

HENDRY COUNTY DISTRICT SCHOOL BOARD

**SCHOOL INTERNAL ACCOUNTS FUND
AUDITED FINANCIAL STATEMENT**

YEAR ENDED JUNE 30, 2023



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**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
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YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITORS' REPORT

Board Members
Hendry County District School Board
LaBelle, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the School Internal Accounts Fund of the Hendry County District School Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School Internal Accounts Fund of the Hendry County District School Board, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Internal Accounts Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the School Internal Accounts Fund and do not purport to, and do not, present fairly the financial position of the Hendry County District School Board as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Internal Accounts Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as whole. The combining statement of revenues, expenditures, and changes in fund balance by school is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statement of revenues, expenditures, and changes in fund balance by school is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the School Internal Accounts Fund’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Internal Accounts Fund’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Internal Accounts Fund’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sebring, Florida
October 16, 2023

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
BALANCE SHEET
JUNE 30, 2023**

ASSETS

Cash	\$ 930,143
Investments	<u>148,407</u>
Total Assets	<u><u>\$ 1,078,550</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Due to Others	\$ 7,737
FUND BALANCE	
Restricted	<u>1,070,813</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,078,550</u></u>

See accompanying Notes to Financial Statements.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023**

REVENUES

Local Sources:

Other:

Athletics	\$ 405,712
Music	41,870
Classes, Clubs, and Departments	936,028
Trust Funds	50,402
General	323,421
Total Revenues	1,757,433

EXPENDITURES

Current:

Other:

Athletics	422,549
Music	47,888
Classes, Clubs, and Departments	952,268
Trust Funds	48,308
General	331,414
Total Expenditures	1,802,427

**EXCESS (DEFICIENCY) OF REVENUES
OVER (UNDER) EXPENDITURES**

(44,994)

OTHER FINANCING SOURCES (USES)

Transfers Out - General Fund

(147,695)

CHANGE IN FUND BALANCES (DEFICIT)

(192,689)

Fund Balance – Beginning of Year

1,263,502

FUND BALANCE - END OF YEAR

\$ 1,070,813

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School Internal Accounts Fund of the Hendry County District School Board (the District) is comprised of 12 individual accounts. There is an account for each of the 12 schools in the District. The financial statements present only the School Internal Accounts Fund and are not intended to present fairly the financial position and results of operations of the District in conformity with accounting principles generally accepted in the United States of America. The School Internal Accounts Fund is included in the District's annual financial report as a special revenue fund.

Measurement Focus and Basis of Accounting

The financial statements are reported using the current financial resources measurement focus. Under this focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when transactions are recognized in the accounts and reported in the financial statements. It is the policy of the District to account for the School Internal Accounts Fund on the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Cash and Cash Equivalents

Cash and cash equivalents are defined to include cash on hand as well as demand deposits and investments with original maturities of three months or less from the date of acquisition.

Investments

School Internal Accounts are authorized to invest in certificates of deposit and time deposits of qualified public depositories, securities guaranteed by the U.S. Government, or other investments authorized by Florida Statutes.

Fund Balance

The School Internal Accounts Fund reports only restricted fund balance. Restricted fund balance can only be spent for specific purposes because of constraints imposed by external providers (such as higher levels of government) or imposed by constitutional provisions or enabling legislation.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 DEPOSITS AND INVESTMENTS

Clewiston High School invests its excess cash resources in certificates of deposit. On June 30, 2023, investments consist of certificates of deposit maturing on November 3, 2023, September 30, 2025, and October 24, 2026.

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of securities that are in the possession of an outside party. On June 30, 2023, the entire amount of demand deposits is deposited in state of Florida qualified public depositories and is fully insured.

NOTE 3 INTERFUND TRANSFERS

During the year the Internal Accounts Fund made transfers to the District's General Fund to assist with the purchase of capital items for school programs. For the fiscal year ended June 30, 2023, \$147,695 was transferred to the General Fund.

NOTE 4 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; third-party injuries and/or property damage; and natural disasters. The District is a member of the South Central Education Risk Management Program (SCERMP), a consortium under which seven district school boards have established a public entity risk sharing pool for property protection, general liability, automobile liability, workers' compensation, governmental crime, and other coverage deemed necessary by the members of the SCERMP. Section 1001.42(12)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The interlocal agreement and bylaws of SCERMP provide that risk of loss is transferred to the consortium. SCERMP is self-sustaining through member contributions (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. Member school boards are also subject to supplemental contributions in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member school board in excess of the coverage available, then such deficiency is solely the responsibility of that member school board.

The Board of Directors for SCERMP is composed of superintendents, finance directors, or authorized representatives of all participating districts. Relation Insurance Services serves as the third-party administrator, insurance broker, and fiscal agent for SCERMP.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE BY SCHOOL
YEAR ENDED JUNE 30, 2023**

	LaBelle High	Clewiston High	LaBelle Middle	Clewiston Middle	Central Elementary	Eastside Elementary	Westside Elementary
REVENUES							
Local Sources:							
Other:							
Athletics	\$ 219,361	\$ 136,081	\$ 17,261	\$ 33,009	\$ -	\$ -	\$ -
Music	1,150	23,483	3,938	9,197	125	150	-
Classes, Clubs, and Departments	123,307	293,570	42,741	73,333	100,563	62,303	90,606
Trust Funds	18,039	6,174	4,904	3,189	17,096	-	-
General	79,908	13,188	13,621	39,505	27,699	49,690	46,976
Total Revenues	<u>441,765</u>	<u>472,496</u>	<u>82,465</u>	<u>158,233</u>	<u>145,483</u>	<u>112,143</u>	<u>137,582</u>
EXPENDITURES							
Current:							
Other:							
Athletics	223,548	162,866	12,809	23,326	-	-	-
Music	3,019	27,139	3,679	10,045	-	-	717
Classes, Clubs, and Departments	130,878	340,751	39,360	75,646	94,279	60,205	82,174
Trust Funds	19,169	2,000	381	1,075	25,477	-	-
General	73,446	9,400	19,056	34,001	21,843	52,251	47,723
Total Expenditures	<u>450,060</u>	<u>542,156</u>	<u>75,285</u>	<u>144,093</u>	<u>141,599</u>	<u>112,456</u>	<u>130,614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,295)	(69,660)	7,180	14,140	3,884	(313)	6,968
OTHER FINANCING SOURCES (USES)							
Transfers In (Out) - General Fund	<u>-</u>	<u>(122,575)</u>	<u>-</u>	<u>(5,560)</u>	<u>(19,560)</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	(8,295)	(192,235)	7,180	8,580	(15,676)	(313)	6,968
Fund Balance - Beginning of Year	<u>152,232</u>	<u>693,621</u>	<u>94,495</u>	<u>106,302</u>	<u>60,102</u>	<u>30,650</u>	<u>20,013</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 143,937</u></u>	<u><u>\$ 501,386</u></u>	<u><u>\$ 101,675</u></u>	<u><u>\$ 114,882</u></u>	<u><u>\$ 44,426</u></u>	<u><u>\$ 30,337</u></u>	<u><u>\$ 26,981</u></u>

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE BY SCHOOL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	LaBelle Elementary	Country Oaks Elementary	Upthegrove Elementary	LaBelle Adult	Clewiston Adult	Total
REVENUES						
Local Sources:						
Other:						
Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,712
Music	-	3,827	-	-	-	41,870
Classes, Clubs, and Departments	15,967	69,356	54,644	1,099	8,539	936,028
Trust Funds	-	-	-	1,000	-	50,402
General	28,304	16,407	7,540	12	571	323,421
Total Revenues	<u>44,271</u>	<u>89,590</u>	<u>62,184</u>	<u>2,111</u>	<u>9,110</u>	<u>1,757,433</u>
EXPENDITURES						
Current:						
Other:						
Athletics	-	-	-	-	-	422,549
Music	-	3,289	-	-	-	47,888
Classes, Clubs, and Departments	15,531	62,154	51,290	-	-	952,268
Trust Funds	-	-	206	-	-	48,308
General	28,737	17,993	14,435	1,424	11,105	331,414
Total Expenditures	<u>44,268</u>	<u>83,436</u>	<u>65,931</u>	<u>1,424</u>	<u>11,105</u>	<u>1,802,427</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3	6,154	(3,747)	687	(1,995)	(44,994)
OTHER FINANCING SOURCES (USES)						
Transfers In (Out) - General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,695)</u>
CHANGE IN FUND BALANCES	3	6,154	(3,747)	687	(1,995)	(192,689)
Fund Balance - Beginning of Year	<u>25,883</u>	<u>18,701</u>	<u>38,987</u>	<u>9,139</u>	<u>13,377</u>	<u>1,263,502</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,886</u>	<u>\$ 24,855</u>	<u>\$ 35,240</u>	<u>\$ 9,826</u>	<u>\$ 11,382</u>	<u>\$ 1,070,813</u>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members
Hendry County District School Board
LaBelle, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the School Internal Accounts Fund of the Hendry County District School Board (the Fund), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated October 16, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Fund'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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001, 2022-002, 2022-003, 2022-004, and 2022-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hendry County District School Board’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Hendry County District School Board’s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Hendry County District School Board’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sebring, Florida
October 16, 2023

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Current Year Status
<p>2022-001 <u>Cash Receipts</u> Cash receipts collected outside of the school office were not turned in to the school office within the one working day limit set forth by Red Book Chapter 8 and District policy. Additionally, receipts were not deposited in the bank within five business days as required by Red Book and District policy. We also noted some monies collected forms did not contain all required information to be able to determine that compliance requirements were met, others did not contain the dual signatures required by Redbook, and some did not agree to supporting documentation.</p>	Material Weakness	Not Cleared
<p>2022-002 <u>Disbursements</u> One check requisition form was not signed by the principal to document approval to make payment.</p>	Material Weakness	Not Cleared
<p>2022-003 <u>Fundraising Reports and Activities</u> Fundraising reports were not used as set forth by District internal fund policy and Redbook Chapter 8.</p>	Material Weakness	Not Cleared
<p>2022-004 <u>Ticket Inventory</u> A perpetual inventory of tickets was not maintained as required by District internal fund policy and Red Book Chapter 8.</p>	Material Weakness	Not Cleared
<p>2022-005 <u>General Ledger Journal Entries</u> In the sample of 10 journal entries In a sample of 10 journal entries, we noted the following: Unable to locate supporting documentation for 6 entries; the support for two entries was a system printout, and the documentation did not include other information necessary to understand the nature and purpose of the entry; and one entry did not contain evidence of review and approval by an authorized member of management.</p>	Material Weakness	Not Cleared

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2023-001 – Cash Receipts

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting; Compliance with Florida DOE *Financial and Program Cost Accounting and Reporting for Florida Schools* (Red Book) Chapter 8.

Schools:

Central Elementary School, Clewiston Adult School, Clewiston High School, Clewiston Middle School, Country Oaks Elementary School, Labelle Adult School, Labelle Elementary School, Labelle High School, Labelle Middle School

Condition:

Cash receipts collected outside of the school office were not turned in to the school office within the one working day limit set forth by Red Book Chapter 8 and District policy. Additionally, receipts were not deposited in the bank within five business days as required by Red Book and District policy. We also noted some monies collected forms did not contain all required information to be able to determine that compliance requirements were met, others did not contain the dual signatures required by Redbook, and some did not agree to supporting documentation. Out of 182 items tested, 72 receipts were not in compliance with Red Book and District policy.

Criteria:

Red Book Chapter 8 requires that funds collected outside the school office must be turned in to the front office no later than the next working day and deposited in the bank within five business days. Monies collected forms should contain the signature of both the teacher/sponsor who collected the money as well as the bookkeeper receipting the money in the office.

Cause:

Teachers and sponsors accumulate funds for several days before turning the money in to the front office and making a deposit. Bookkeepers do not make timely deposits.

Effect:

Misappropriation of funds may occur by error or fraud if receipts are not promptly turned in to the school office and secured until timely deposit.

Recommendation:

All funds collected outside of the school office should be turned in to the front office no later than the next working day and deposited to the bank within five business days, as outlined in District policy and Red Book Chapter 8. All forms should contain the appropriate signatures to ensure the amount of funds turned in the office are appropriately receipted and recorded in the accounting records.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-001 – Cash Receipts (Continued)

Views of Responsible Officials:

Central Elementary School response: At the time of this receipt # 171000301, Monies Collected forms were being held and then a deposit was made once a week. That practice no longer occurs and deposits are made daily.

Clewiston Adult School response: For Dual signatures, we now know from the Auditors, that we are to have the multiple signatures on many of our documents. We will respond to your request immediately as we move forward.

Clewiston High School response: A conscious effort will be made to ensure that all monies collected will have two signatures. One being the Bookkeeper and one of the Teacher/Sponsor. Bookkeeper and Principal will retrain staff, ensuring all receipts are turned into the office within 1 business day. An admin will serve as backup if the Bookkeeper is out for an extended period of time. All Bank deposits will be made within 5 business days and all Monies Collected forms will be properly filled out with the required information.

Clewiston Middle School response: In regards to the audit finding of Receipts not turned into the office within 1 business day and Receipts not deposited to the bank within 5 business days. I conducted a session during our Welcoming of Teachers/Staff on July 31, 2023 that stressed the procedures of turning in any money collected in a timely manner which would allow me to then deposit the funds within the five (5) business days allotted. Bookkeeper and Principal will ensure that the proper steps are taken so that this does not happen again.

Country Oaks Elementary response: In regards to the recent audit exit interview for the 22-23 school year, Bookkeeper will be refreshing on Chapter 8 RedBook and reviewing cash receipt protocols with our staff. Over the summer Bookkeeper handed each lead teacher a binder with sample pages on our finance policies and procedures.

Labelle Adult School response: The process of getting our money from Clewiston Adult School to Labelle Adult school, may not always work according to our best practice. We do not have the resources to get them recorded and deposited in one day. Back when we had the daily courier run, this was not an issue. Today, it appears as though it is. Our District courier service, which moves items between Clewiston, Montura, and LaBelle, runs on Mondays, Wednesdays, and Fridays. These areas also are at least 25 miles apart. This activity considers that the individual doing this courier service, is present the three workdays. At this time, we do not have the human resources to have an individual drive through the area, picking up the previous night's deposits, as the great majority of our teachers work in other places during the day. I would like to sit down with any of the Finance team and discuss options. We would be willing to listen to any advice, and make changes we are able to do.

In regards to dual signatures, we now know from the Auditors, that we are to have the multiple signatures on many of our documents. We will respond to your request immediately as we move forward.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-001 – Cash Receipts (Continued)

Views of Responsible Officials (Continued):

Labelle Elementary School response: Upon looking over our findings, LaBelle Elementary School's goal is to ensure findings from the 2022-2023 school year are not repeated. We will refer to the "Red Book" for all account and finance information. Cash Receipts: Our resolution in regards to Cash Receipts is to send monthly staff memo reminders of our internal policies and expectations. We will also ensure money collected specifically by the bookkeeper (ie. school store) has dual signatures.

Labelle High School response: A very concentrated and conscious effort will be made to ensure that all monies collected forms have two signatures, one of the Teacher/Sponsor and one of the Bookkeeper. Bank deposits will be made within five (5) business days and receipts will be turned in within one (1) business day. If the Bookkeeper is going to be out for an extended period of time, a backup plan will be in place. All Monies Collected Forms will be properly filled out with the required information.

LaBelle High School has acquired a new Bookkeeper during the 2023-2024 school year, therefore it is our goal to ensure that the findings from the 2022-2023 school year are not repeated.

Labelle Middle School response: Our Agriculture teacher collected student membership fees for FFA. On the Monies Collected Form it listed the "Actual Date Collected:" as 1/17/2023. On the "received by Bookkeeper" signature line, the date listed was 01/19/23. LMS has previously implemented several procedures to address this matter. Procedures for monies collected are outlined in our employee handbook. All employees sign acknowledgement that they have read the employee handbook. Employees are also provided refresher training on HR and finance topics, to include this process during pre-week.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-002 – Disbursements

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting; Compliance with Red Book Chapter 8.

Schools:

Central Elementary School, Clewiston High School, Eastside Elementary School, LaBelle Elementary School, Labelle High School, Westside Elementary School

Condition:

Several check requisition forms were not signed by the principal to document approval to make payment.

Criteria:

Check requisition forms should be signed by the principal to document their agreement that the expenditure is an allowable use of internal account money, account coding is accurate, and appropriate supporting documentation is provided to support the expenditure.

Cause:

The principal may have been unavailable, or the document may have been overlooked.

Effect:

Funds could have been used for purposes not allowed by the Red Book or District policy.

Recommendation:

School personnel should ensure that all check requisition forms are authorized by the school principal before payment is made.

Views of Responsible Officials:

Central Elementary School response: For Check # 9136 - The signature for the Principal was missing on the check request. Going forward Bookkeeper will double check that all documentation are signed by both the bookkeeper and an Administrator. For Check # 9009 – Going forward bookkeeper will make sure that the Assistant Principal signs all documents when reimbursement the Principal and the Principal will sign reimbursements documents for the Assistant Principal. Check # 9139 - All invoices will have a date and signature before accepting and paying.

Clewiston High School response: The Bookkeeper will ensure sales tax is not paid or reimbursed. The Bookkeeper will ensure that all check requisitions are properly completed and all supporting documentation ties to the correct check amount.

Eastside Elementary School response: As per auditors on Disbursements, everything followed the Red Book but the check requisition was printed through skyward showing the date after the check date. Bookkeeper will fix the errors by making sure to print the check requisition the same day as the checks have been approved.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-002 – Disbursements (Continued)

Views of Responsible Officials (Continued):

Labelle Elementary School response: Upon looking over our findings, LaBelle Elementary School's goal is to ensure findings from the 2022-2023 school year are not repeated for 2023-2024. Bookkeeper will refer to the "Red Book" for account and finance information. Our resolution in regards to disbursements are to formally schedule a day at the end of each month to do a thorough check of all checks and deposits. The bookkeeper will ensure that sales tax is not reimbursed if paying within the state of Florida.

Labelle High School response: The Bookkeeper will ensure that sales tax is not reimbursed, if paying within the state of Florida. The Bookkeeper will be sure that going forward account coding is done from the appropriate accounts.

LaBelle High School has acquired a new Bookkeeper during the 2023-2024 school year, therefore it is our goal to ensure that the findings from the 2022-2023 school year are not repeated.

Westside Elementary School response: Check # 8530 was over reimbursed, duplicated reimbursement receipt of \$18.99, was not caught before reimbursement. The staff reimbursed Westside for overpayment, funds were deposited on 9-26-23. Going forward the Bookkeeper will pay attention when reimbursing.

Check # 8684 did not have a third signature for an Administration reimbursement. Going forward, Westside will have a third signature when reimbursements are made to an Administrator or Bookkeeper.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-003 – Fundraising Reports and Activities

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting; Compliance with Red Book Chapter 8.

Schools:

Clewiston High School and Labelle High School

Condition:

Fundraising reports were not used as set forth by District internal fund policy and Red Book Chapter 8.

Criteria:

Red Book Chapter 8 requires that each fundraising activity have the approval of the organization sponsor and the Principal prior to the activity. Additionally, a fundraising report must be filed with the Principal's office at the close of each fundraising activity.

Cause:

The schools have not fully implemented the requirements for documenting fundraising activities and tracking results of those activities.

Effect:

Documented approval of each fundraiser provides the expectation for both the organization sponsor and Principal before the fundraising activity begins. Completing the fundraising report at the end of the event provides accountability for the money collected as well as ensuring that the fundraiser achieved the specified goal. Principals and organization sponsors cannot properly oversee and monitor fundraisers if the reports are not completed.

Recommendation:

Principals and organization sponsors should document their approval of all fundraisers. Principals should ensure that fundraising activities are allowable under Red Book. Upon completion of the fundraiser, a fundraising report should be filed with the Principals office, as outlined in the District Policy and by Red Book Chapter 8.

Views of Responsible Officials:

Clewiston High School response: Policies and procedures will be re-explained to all Coaches and Club Sponsors. All coaches or club sponsors will be required to follow proper protocol when fundraising.

Labelle High School response: A new procedure is being put in place for all Fundraising activities. Going forward the policies and procedures will be explained to all Coaches and Club Sponsors. LaBelle High School has acquired a new Bookkeeper during the 2023-2024 school year, therefore it is our goal to ensure that the findings from the 2022-2023 school year are not repeated.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-004 – Ticket Inventory

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting; Compliance with Red Book Chapter 8.

Schools:

Labelle High School and Clewiston High School

Condition:

A perpetual inventory of tickets was not maintained as required by District internal fund policy and Red Book Chapter 8.

Criteria:

Red Book Chapter 8 requires that tickets be pre-numbered and that the school maintain a perpetual inventory of tickets. The inventory should show the beginning and ending numbers of all documents acquired and used.

Cause:

The school was not able to provide records to reconcile the tickets in inventory at the beginning of the year, tickets used, and tickets remaining at the end of the year.

Effect:

Lack of control over tickets could lead to lost revenue or misappropriation of assets.

Recommendation:

Each school should maintain a perpetual inventory of tickets are required by Red Book and District policy.

Views of Responsible Officials:

Labelle High School response: A spreadsheet will be kept with the ticket inventory and will be kept up to date by the Athletic Director with assistance from the Bookkeeper. All ticket information will be documented and kept on file.

LaBelle High School has acquired a new Bookkeeper during the 2023-2024 school year, therefore it is our goal to ensure that the findings from the 2022-2023 school year are not repeated.

Clewiston High School response: All ticketing will go to electronic ticket sales to ensure accurate inventory of tickets.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-005 – General Ledger Journal Entries

Type of Finding:

Material Weakness in Internal Control Over Financial Reporting.

Schools:

Eastside Elementary School, Clewiston High School, Country Oaks Elementary School, Labelle Middle School, Upthegrove Elementary School

Condition:

In a sample of 12 journal entries, we noted that five entries did not contain evidence of review and approval by an authorized member of management or did not contain supporting documentation for the entry.

Criteria:

Journal entry procedures should include segregated duties for preparation, review, and approval. Supporting documentation should be maintained for all journal entries and should contain sufficient detail to understand the nature and purpose of the entry.

Cause:

The schools have not fully implemented internal controls for documenting, reviewing, and approving journal entries.

Effect:

Inappropriate or unauthorized journal entries may be posted to the accounting system.

Recommendation:

We recommend documenting each journal entry in a logical manner with supporting documentation. The documentation should include the reason for the entry, the date the entry was posted, signature of the preparer, and signature of the reviewer.

Views of Responsible Officials:

Eastside Elementary School response: General Ledger Journal Entries, Journal Entry was created by the Finance Department on July 18, 2023 stating accounts should not roll over in a negative balance. The error that auditors found is that the journal entry descriptive was not clear enough. Bookkeeper will fix the errors by adding a clear description into the future journal entries.

Clewiston High School response: The Bookkeeper will ensure all journal entries will include segregated duties for preparation, review and approval. Bookkeeper will make sure all supporting documentation is maintained for all journal entries and contains sufficient details to understand the nature and purpose of the entry.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2023-005 – General Ledger Journal Entries (Continued)

Views of Responsible Officials (Continued):

Country Oaks Elementary response: Regarding our General Ledger Journal Entries finding, we have recently updated our Internal Accounts Transfer Requisition Form and added a date approved line. With this in place we expect to have less errors moving through the 23-24 school year.

Upthegrove Elementary School response: The Internal Accounts Transfer Requisition Form that Upthegrove did not have a date to approve entry spot. Our current procedure is to fill this form out and have the Principal sign for approval prior to entering the journal entry into Skyward. We have used this form for over five (5) years without a date and it was never picked up as a finding until this year. We have updated our Internal Accounts Transfer Requisition Form and added a date approved line entry going forward. This form is used as a supporting documentation any time we transfer funds.

Overall District Management Response:

The Finance Department continues process improvement efforts, including process documentation, and training opportunities for bookkeepers and principals as well as establishing open lines of communication to provide support.