

# **District School Board of Collier County, Florida**

Internal Accounts Special Revenue Fund  
Letter on Identified Internal Control Matters  
as of June 30, 2024

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RSM US LLP

November 14, 2024

School Board Members and Superintendent  
District School Board of Collier County, Florida  
Naples, Florida

In planning and performing our audit of the financial statements of the internal accounts special revenue fund (internal accounts) of the District School Board of Collier County, Florida (the District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting for its internal accounts 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 District's internal control over its internal accounts. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls.

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 deficiency in design exists when: (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

Certain deficiencies in internal control that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

Appendix A includes descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses.

Management's responses to the internal control deficiencies identified in our audit were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the School Board Members, the Superintendent and management of the District, and is not intended to be, and should not be used by anyone other than these specified parties.

**RSM US LLP**

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## **Executive Summary**

# Executive Summary

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This document outlines the results related to our audit of the financial statements of the internal accounts special revenue fund (internal accounts) of the District School Board of Collier County, Florida (the District) as of June 30, 2024.

This document presents the *Individual School Comments*, which are control deficiencies that affect the safeguarding of assets and/or financial reporting of the Internal Accounts for the individual schools and departments identified. Our audit engagement included site visits of selected District schools and departments. We performed testing over the following areas, as more fully described below:

- Internal Account Balances
- Basis of Accounting
- Timely Remittance of Monies Collected
- Timely Deposits
- Authorization of Expenditures
- Segregation of Duties
- Cash Disbursements
- Cash Receipts
- Modified Transactions and Transfers
- Bank Reconciliations and Monthly Reporting
- Petty Cash and Change Funds
- Returned Checks
- Fundraising Activities
- Yearbook Sales
- Ticket Sales
- Sales Tax
- Gift Card Procedures
- Skipped or Voided Checks
- Completion of Purchase Order Form
- Timely Recording of Monies Collected
- Safekeeping of Internal Funds

We have made specific recommendations to improve individual school/department controls and management has agreed to a corrective action plan as detailed in the responses to the control deficiencies included herein. The most common findings are depicted in a table on page 6 and a summary status of prior year findings is included in a table starting on page 7.

## **Summary of the Criteria or Specific Requirements as Prescribed in the District's Internal Accounts Manual**

### Internal Account Balances

Internal accounts should not have a deficit balance, as purchases from these funds may not exceed the resources of the related student activity/project account, as stated in the *Internal Funds Policies and Procedures Manual*, Section 7.B. This is in accordance with Chapter 8, Section I (10) of the Financial and Program Cost Accounting and Reporting for Florida Schools publication.

### Basis of Accounting

The internal accounts financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. The Internal Accounts Special Revenue Fund 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.

# Executive Summary – Continued

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## Summary of the Criteria or Specific Requirements as Prescribed in the District's Internal Accounts Manual (Continued)

### Timely Remittance of Monies Collected

As stated in the District's *Internal Funds Policies and Procedures Manual*, Section 6.B, all monies collected must be turned in to the school office no later than the next business day following initial collection. The District allows an extension of five (5) business days to this timeframe for the Adult Education and Summer SACC monies collected, as additional time is needed to safely transport monies from multiple sites.

### Timely Deposits

All funds collected must be deposited within five (5) working days after receipt, as stated in the District's *Internal Funds Policies and Procedures Manual*, Section 6.D. The District's guideline is in accordance with Chapter 8, Section III (1.4) of the Financial and Program Cost Accounting and Reporting for Florida Schools publication.

### Authorization of Expenditures

All expenditures must have documented approval by the individual school Principals in the form of a signed *Checks Issued Statement* or other authorization form. Suppose the Principal/Director is unavailable to sign a check due to illness or being out of town. In that case, any two of the authorized individuals on the official check-signing authorization card may sign the check, except for two clerical levels. The authorization card should have the Principal, Assistant Principal(s), office manager and/or bookkeeper's signature. No two clerical functions are to sign a check. The authorization cards are to be updated when there is a change in staffing. The authorization card is to be kept in a safe location and available for audit review at any time. The authority for the Principal/Director to delegate the initial signature requirement for the check requisition and the "Checks Issued Statement" remains intact.

### Segregation of Duties

As stated in the District's *Internal Funds Policies and Procedures Manual*, Section 6.B, all Monies Collected Forms must be completed by the initial collector of funds and then remitted to the bookkeeper for proper receipting and depositing. The Monies Collected Form is not intended to be completed by the bookkeeper, and the bookkeeper should not be the initial collector of funds.

### Cash Disbursements

The District's *Internal Funds Policies and Procedures Manual*, Section 8.A, states that all expenditures from internal accounts should be made by check and signed by the Principal/administrator and another District employee authorized by the Principal. In addition, the manual states that checks may not be signed by the payee, and that checks may not be signed by only two clerical function employees. Disbursements must be supported by appropriate documentation of the purchase, such as the receipt or invoice, as stated in section 8.B of the Manual.

### Cash Receipts

All monies collected must be submitted to the bookkeeper using the District's authorized Monies Collected Form, in accordance with Section 6.B of the *Internal Funds Policies and Procedures Manual*. The form should be fully completed and include a listing of who the monies were collected from, and the amount collected from each, except for the District's authorized exceptions where maintaining such detail is impractical.

### Modified Transactions and Transfers

Modified transactions and transfers must be used in accordance with the District's guidelines in the *Internal Funds Policies and Procedures Manual*, Section 19. The Principal's approval of all such entries must be recorded by signature on the monthly Modification and Transfer reports.

# Executive Summary – Continued

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## Summary of the Criteria or Specific Requirements as Prescribed in the District's Internal Accounts Manual (Continued)

### Bank Reconciliations and Monthly Reporting

The monthly financial reports must be completed by the 15<sup>th</sup> day of the subsequent month, as stated in the District's *Internal Funds Policies and Procedures Manual*, Section 20. The reports are submitted to the District, where they are logged and reviewed for timely completion. The required monthly report must include a bank reconciliation with the Principal's signature evidencing review.

### Petty Cash and Change Funds

In accordance with the year-end procedures listed in the District's *Internal Funds Policies and Procedures Manual*, Section 26.A, all petty cash and change funds should be redeposited prior to year-end.

### Returned Checks

The District's *Internal Funds Policies and Procedures Manual*, Section 6.E, states that returned checks will only be declared uncollectible after every legal and reasonable collection effort has been made. Insufficient fund checks must be recorded in the *School Cash* accounting program using the NSF *Tracker* module. Proper documentation of returned checks must be kept on file, including copies of correspondence to the maker of the check.

### Fundraising Activities

The District's *Internal Funds Policies and Procedures Manual*, Section 13, includes requirements for conducting fundraising activities and maintaining fiscal accountability for funds collected and items sold. All fundraising activities must be pre-approved by the Principal using a standard fundraising approval form. An additional approval by the Superintendent or designee is required if the fundraising activity occurs off-District premises and the funds are deposited directly into internal accounts. A final fundraising financial report is to be submitted to the Principal within 30 days of completing the fundraising activity for signature.

### Yearbook Sales

The District requires yearbook sales to be recorded on fundraising approval and financial forms to document fiscal accountability for monies collected and yearbooks sold. Yearbooks are exempt from sales tax, as stated in the District's *Internal Funds Policies and Procedures Manual*, Section 17.

### Ticket Sales

All events for which admission tickets are sold must be properly documented on the District authorized Ticket Sales report, and monies collected should be reconciled with the number of tickets sold. Admission tickets must be pre-numbered, and a record of complimentary tickets should be maintained. These policies are in accordance with the District's *Internal Funds Policies and Procedures Manual*, Section 16.

### Sales Tax

All items purchased for resale are subject to Florida Sales, Tax unless specifically exempted. Items that are resold, regardless of profit, are subject to sales tax. If sales tax is paid at time of purchase, the District does not have to charge sales tax when resold. If sales tax is not paid at time of purchase, it must be collected and paid directly to the Florida Department of Revenue.

### Gift Card Procedures

As stated in the District's *Internal Funds Policies and Procedures Manual*, Section 29, store receipts related to the purchase of gift cards should be attached to the check disbursement. Additionally, the name of recipients, dates, amounts and reason should be attached. Finally, the signatures of two adults/staff witnessing the dispensing of the gift cards or the signature of the recipient should be present.

## **Executive Summary – Continued**

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### **Summary of the Criteria or Specific Requirements as Prescribed in the District's Internal Accounts Manual (Continued)**

#### Skipped or Voided Checks

As stated in the District's *Internal Funds Policies and Procedures Manual*, Section 8, skipped checks are to be marked "VOID," with the signature block removed, and the Principal should sign to provide evidence of the awareness of skipped checks. Voided checks must be marked "VOID" and the signature block removed. Voided checks should have stop payments issued at the bank if they have been released.

#### Completion of Purchase Order Forms

The District's *Internal Funds Policies and Procedures Manual*, Section 7.C states that purchases of \$3,000 or more require prior written approval using the standard Internal Funds Purchase Order Form.

#### Timely Recording of Monies Collected

As stated in the District's *Internal Funds Policies and Procedures Manual*, Section 6.B, the bookkeeper will verify the amount of money reported on the Monies Collected Form when the funds exchange hands. The computer will generate an official receipt, which automatically assigns a receipt number. The receipt is given to whom the funds were handed in by. The bookkeeper must print and sign all receipts as they are created. The receipt number must be written in the left-hand corner of the Monies Collected Form. Per Section 6.C, the receipt date is the date the Bookkeeper actually receives the money, not the date that the money was collected. The District allows the official receipt to be generated within one (1) business day from the date the bookkeeper receives the monies.

#### Safekeeping of Internal Funds

Each bank account shall have at least two authorized check signers. These names shall be kept on file for audit purposes. Adequate security must be provided for blank checks, cash and change funds at all times. It is recommended that blank checks, cash and change funds be kept in a locked safe and verified at least quarterly.

## Executive Summary – Continued

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### Summary of Current Year Results

Current year findings are summarized in the table below. There were five site-based comments in the current year.

Findings	Schools		
	Elementary	Middle	High
Completion of monies collected form	0	1	0
Monthly reporting	1	1	1
Fundraising activities	0	0	1
<b>Total Comments</b>	<b>1</b>	<b>2</b>	<b>2</b>

## Executive Summary – Continued

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### Summary – Status of Prior Year Findings

The following table provides a summary of the status of prior year individual site findings.

No.	Site / Finding	Still Relevant	Corrected or No Longer Relevant
<b>1</b>	<b>Naples Park Elementary</b>		
	Fundraising Activities		X
<b>2</b>	<b>Pelican Marsh Elementary</b>		
	Fundraising Activities		X
<b>3</b>	<b>Veterans Memorial Elementary</b>		
	Monthly Financial Reports		X
<b>4</b>	<b>Village Oaks Elementary</b>		
	Monthly Financial Reports		X
<b>5</b>	<b>Immokalee High</b>		
	Safekeeping of Internal Funds		X
<b>6</b>	<b>Lorenzo Walker Technical High</b>		
	Monthly Financial Reports		X
<b>7</b>	<b>Naples High School</b>		
	Safekeeping of Internal Funds		X

**Appendix A**  
**Individual Site Findings**

**THE SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**INTERNAL ACCOUNTS**

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There were no control deficiencies reported for the following District sites listed below for the year ended June 30, 2024:

No.	School Site	No.	School Site
1	Administration Center	43	Pelican Marsh Elementary
2	Adult Education	44	Pinecrest Elementary
3	Alternative Schools	45	Poinciana Elementary
4	Aubrey Rogers High	46	Sabal Palm Elementary
5	Avalon Elementary	47	Sea Gate Elementary
6	Barron Collier High	48	Shadowlawn Elementary
7	Big Cypress Elementary	49	Summer SACC Program
8	Calusa Park Elementary	50	Tommie Barfield Elementary
9	Corkscrew Elementary	51	Transportation Department
10	Corkscrew Middle	52	Veterans Memorial Elementary
11	Cypress Palm Middle	53	Village Oaks Elementary
12	East Naples Middle	54	Vineyards Elementary
13	Eden Park Elementary		
14	Estates Elementary		
15	Everglades City School		
16	Glades Technical College		
17	Golden Gate Elementary		
18	Golden Gate Middle		
19	Golden Terrace Elementary		
20	Gulf Coast High		
21	Gulfview Middle		
22	Herbert Cambridge Elementary		
23	Highlands Elementary		
24	Immokalee High		
25	Immokalee Middle		
26	Immokalee Technical Center		
27	Lake Park Elementary		
28	Lake Trafford Elementary		
29	Laurel Oak Elementary		
30	Lavern Gaynor Elementary		
31	Lely Elementary		
32	Lely High School		
33	Lorenzo Walker Technical College		
34	Lorenzo Walker Technical High		
35	Manatee Elementary		
36	Mike Davis Elementary		
37	Naples Park Elementary		
38	North Naples Middle		
39	Oakridge Middle		
40	Osceola Elementary		
41	Palmetto Ridge High		
42	Parkside Elementary		

**THE SCHOOL BOARD OF COLLIER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

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**SCHOOL: PALMETTO ELEMENTARY SCHOOL**

Finding		Recommendation	Management's Response
1	<i>Monthly Reporting</i>		
	<p>We noted the financial reports for the months of July 2023, September 2023 and December 2023 were submitted on August 21, 2023, October 24, 2023, and January 16, 2024, respectively. The reports were not submitted in a timely manner.</p> <p>District policy requires that monthly financial reports be completed and submitted to the District by the 15<sup>th</sup> day of the following month.</p>	<p>We recommend that staff adhere to the District's <i>Internal Funds Policies and Procedures</i> Manual and follow the procedures regarding the submissions of monthly financial reports. Such reports must be completed and submitted by the 15<sup>th</sup> day of the following month.</p>	<p><b>Response:</b> A calendar reminder has been set for the 12<sup>th</sup> day of each month to turn in reports on time.</p> <p><b>Personnel Responsible:</b> Office Manager</p>

**SCHOOL: NAPLES HIGH SCHOOL**

Finding		Recommendation	Management's Response
1	<i>Monthly Reporting</i>		
	<p>We noted the financial reports for the month of September 2023 was submitted on October 25, 2023. The report was not submitted in a timely manner.</p> <p>District policy requires that monthly financial reports be completed and submitted to the District by the 15<sup>th</sup> day of the following month.</p>	<p>We recommend that staff adhere to the District's <i>Internal Funds Policies and Procedures</i> Manual, and follow the procedures regarding the submissions of monthly financial reports. Such reports must be completed and submitted by the 15<sup>th</sup> day of the following month.</p>	<p><b>Response:</b> The bookkeeper had multiple absences due to extenuating circumstances impacting the submission of the financial reports. This was addressed and provisions have been made moving forward to avoid repeated impacts.</p> <p><b>Personnel Responsible:</b> Bookkeeper</p>

**THE SCHOOL BOARD OF COLLIER COUNTY, FLORIDA**  
**INTERNAL ACCOUNTS**

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**SCHOOL: MANATEE MIDDLE**

Finding		Recommendation	Management's Response
<b>1</b>	<i>Monthly Reporting</i>		
<p>We noted the financial report for the month of July 2023 was submitted on August 16, 2023. The report was not submitted in a timely manner.</p> <p>District policy requires that monthly financial reports be completed and submitted to the District by the 15<sup>th</sup> day of the following month.</p>		<p>We recommend that staff adhere to the District's <i>Internal Funds Policies and Procedures</i> Manual and follow the procedures regarding the submissions of monthly financial reports. Such reports must be completed and submitted by the 15<sup>th</sup> day of the following month.</p>	<p><b>Response:</b>                      It was the bookkeepers first year rolling into a new school year and they were unaware of the deadline. The bookkeepers are now aware of the filing requirements and will submit the reports in a timely manner going forward.</p> <p><b>Personnel Responsible:</b>                      Bookkeeper</p>

**SCHOOL: PINE RIDGE MIDDLE**

Finding		Recommendation	Management's Response
<b>1</b>	<i>Completion of Monies Collected Form</i>		
<p>We noted that a Monies Collected Form was not on record for Deposit #1098 in the amount of \$189.11 that was collected on June 13, 2024, and deposited by the District office.</p> <p>District policy states that the bookkeeper will verify the amount of money reported on the Monies Collected Form when the funds exchange hands. The computer will generate an official receipt, which automatically assigns a receipt number. The receipt is given to whom the funds were handed in by. The bookkeeper must then print and sign all receipts as they are created.</p>		<p>We recommend that staff adhere to the District's <i>Internal Funds Policies and Procedures</i> Manual and follow the procedures regarding the recording of monies collected.</p>	<p><b>Response:</b>                      The bookkeeper was not onsite for this deposit and therefore the deposit was handled by the District office. The Monies Collected Form (MCF) was completed by the District office however, the MCF was lost in transit between the District office and the school. At no time does Pine Ridge Middle bookkeeper accept funds for deposit without a Monies Collected Form, as required by District policy. Pine Ridge Middle will continue to follow District policy for all bookkeeping procedures and believes this exception was an isolated incident.</p> <p><b>Personnel Responsible:</b>                      Bookkeeper</p>

**THE SCHOOL BOARD OF COLLIER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

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**SCHOOL: GOLDEN GATE HIGH**

<b>Finding</b>		<b>Recommendation</b>	<b>Management's Response</b>
<b>1</b>	<i>Fundraising Activities</i>		
<p>A Fundraising or Event Proposal Report (Form 5830 F1) was on file for the "Candle Fundraiser" event held during the period from October 11, 2023 through November 2, 2023. However, Form 5830 F1 was not signed by the Principal.</p> <p>District policy requires that the Fundraising or Event Proposal Report (Form 5830 F1) be signed and approved by the Principal.</p>		<p>We recommend that staff adhere to the District's Internal Funds Policies and Procedures Manual and follow the procedures therein for timely completion and submission of all required forms for fundraising events.</p>	<p><b>Response:</b> Signatures will be triple checked moving forward to ensure compliance with District policy.</p> <p><b>Personnel Responsible:</b> Bookkeeper</p>