



September 14, 2021

Thomasville City Schools Board of Education
Thomasville, North Carolina

In planning and performing our audit of the financial statements of the Thomasville City Schools Board of Education for the year ended June 30, 2021, we considered the Board'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.

During our audit, however, we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. This memorandum summarizes our comment and suggestion regarding these items. We previously reported on the Board's internal control structure in our report dated September 14, 2021. This letter does not affect our report dated September 14, 2021, on the financial statements of the Thomasville City Schools Board of Education.

Title I Indirect Cost

We noted the district charged the Title I program approximately \$16,000 more than the maximum allowable amount that could be charged. We recommend the district closely monitor the charging of indirect cost to federal programs to ensure that only allowable amounts are indeed charged to the applicable federal program.

Payments to Children for Services

We identified payments made to four children for services performed for the Child Nutrition program. The total of these payments was \$3,000. We recommend the district immediately cease such payments.

Purchase Orders – Child Nutrition Program

During our interim testing in May 2021, we noted the former Finance Officer's electronic signature was present on the pre-audit certificate for the Child Nutrition Program. After our identification of this issue to management, the signature was immediately replaced with the current Finance Officer's electronic signature. We recommend management immediately update all electronic signatures when a turnover of staffing occurs.

Deficit Fund Balance – General Fund

Per review of the district's audit reports for the past few years, it was noted that improvement has been made, however the district has reported a deficit unassigned fund balance within the General Fund. Unassigned fund balance reported in the General Fund at June 30, 2021 is a deficit \$33,327. The district will need to increase revenues and/or decrease expenditures in sufficient amounts to eliminate its unassigned fund balance deficit.

Coronavirus Relief Fund

We identified one instance where payment was made prior to the receipt of goods. Management currently has policies and procedures in place that require evidence of receipt of

goods prior to payment. We recommend management emphasize the importance of these policies and procedures to all employees involved in the purchasing transaction cycle.

The aforementioned comments are intended to be constructive suggestions for improvements in the effectiveness of internal accounting controls and financial records. We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with members of management, and we will be pleased to discuss in further detail, to perform any additional study of these matters, or to assist in implementing the recommendations.

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