

CEDAR PARK HIGH SCHOOL GIRLS BASKETBALL BOOSTER CLUB  
AUDIT COMMITTEE REPORT  
FOR THE TIME PERIOD  
8/1/16 through 5/3/17<sup>1</sup>

Per the Leander ISD Booster Club Guidelines for 2016-2017, the purpose of the audit is to examine the financial records of the Booster Club and insure that all income and expenditures are accounted for and consistent with the budget and goals for the year.

The Audit Committee members named below have reviewed the CPHS Girls Basketball Booster Club Ledger (Ledger) and related financial activity of the Cedar Park High School Girls Basketball Booster Club for the time period of 8/1/16 through 5/3/17. These members agree that the Ledger and related financial activity reflect the following:

1. All transaction and deposit entries reconcile with the Wells Fargo account transaction detail for the period reviewed.
2. All monies collected through PayPal were deposited into the Wells Fargo account.

The members agree that the financial activity for the time period of 8/1/16 through 5/3/17 can be verified with the following exception:

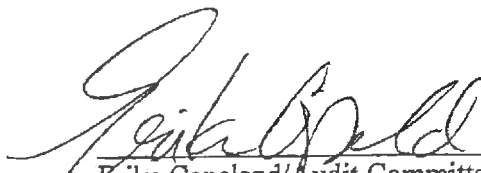
- The Audit Committee is unable to verify that income for 2016 Fall League has appropriate backup.
- The Audit Committee is unable to verify that the total amount collected for 2016 Fall League matches the amount deposited in the Booster Club bank account.
- Payment made by Cedar Park girls' basketball players for Fall League participation was not directly made to the Booster Club account.
- No documentation exists showing income or expenditures for 2016 Fall League (fees collected from players and teams or expenses related to Fall League) except as noted below:
  - Ledger entry 10/20/16 "Fall Ball Dues" \$737.15
  - Check deposit to Booster Club account on 10/20/16 \$737.15 from Cedar Park Wolves, Mark Myers
  - \$975 deposit LH CLB (Liberty Hill) – Freshman, JV and Varsity Fall Ball League Fees – to Booster Club PayPal Account on 9/8/16

The Booster Club has attached Action Items and Recommendations to address the exception, issues and concerns discussed during the audit process.

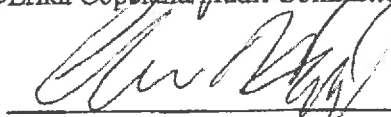
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<sup>1</sup> The fiscal year begins 7/1/16 and ends 6/30/17 – this audit does not cover the period 7/1/16-7/31/16 or 5/2/17-6/30/17 per the Constitution and Bylaws dated 9/19/07

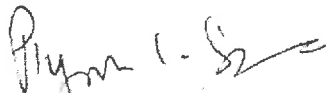
- 5/2/17 David Callahan (Treasurer) forwarded key electronic documents to begin audit process including the Ledger (which contained the budget) and 12 months of Wells Fargo and PayPal transactions, as well as the link to the LISD Booster Club Guidelines. The records were supplemented throughout the audit process with receipts and backup documentation.
- 5/10/17 Erika Copeland (Audit Committee), Shawn Hazard (Audit Committee) and David Callahan (Treasurer) met to discuss the Ledger, accounts and questions.
- 5/13/17 Erika Copeland verified that all transactions and deposits recorded in the Wells Fargo account were reconciled to the beginning 8/1/16 Ledger Balance and ending 5/2/17 Ledger Balance. Verification was through independent login to the Booster Club Wells Fargo Accounts through the Wells Fargo website.
- 5/13/17 Erika Copeland verified the PayPal balance on 7/1/16 was \$72.52 and ending balance on 5/15/17 was 0.00. All deposits reflected in the Ledger match those reflected as withdrawals in the PayPal account less fees, chargebacks and refunds. Verification was through independent login to the Booster Club PayPal Account through the PayPal website.

  
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 Erika Copeland/Audit Committee Member

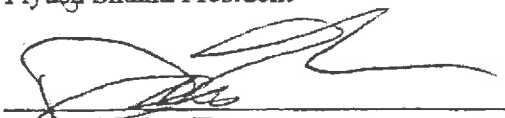
5-15-17  
 Date

  
 \_\_\_\_\_  
 Shawn Hazard/Audit Committee Member

15 May 17  
 Date

  
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 Piyush Shukla/President

15 MAY 17  
 Date

  
 \_\_\_\_\_  
 David Callahan/Treasurer

5/15/2017  
 Date

## Action Items

The Audit Committee recommends the following Action Items prior to the close of the fiscal year:

1. Determine whether the Cedar Park Girls Basketball Booster Club needs to file its own 990N federal tax form through verification from the LISD Financial Services Office.<sup>2</sup>
2. Determine whether the Cedar Park Girls Basketball Booster Club must apply for its own sales permit number, collect sales tax and/or file a state sales tax return. Obtain verification through the LISD Financial Services Office.<sup>3</sup>
3. Determine whether the District, CPHS or Cedar Park Girls Basketball Booster Club is covered under any liability insurance policy and whether it needs to obtain its own policy for Directors and Officers liability or volunteer liability.<sup>4</sup>
4. Prepare and file a current End of Year Financial Statement with the Principal or his designee, to be submitted to the District Financial Services Office by 8/1/17.<sup>5</sup>
5. Obtain a copy of the End of Year Financial Statement submitted to the District Financial Services Office for 2015-16.<sup>6</sup>

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<sup>2</sup> The Leander ISD Booster Club Guidelines 216-17, p. 18, states that every booster organization exempt from federal income tax is required to file its own tax return.

<sup>3</sup> The Leander ISD Booster Club Guidelines 2016-17, p. 16-17, states that all Booster Clubs must apply for their own sales permit number and may not use the number of another Booster Club or the District.

<sup>4</sup> The Leander ISD Booster Club Guidelines 2016-17, p. 20, states the Booster Club is a separate entity and is not protected by governmental immunity, the club and its officers are accepting liability for any losses.

<sup>5</sup> The Leander ISD Booster Club Guidelines 2016-17, p. 19, states that booster clubs are required to submit to the Executive Board, who in turn submits to the Financial Services Officer, end-of-year financial statements

<sup>6</sup> The Leander ISD Booster Club Guidelines 2016-17, p. 19, states that booster clubs are required to submit to the Executive Board, who in turn submits to the Financial Services Officer, end-of-year financial statements.

## Recommendations<sup>7</sup>

Based on a review of the Ledger and financial activity of the 2016-2017 year, the Committee makes the following recommendations:

1. No Booster Club monies should be collected or disbursed by any coach or individual other than Booster Club Board Members or their designees. Commingling of Booster Club funds with school activity funds or any individual bank account is prohibited.
2. Two signatures should be required on all checks.
3. No disbursements should be made by cash.
4. Disbursements must be requested in advance on a Booster Club form and approved in advance and documented.
5. All expenses should be paid directly by the Booster Club, rather than via reimbursement, unless prior approval is obtained and documented.
6. The Booster Club should develop cash receipt procedures to ensure cash collections are supported by a record documenting the source and amount of the funds. Cash deposits should be verified by two individuals and documented prior to deposit.
7. The current Constitution and Bylaws of the Cedar Park Girls Basketball Booster Club should be updated to conform to the rules, regulations and guidelines of the Leander Independent School District.<sup>8</sup>
8. The Booster Club should establish a Tournament Procedure with rules for accounting for the number of teams attending, setting the team registration fee and any discounts and variation from that fee, paying referees, arranging for the presence of the required school district employees and seeing that they are compensated within the rules of the district and UIL, accounting for gate and concessions and looking into the possibility of accepting credit card payment at the gate.
9. The Booster Club should establish guidelines and procedures for allocating coaches gifts within the limits set by the LISD and UIL.
10. The Booster Club should look into making a read-only copy of the annual ledger available to the membership in real time, with requested back up documentation available upon reasonable request.
11. The Booster Club should look into obtaining a bank account that does not charge a fee.
12. The Booster Club should consider requiring the Treasurer to have a background in finance and accounting.
13. The Booster Club should consider having the annual audit done by an accountant or invest in non-profit/booster club software.

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<sup>7</sup> These recommendations are based on issues discussed by the Audit Committee and Treasurer, and are made in keeping with the Leander ISD Booster Club Guidelines 2016-17.

<sup>8</sup> The current Bylaws have no provision for handling financial matters, allow for unilateral presidential approval of budgeted items less than \$250.00 and allow for a 20% deviation from the budgeted and actual expenses for the year.

**Total Income from 2016-17 Fall League**

|                          |   |                |    |                  |
|--------------------------|---|----------------|----|------------------|
| 14 JV & Varsity Teams    | x | \$325/team     | \$ | 4,550.00         |
| 8 Freshman Teams         | x | \$325/team     |    | 2,600.00         |
| 40 CPHS Players          | x | \$40.00/player |    | <u>1,600.00*</u> |
| Total Fall League Income |   |                |    | \$ 8,700.00      |

**Total Expense from 2016-17 Fall League**

|   |    |                    |
|---|----|--------------------|
| \$400.00/week x 6 weeks for JV & Varsity<br>(2 refs/game 8 games/night) | \$ | 2400.00            |
| 5 games on Sunday x 6 weeks for Freshman<br>(2 refs/game 5 games/week)  | \$ | <u>1500.00</u>     |
| Total Fall League Expense   |    | \$ <u>3,900.00</u> |
| Net Income  |    | \$ 4,800.00        |

Received by the Booster Club 2016-17

|   |               |                   |
|---|---------------|-------------------|
| Pay Pal (Liberty Hill)                    | \$ 975.00     |                   |
| Check from Cedar Park Wolves (Mark Myers) | <u>737.15</u> |                   |
|   |               | <u>\$1,712.15</u> |
| Total Funds Unaccounted For               |               | \$3,087.85        |

\*Without rosters, we don't know how many girls there were, but there were 4 teams.