

HENDRY COUNTY DISTRICT SCHOOL BOARD

**SCHOOL INTERNAL ACCOUNTS FUND
AUDITED FINANCIAL STATEMENT**

YEAR ENDED JUNE 30, 2024



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**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE	5
NOTES TO FINANCIAL STATEMENTS	6
SUPPLEMENTARY STATEMENT	
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY SCHOOL	8
SUPPLEMENTAL REPORTS	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	10
SCHEDULE OF FINDINGS AND RESPONSES	12



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, 2024, 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, 2024, 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, 2024, 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 December 20, 2024, 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
December 20, 2024

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
BALANCE SHEET
JUNE 30, 2024**

ASSETS

Cash	\$ 1,053,316
Investments	149,301
Due From Other Funds	<u>1,576</u>
Total Assets	<u><u>\$ 1,204,193</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due To Other Funds	\$ 56,664
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FUND BALANCE

Restricted	<u>1,147,529</u>
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Total Liabilities and Fund Balance	<u><u>\$ 1,204,193</u></u>
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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, 2024**

REVENUES

Local Sources:

Other:

Athletics	\$ 391,220
Music	47,291
Classes, Clubs, and Departments	1,122,291
Trust Funds	15,183
General	299,111
Total Revenues	1,875,096

EXPENDITURES

Current:

Other:

Athletics	399,911
Music	31,246
Classes, Clubs, and Departments	1,008,454
Trust Funds	13,022
General	306,639
Total Expenditures	1,759,272

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

115,824

OTHER FINANCING SOURCES (USES)

Transfers Out - General Fund

(39,108)

CHANGE IN FUND BALANCES (DEFICIT)

76,716

Fund Balance – Beginning of Year

1,070,813

FUND BALANCE – END OF YEAR

\$ 1,147,529

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS

Clewiston High School invests its excess cash resources in certificates of deposit. On June 30, 2024, investments consist of certificates of deposit maturing on November 3, 2024, July 21, 2025, 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, 2024, 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, 2024, \$39,108 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.

NOTE 5 SUBSEQUENT EVENT

The Hendry County School District opened Clewiston Early Learning Center location number 0403 on July 1, 2024. The Internal Fund Account will serve students in Pre-Kindergarten, offering specialized programs for early learning in January 2025.

**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, 2024**

	LaBelle High	Clewiston High	LaBelle Middle	Clewiston Middle	Central Elementary	Eastside Elementary	Westside Elementary
REVENUES							
Local Sources:							
Other:							
Athletics	\$ 220,870	\$ 102,073	\$ 21,231	\$ 47,046	\$ -	\$ -	\$ -
Music	150	27,420	4,110	9,016	-	-	-
Classes, Clubs, and Departments	153,485	326,706	58,200	74,760	141,959	69,404	87,038
Trust Funds	3,140	45	5,280	2,500	2,252	1,948	-
General	33,577	49,069	9,806	32,937	27,691	37,770	64,557
Total Revenues	<u>411,222</u>	<u>505,313</u>	<u>98,627</u>	<u>166,259</u>	<u>171,902</u>	<u>109,122</u>	<u>151,595</u>
EXPENDITURES							
Current:							
Other:							
Athletics	203,750	118,929	28,458	48,774	-	-	-
Music	255	17,554	2,920	7,192	-	-	-
Classes, Clubs, and Departments	100,451	319,994	57,004	76,425	117,318	68,717	90,036
Trust Funds	5,500	3,500	-	1,098	-	1,948	-
General	27,904	42,166	15,510	39,486	40,438	37,681	62,301
Total Expenditures	<u>337,860</u>	<u>502,143</u>	<u>103,892</u>	<u>172,975</u>	<u>157,756</u>	<u>108,346</u>	<u>152,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	73,362	3,170	(5,265)	(6,716)	14,146	776	(742)
OTHER FINANCING SOURCES (USES)							
Transfers In (Out) - General Fund	<u>(3,000)</u>	<u>(8,735)</u>	<u>(4,130)</u>	<u>(3,921)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	70,362	(5,565)	(9,395)	(10,637)	14,146	776	(742)
Fund Balance - Beginning of Year	<u>143,937</u>	<u>501,386</u>	<u>101,675</u>	<u>114,882</u>	<u>44,426</u>	<u>30,337</u>	<u>26,981</u>
FUND BALANCE - END OF YEAR	<u>\$ 214,299</u>	<u>\$ 495,821</u>	<u>\$ 92,280</u>	<u>\$ 104,245</u>	<u>\$ 58,572</u>	<u>\$ 31,113</u>	<u>\$ 26,239</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, 2024**

	LaBelle Elementary	Country Oaks Elementary	Upthegrove Elementary	LaBelle Adult	Clewiston Adult	Total
REVENUES						
Local Sources:						
Other:						
Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,220
Music	3,865	2,730	-	-	-	47,291
Classes, Clubs, and Departments	23,228	110,177	64,545	2,309	10,480	1,122,291
Trust Funds	-	18	-	-	-	15,183
General	17,050	11,827	12,812	6	2,009	299,111
Total Revenues	<u>44,143</u>	<u>124,752</u>	<u>77,357</u>	<u>2,315</u>	<u>12,489</u>	<u>1,875,096</u>
EXPENDITURES						
Current:						
Other:						
Athletics	-	-	-	-	-	399,911
Music	2,217	1,108	-	-	-	31,246
Classes, Clubs, and Departments	23,663	88,799	66,047	-	-	1,008,454
Trust Funds	-	-	-	976	-	13,022
General	15,245	14,581	10,636	-	691	306,639
Total Expenditures	<u>41,125</u>	<u>104,488</u>	<u>76,683</u>	<u>976</u>	<u>691</u>	<u>1,759,272</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,018	20,264	674	1,339	11,798	115,824
OTHER FINANCING SOURCES (USES)						
Transfers In (Out) - General Fund	<u>-</u>	<u>(19,322)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,108)</u>
CHANGE IN FUND BALANCES	3,018	942	674	1,339	11,798	76,716
Fund Balance - Beginning 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>
FUND BALANCE - END OF YEAR	<u>\$ 28,904</u>	<u>\$ 25,797</u>	<u>\$ 35,914</u>	<u>\$ 11,165</u>	<u>\$ 23,180</u>	<u>\$ 1,147,529</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, 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated December 20, 2024.

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 2024-001, 2024-002, 2024-003, and 2024-004 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004.

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
December 20, 2024

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2024**

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Current Year Status
<p>2023-001 <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>2023-002 <u>Disbursements</u> Several check requisition forms were not signed by the principal to document approval to make payment.</p>	Material Weakness	Not Cleared
<p>2023-003 <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>2023-004 <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>2023-005 <u>General Ledger Journal Entries</u> In the 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.</p>	Material Weakness	Cleared

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2024-001 – 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:

Clewiston Adult School, Central Elementary School, Clewiston High School, Clewiston Middle School, Country Oaks Elementary School, Eastside Elementary School, Labelle Adult School, Labelle Elementary School, Labelle High School, Labelle Middle School, UptheGrove Elementary 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. In addition, prenumbered receipts were not completed for all money collected by bookkeepers or teachers and staff. Out of 197 items tested, 81 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. Forms were not completed with the appropriate signatures and dates.

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. Prenumbered receipts should be completed for all monies collected. All forms should contain the appropriate signatures and dates 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, 2024**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2024-001 – Cash Receipts (Continued)

Views of Responsible Officials:

Clewiston Adult School response: Upon review, we discussed the timeline for cash receipts. In the past, our department used PayPal, which did not directly deposit transactions daily, contributing to the audit findings. To address this issue, we have transitioned away from PayPal and are now using a system that deposits online transactions on a daily basis. Additionally, we acknowledge that all collected funds must be submitted to the office within one business day, and with our department now fully staffed on both sides of the district, we do not anticipate this being an issue going forward.

Central Elementary School response: At the time of this receipt, receipts were not being turned in to the office daily. That practice no longer occurs and receipts will be turned in daily. Pre-Numbered receipts were not completed or completed correctly for monies collected, At the time of this receipt, pre-numbered receipts were not used at all times. We will make sure to use the tally sheet for purchases \$5.00 and under and make sure pre-numbered receipts are used for everything else.

Clewiston High School response: Cash Receipts will ensure that all collected funds have two signatures: one from the Bookkeeper and one from the Teacher/Sponsor. The Bookkeeper and Principal will retrain staff to make sure all receipts are submitted to the office within one business day. If the Bookkeeper is unavailable for an extended period, an admin will act as a backup. Bank deposits will be made within five business days, and all Monies Collected forms will be accurately completed with the necessary information.

Clewiston Middle School response: In regards to the audit finding performed for Fiscal Year 2023-2024, Cash Receipts were not turned into the office within 1 business, Bookkeeper will reiterate with the staff the importance of turning in the receipts and money as soon as it is collected and issuing pre-numbered receipts when funds are collected which would allow the bookkeeper to then deposit the funds within the five (5) business days allotted. Bookkeeper will ensure the procedures are adhered to with the assistance of Ms. Kelley (Principal). Bookkeeper will also be refreshing to the Red Book Chapter 8.

Eastside Elementary School response: Pre-Numbered receipts were not completed or completed correctly for monies collected. According to the auditors Internal Auditors on Cash Receipts three out of four categories that they examined are complying but one. The tally marks are insufficient documentation of purchased items or field trips. Bookkeeper will fix the errors by adding more documentation with future cash receipts.

Country Oaks Elementary response: In regards to the recent audit exit interview for the 23-24 school year Bookkeeper will be refreshing on Chapter 8 in the RedBook and reviewing cash receipt protocols with our staff and will review at every whole group gathering and after every school break. During COE "Round Robin" bookkeeper personally went over finance policies and procedures with staff. Made every teacher a sample packet and binder discussing and showing how things are to be completed within the required timeframe. With this in place we expect to have less errors moving through the 24-25 school year.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2024-001 – Cash Receipts (Continued)

Views of Responsible Officials (Continued):

Labelle Adult School response: Upon review, we discussed the timeline for cash receipts. In the past, our department used PayPal, which did not directly deposit transactions daily, contributing to the audit findings. To address this issue, we have transitioned away from PayPal and are now using a system that deposits online transactions on a daily basis. Additionally, we acknowledge that all collected funds must be submitted to the office within one business day, and with our department now fully staffed on both sides of the district, we do not anticipate this being an issue going forward.

Labelle Elementary School response: Upon looking over our findings, LaBelle Elementary School's goal is to ensure findings from the previous school year are not repeated. Cash Receipts were not turned into the office within 1 business, bookkeeper will reiterate the rules and expectations of Monies being collected to all teachers. "All Money Collected to be turned in to the bookkeeper by the end of the day." Pre-Numbered receipts were not completed or completed correctly for monies collected. Bookkeeper will explain the tally log/class roster to all teachers, and have blank copies available when turning in Monies Collection Form cash receipt anytime an individual collection is less than \$5, along with verifying it matches to the "Monies Collection Form."

Labelle High School response: Cash Receipts will be turned in within 1 business day, this will be explained to Coaches/Sponsors once again. Bank deposits will be made within 5 business days of the receipts being turned in. Pre-numbered receipts will be completed for all donations and other monies collected. If the Bookkeeper is going to be out for an extended period of time, a backup plan will be in place.

Labelle Middle School response: Cash Receipts were not turned into the office within 1 business day. Monies collected documents show that money for yearbook sales were turned into the office on 5/13/24, but receipts for monies collected were dated for 5/14/24 and 5/15/24. It is Labelle Middle School assumption that there was some type of error made with the dates reported on either the monies collected document or the receipts. To rectify this material weakness, the Principal will make sure to remind staff, verbally and in writing, to turn money into the office within 1 business day of receipt and complete a separate "Monies Collected Form" for each deposit of monies. Pre-numbered receipts were not completed or completed correctly for monies collected. It is our understanding that many books of pre-numbered receipts were given to staff to document receipt of monies for items totaling more than \$5.00, such as yearbooks and PE uniforms, and one receipt book was lost and others weren't used correctly.

UptheGrove Elementary School response: Pre-Numbered receipts were not completed or completed correctly for monies collected. Teacher was using a receipt book that was not prenumbered. UES has let all teachers know that the only receipt books they can use are the pre-numbered receipt books that they receive from the Bookkeeper to stay in compliance with the Redbook Chapter 8.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2024-002 – Disbursements

Type of Finding:

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

Schools:

Labelle Adult School, Labelle High School, Clewiston High School

Condition:

Several check requisition forms were not completed and signed by the principal to document approval to make payment and one check requisition was completed after the check was written. Checks were not signed with two signatures. Invoices were not paid timely. Disbursements were not properly coded.

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. Checks should be signed with two signatures.

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. All checks should be signed by the bookkeeper and Principal.

Views of Responsible Officials:

Clewiston High School response: The Bookkeeper will ensure that sales tax is neither paid nor reimbursed. The Bookkeeper will also make sure that all check requisitions are properly completed and that all supporting documentation matches the correct check amount.

Labelle Adult School response: The second finding was related to a check requisition that did not have the director's signature. During the past school year, our department experienced a transition in leadership, with an interim director in place for a period of time. Since then, I have been hired as the permanent director and now oversee both LaBelle and Clewiston Adult School operations. We do not expect this issue to recur.

Labelle High School response: The Bookkeeper will ensure that sales tax is not paid, if paying within the state of Florida.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2024-003 – 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, Labelle High School, Labelle Middle School

Condition:

Fundraising reports were not used as set forth by District internal fund policy and Red Book Chapter 8. In some cases, the fundraising reports were not completed accurately.

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: Fundraising Reports and Activities policies and procedures will be 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: Fundraising Reports and Activities will ensure that all receipts from fundraising activities are reported on the Fundraising Activity forms.

Labelle Middle School response: Fundraising Reports and Activities no approval prior to the start of the fundraiser. It is Labelle Middle School's understanding that there was verbal approval by the Principal prior to the beginning of the World's Finest Chocolate fundraiser, but it was not documented properly. To rectify this, will remind school staff, verbally and in writing, of the procedures for fundraiser approval and the related required documents, such as the "Activity Scheduler" form.

**HENDRY COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL ACCOUNTS FUND
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2024-004 – 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.

Clewiston High School response: Ticket Inventory Bookkeeper will ensure all Perpetual inventory reconciliation will be maintained.

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.



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