



Management
Stevens Point Area Public School District
Stevens Point, Wisconsin

In planning and performing our audit of the financial statements of Stevens Point Area Public School District (the District) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware other matters that are an opportunity to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated December 13, 2021, contains our written communication of significant deficiencies in the entity's internal control. This letter does not affect our report on the financial statements dated December 13, 2021, nor our internal control communication dated December 13, 2021.

Community Service (Fund 80) Requirements

As part of our audit, we are required to test a sample of transactions in the District's Community Service fund in accordance with DPI requirements and state statutes. In 2020-21, the district began recording costs related to a Homeless Family Outreach program that helps individuals throughout the community, regardless of their relationship to the district. The District allocated a percentage of one person's salary and benefits to Fund 80 but could not provide supporting documentation as to how that percentage was calculated. As a result, the district could be under or over reporting costs in Fund 80. We recommend the District start utilizing time studies or other similar records to track the portion of time the individual spends on this program and update the general ledger on a routine basis to properly reflect that allocation of time.

DPI has provided specific guidance regarding the use of District facilities to operate community service programs. Wisconsin Statutes require the District's General Fund account only for the costs associated with providing instructional services to students. Community service programs that use District facilities benefit from various overhead costs funded by the General Fund such as utilities, janitorial expenses, and general building costs. In accordance with DPI guidelines, the District should calculate and charge a fee for the use of District facilities by the various community service programs to ensure that the General Fund is not subsidizing the overhead costs of the programs and incurring non-instructional costs. While the District has not held community activities or events in recent that would incur these costs due to COVID-19 impacts, we recommend the District complete a review of this guidance. The District should calculate an overhead charge associated with the programs and maintain documentation to support the charges, including specifics on the impact on each individual Community Service program such as number of days the facilities are used and for how many hours each month, example utility bills and other costs per month, etc. to ensure the District remains in compliance with State Statutes.

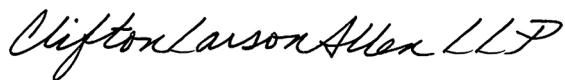
Pupil Activity

The District requests us to review the internal controls over pupil activity accounts each year. We review for adherence to the District's own policy regarding pupil activity accounts. During the audit, we noted certain areas where the District may not completely follow general requirements to ensure general fund activity is recorded in the general fund and not in the donations fund. We noted that four disbursements in our sample appeared to be transactions that would be more appropriately reported in the General Fund rather than the Donations fund. Some deposits in our sample also appeared to be related to General Fund Activity. We recommend the District do the following to enhance internal controls related to student clubs:

- 1) Review current student organizations and clubs to ensure that activities are recorded in the proper fund under GASB 84. Part of this determination should include deciding what activities should be recorded in Fund 10 General Fund or in Fund 21. When making this determination, the District should consider the following:
 - a. Athletics, school plays, and field trips should be accounted for in general District accounts and not pupil activity accounts.
 - b. Sunshine funds, faculty or coffee funds are not to be included in the general District funds.
- 2) As many individual schools continued to maintain separate checking accounts for the activities in their schools after GASB 84 implementation in 2021, the District should review the receipting and depositing procedures with the secretaries to ensure district policy is being followed and internal controls are working as intended.

We will review the status of this comment during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and 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 communication is intended solely for the information and use of management, the School Board, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Wausau, Wisconsin
December 13, 2021