

# ABARE, KRESGE & ASSOCIATES CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors of  
Cultural Council of Greater Jacksonville, Inc.  
Jacksonville, FL

In planning and performing our audit of the financial statements of Cultural Council of Greater Jacksonville, Inc. for the year ended September 30, 2020, we considered Cultural Council of Greater Jacksonville, Inc. internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of Cultural Council of Greater Jacksonville, Inc. internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated January 15, 2021 on the financial statements of Cultural Council of Greater Jacksonville, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel of Cultural Council of Greater Jacksonville, Inc., and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

## 1. Financial Records Required Material Adjustments

### Issue

As part of our audit, we noted that the general ledger did not reconcile back to the prior year audited trial balance. As a result, material journal entries were required to agree the opening general ledger balances back to the prior audited trial balance as well to the determined correct ending trial balances in the current year.

### Recommendation

We recommend the Organization develop and adopt a more formal process in closing out the books at the end of each month. This process should include documentation of schedules to be prepared, as well as documentation as to who prepared and reviewed them.

## 2. IRC Sec. 125 Plan Document

### Issue

The Organization could not locate its Sec 125 ("cafeteria") Plan document.

### Recommendation

We recommend the Organization continue to search for this document to ensure it is compliant with the rules of the Department of Labor (DOL) and that of the Internal Revenue Service (IRS). If one cannot be located, management should work to get one in place as soon as practical.

3. Cash Held in Excess of FDIC Limits

Issue

As of September 30, 2020, the Organization held funds in one financial institution that exceeded FDIC insured limits by \$74,409.

Recommendation

We recommend that management regularly review its cash positions at each financial institution and make any adjustments deemed necessary to ensure all funds are covered under the FDIC limits.

4. Lack of Segregation of Duties

Issue

The Organization has a small fiscal department, which makes it difficult or even impractical to segregate all duties.

Recommendation

We recommend that management continue to evaluate its ability, considering costs and related benefits, to segregate job duties as much as practical in dealing with the fiscal side of the Organization. Additionally, Board members should remain diligent in their oversight responsibilities, including involvement in the review and approval of the annual budget and the review of monthly financial reports of the Organization.

We wish to thank Diana Donovan and her team for their support and assistance during our audit. This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Ahan, Krueger & Associates CPAs, LLC*

St. Augustine, FL  
January 18, 2021