,158.42

PTA AUDIT/FINANCIAL REVIEW FORM (PAGE 3 of 3) Georgia

Year 2019-2020

Date August 6, 2020

PTA Name Morningside ES PTA

LU ID # 9884

Council District Atlanta

Susan Mapen, Treasurer 2019-2020

Jim Pursley, Treasurer 2020-2021

The annual financial examination covered the period of May 2019 to May 2020. Per Georgia PTA Treasurer guidelines, the audit is to be completed at the completion of the school year regardless of the fiscal year, budget year end, or form 990 year-end. I found no specific evidence of misappropriation, but clean-up of errors and questionable processes are noted below. Additionally, there were instances where the processes did not follow the Georgia PTA Treasurer Guidelines. Please see items noted below.

Fiscal year end – The MES PTA bylaws detail a fiscal year of August 1st through July 31st. The PTA budgets and completes the IRS Form 990 with a July 1st – June 30th year-end. We recommend the school update the bylaws to align to their budgeting and IRS reporting fiscal year end. Furthermore, we noted the QuickBooks ledger was set up with a calendar year-end of December 31st, instead of the July 1st- June 30th creating financial reporting difficulties for the tax return.

2019 Annual Financial review completed late - The prior year audit covered June 1st– May 31st and was completed in February 2020, but not within the PTA deadline of September 30th.

Balance on Hand – Balance on hand from date of last audit (5/31/19) as recorded on the PTA Audit/Financial Review of \$177,557.13 form did not agree to Balance on Hand in QuickBooks (QB) of \$198,525.90, nor did the bank balances agree as the \$9810 garden account was not included. We noted the treasurer voided/cleaned up approximately \$10,000 in old outstanding checks. The QB system reversed the funds back to the checking account as of the date the check was issued instead of the date of the void, thus increasing the QB amount as of 5/31/19 and the former auditor did not account for the deposit in transit on the QB balance when reporting results. Thus, the variance of approx. \$20,000. Additionally, the rolled balance and the actual QB balance has an immaterial variance of \$55, which is partially due to the unrecorded interest in QB for the garden account.

Bank Accounts – We noted the following:

- In January 2019, a new bank account was established for \$9810.86 related to grant funds for the garden. However, the transaction was recorded as a transfer from checking to the savings account in QuickBooks as a new bank account was not established in the GL for tracking this new account. As a result, the \$9810.86 remains an outstanding deposit in the savings account bank reconciliation as of 5/31/20. This account was excluded from the 2019 PTA audit financial review resulting in understated assets. The savings account and garden account were closed in July 2020 and remaining funds were transferred into

the checking account. Interest on the garden bank account was never recorded and the account was not reconciled.

- Due to COVID, mailed bank statements with cancelled checks were not available for all months – noted March, April, and May 2020 missing. Furthermore, cancelled checks were also missing for June and July 2019 as the statements are mailed to the school and don't always make it in the files (recurring audit issue). We were provided electronic copies without the canceled checks to review the reconciliations. Thus, dual signature of all checks could not be confirmed. We noted check #3421 was missing dual signatures (presidents was missing) for the months available.
- Bank statements and reconciliations were not consistently signed evidencing review. In accordance with guidelines, an individual, who is not an authorized check signer, should review and sign the bank statement monthly. (recurring issue)
- Additionally, there is no limitation on amounts carried over from year to year; however, it is recommended that you limit fundraising to levels required for budgeted expenses to avoid substantial carry-over amounts. Any carry over amounts should be incorporated into the next fiscal year budget and fundraising efforts reduced appropriately to avoid generating savings. We noted the school had \$141,633 in checking \$141,538 in savings, and \$9,814 in the garden restricted account as of May 31, 2020 for a total \$292,985 less the \$9,073 outstanding checks to be rolled into the 2021 fiscal year budget.

Old outstanding checks – The PTA ended May 2019 with 55 outstanding journal entries and checks totaling \$30,405.41. Many of these items were from prior year and the checks were cleaned up during fiscal 2020. However, this clean up resulted in the GL balances for the checking account not agreeing to the amount per the 2019 report resulting in an approximately \$10,000 higher GL balance than reported. Furthermore, a \$1,387 journal from July 2017 remains outstanding in the May 2020 bank reconciliation and should be researched and addressed.

Petty cash for events – Petty cash used for events including the Halloween carnival (\$1,240), book fair (\$105 and \$249), 5th grade event (\$100). The cash was withdrawn from the bank and recorded in the GL as a journal entry to offset the revenue of the event. Petty cash box funds should be paid via check to the organizer and recorded as petty cash or another asset on the ledger. A check request should be used to request petty cash box funds for events. The count verification form should include the cash box funding in the count and when the funds are deposited the cash box funding is returned to checking and the petty cash credited/removed.

Check requests- The check requests were not maintained in check date order. Additionally, the following was noted and a detail of each check's issue is in appendix A.

- Check request forms were not used for all payments. We noted invoices didn't always include the form, but were signed by both the treasurer and the president. In a couple cases we had no invoice, receipts, or check request and just the check stub was dual signed by the PTA. However, this process circumvents the details needed per the PTA guidelines that a check request form must include: date of request, brief description of PTA approved activity, amount to be paid, receipts/invoices for activity, budget line items associated with request, etc.

- Almost half of the checks reviewed were approved late by the president as the was cut prior to the approval date of the president.
- Most of the check request forms lacked the check number, which is required per state PTA requirements. This caused issues and some checks had three different stubs attached without copies of the voids and the GL check number didn't match the actual check number issued making reconciliation more difficult.
- Some check requests included photo copies of receipts instead of original receipts or a bank statement/credit card statement line item.
- Some instances of check requests were not consistently signed by both the treasurer and president. (recurring issue)
- Multiple check requests could be paid on one check, but the check request documentation was not maintained together for easier review. Each check request had a check stub attached showing the check was issued for more than the individual check request, requiring auditor to find the other check request.

1099s – W-9s were not collected on contractors to determine if a 1099 was required. No 1099s were issued. Additionally, many contractors are paid by a volunteer and the PTA reimburses the volunteer, making issuing 1099s difficult.

Deposits- The following was noted during a review of the cash/check deposits.

- Almost half the deposit tickets didn't have the cash verification form confirming the cash and checks counted and to verify the type of funds deposited. Many of the cash verification forms didn't match the actual funds deposited as other checks were also included in the deposit. Additionally, the cash verification form is used to ensure dual control and count of the funds received. (recurring audit issue)
- A cash verification form from May 2019 of \$237 was deposited with other funds in July 2020 which totaled \$1,048.18 with no supporting detail. Funds should be deposited immediately after an event and at least weekly for checks received at the school.
- A cash count sheet of \$200 from 9/20/19 didn't have a corresponding deposit slip and did not appear to be deposited in the bank.
- Bank deposit receipts did not include supporting documentation detailing the types of funds received. We were subsequently provided with an excel that detailed each bank deposit including cash or check#, amount, purpose, and date deposited. This information should be included with each bank deposit and a cash verification form completed to ensure accuracy.
- Many of the funds were collected electronically via square or greater giving. We noted that reports didn't always match the deposits as the reports detailed transactions on the date it occurred, but funds normally took a few days to be funded to the PTA bank account by the third party. Thus, journal entries were made monthly to allow for reconciliation of the bank account for the variance due to timing. We recommend the PTA work with Square to obtain a deposit report detailing the transactions included in a bank deposit instead of only providing the customer transaction date. This would allow the PTA to record the timing difference transactions separately and identified them as an uncleared deposit in the bank reconciliation.

- To assist with event tracking, the PTA utilized square for cash and credit card sales to better track sales by event and spirit wear inventory. While this allows for revenue reconciliation, it makes reconciling the electronic collections and deposits difficult. Documentation should be maintained to ensure the deposit was not recorded as a duplicate. The QB file should track total sales/donations instead of using the electronic collection for this tracking.

Membership dues – Dues were not remitted on a timely basis as they were remitted in January and June 2020. Most dues were received in August and September 2019. Dues should be remitted to Georgia PTA on a monthly basis unless no dues are collected. (recurring audit issue)

RECOMMENDATION -In light of the volume of transactions and significant budget size, I recommend that the PTA consider creating a Co-Treasurer position. The Co-Treasurer would move into the Treasurer position when the Treasurer rolls off. This would help ensure familiarity and consistency of procedures from year to year, as well as, balancing the workload. (recurring recommendation)