DESOTO COUNTY DISTRICT SCHOOL BOARD

INTERNAL FUNDS FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

DESOTO COUNTY DISTRICT SCHOOL BOARD
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JUNE 30, 2024

Wicks, Brown, Williams & Co., CPA's LLP

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INDEPENDENT AUDITORS' REPORT

To the DeSoto County District School Board
Arcadia, Florida

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying combined statement of cash receipts, disbursements, transfers, and balances - internal funds of the DeSoto County District School Board for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the DeSoto County District School Board's internal funds basic financial statement as listed in the table of contents.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements, transfers, and balances - internal funds of the DeSoto County District School Board for the year ended June 30, 2024, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the DeSoto County District School Board 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.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than 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 the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DeSoto County District School Board – Internal Funds' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 generally accepted auditing standards 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 statement.

In performing an audit in accordance with generally accepting auditing standards 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 statement, 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 statement.

- 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 DeSoto County District School Board – Internal Funds' 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 statement.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the DeSoto County District School Board – Internal Funds' ability to continue as a going concern for a reasonable period of time.

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.

Emphasis of Matters

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The DeSoto County District School Board prepares its internal funds financial statement on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Internal Funds

As discussed in Note 1, the financial statement presents only the internal funds and is not intended to present fairly the financial position and results of operations of the DeSoto County District School Board, in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined statement of cash receipts, disbursements, transfers, and balances - internal funds as a whole. The combining statement of cash receipts, disbursements, transfers, and balances - internal funds is presented for purposes of additional analysis and is not a required part of the basic financial statement. 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 combined statement of cash receipts, disbursements, transfers, and balances – internal funds. The information has been subjected to the auditing procedures applied in the audit of the combined statement of cash receipts, disbursements, transfers, and balances - internal funds and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the internal funds financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of cash receipts, disbursements, transfers, and balances - internal funds is fairly stated, in all material respects, in relation to the internal funds financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2024, on our consideration of the DeSoto County District School Board's internal funds' 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 DeSoto County District School Board's internal funds' 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 DeSoto County District School Board's internal funds' internal control over financial reporting and compliance.

Wicks, Brown, Williams & Co., CPA's LLP

Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

August 29, 2024

DESOTO COUNTY DISTRICT SCHOOL BOARD
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, TRANSFERS, AND BALANCES - INTERNAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

CASH AND CASH EQUIVALENTS - JULY 1, 2023	$ 733,276
RECEIPTS:	
Athletics	290,125
Music	688
Class, clubs, departments	329,911
Trust funds	231,550
General	10,670
Total receipts	862,944
DISBURSEMENTS:	
Athletics	221,452
Music	3,264
Class, clubs, departments	291,958
Trust funds	214,531
General	8,611
Total disbursements	739,816
TRANSFERS:	
Athletics	(525)
Music	-
Class, clubs, departments	13,314
Trust funds	1,006
General	(13,795)
Total transfers	-
CASH AND CASH EQUIVALENTS - JUNE 30, 2024	$ 856,404

The accompanying notes are an integral part of this financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:
The internal funds of the DeSoto County District School Board ("District") are comprised of six individual funds. There is one fund each for the five schools in the District and one for the Adult Education Program. This financial statement presents only the internal funds and is not intended to present fairly the financial position and results of operations of the DeSoto County District School Board, in conformity with generally accepted accounting principles. The internal funds are included in the District's annual financial report as a fiduciary fund type – custodial funds.

Basis of Accounting:
It is the policy of the District to account for the internal funds of the schools on a cash basis of accounting. Accordingly, the internal funds increase when cash receipts are recorded, and decrease when cash disbursements are recorded. Any noncash transactions are not recognized.

Cash and Cash Equivalents:
Cash and cash equivalents are defined to include cash funds on hand and demand deposits.

NOTE 2 - DEPOSITS AND INVESTMENTS:

District policies require that all internal funds be deposited into qualified public depositories approved by the District. Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, all deposits were entirely insured by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to Chapter 280.07, Florida Statutes.

DESOTO COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS AND BALANCES - INTERNAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	DESOTO HIGH	DESOTO MIDDLE	WEST ELEMENTARY	MEMORIAL ELEMENTARY
CASH AND CASH EQUIVALENTS - JULY 1, 2023	$ 386,351	$ 120,515	$ 56,450	$ 56,681
RECEIPTS:				
Athletics	217,498	72,627	-	-
Music	500	188	-	-
Class, clubs, departments	157,119	68,453	39,505	33,739
Trust funds	48,923	22,947	20,010	8,715
General	2,516	1,087	4,228	718
Total receipts	426,556	165,302	63,743	43,172
DISBURSEMENTS:				
Athletics	181,516	39,936	-	-
Music	1,580	1,684	-	-
Class, clubs, departments	148,000	49,641	38,725	32,082
Trust funds	36,693	14,900	13,998	5,189
General	2,209	96	279	50
Total disbursements	369,998	106,257	53,002	37,321
TRANSFERS:				
Athletics	(525)	-	-	-
Music	-	-	-	-
Class, clubs, departments	25	706	-	12,149
Trust funds	500	(21)	-	-
General	-	(685)	-	(12,149)
Total transfers	-	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30, 2024	$ 442,909	$ 179,560	$ 67,191	$ 62,532

See Independent Auditors' Report.

NOCATEE ELEMENTARY	ADULT EDUCATION	TOTAL
$ 43,571	$ 69,708	$ 733,276
-	-	290,125
-	-	688
31,095	-	329,911
16,604	114,351	231,550
730	1,391	10,670
48,429	115,742	862,944
-	-	221,452
-	-	3,264
23,510	-	291,958
10,773	132,978	214,531
4,855	1,122	8,611
39,138	134,100	739,816
-	-	(525)
-	-	-
434	-	13,314
(342)	869	1,006
(92)	(869)	(13,795)
-	-	-
$ 52,862	$ 51,350	$ 856,404

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

To the DeSoto County District School Board
Arcadia, 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 combined statement of cash receipts, disbursements, transfers, and balances - internal funds of the DeSoto County District School Board for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the DeSoto County District School Board's internal funds basic financial statement, and have issued our report thereon dated August 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the DeSoto County District School Board's internal control over financial reporting (internal control) for internal funds as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of each school's internal control over internal funds. Accordingly, we do not express an opinion on the effectiveness of each school's internal control over internal funds.

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 DeSoto County District School Board's combined statement of cash receipts, disbursements, transfers and balances - internal funds 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The DeSoto County District School Board (continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the combined statement of cash receipts, disbursements, transfers and balances - internal funds of the DeSoto County District School Board is 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 statement. 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*.

We noted a certain matter that we have reported to the DeSoto County District School Board in a separate letter dated August 29, 2024.

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.

Wicks, Brown, Williams & Co., CPA's LLP

Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

August 29, 2024

Wicks, Brown, Williams & Co., CPA's LLP

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MANAGEMENT LETTER

The DeSoto County District School Board
Arcadia, Florida

Report on the Financial Statement

We have audited the combined statement of cash receipts, disbursements, transfers, and balances – internal funds of the DeSoto County District School Board for the year ended June 30, 2024, and have issued our report thereon dated August 29, 2024.

Auditor's Responsibility

We conducted our audit in accordance with 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.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 29, 2024, and can be found on pages 8 and 9, should be considered in conjunction with this management letter.

Prior Audit Findings

As part of the audit process, we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of corrective actions that have been taken to address findings and recommendations made in the preceding annual financial audit report are reported in the Schedule of Findings and Responses under the heading Status of Prior Year Findings.

Other Matters

During our audit, we became aware of a deficiency in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. Our comment and suggestion regarding this matter is reported in the Schedule of Findings and Responses under the heading Management Letter Comments. This letter does not affect our report dated August 29, 2024, on the combined statement of cash receipts, disbursements, transfers, and balances – internal funds of the DeSoto County District School Board.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Florida Auditor General, the School Board, management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

DeSoto County District School Board's Response to Finding

DeSoto County District School Board's response to the finding identified in our audit is described in the Schedule of Findings and Responses. DeSoto County District School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various School Board personnel. We will be pleased to discuss it in further detail at your convenience and to assist you in implementing the recommendations.

Sincerely,

Wicks, Brown, Williams & Co., CPA's LLP

Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

August 29, 2024

STATUS OF PRIOR YEAR SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

There were no findings and recommendations made in the preceding financial audit report.

STATUS OF PRIOR YEAR MANAGEMENT LETTER COMMENTS

DeSoto Middle School

The prior year comment, 2023-001, related to principal's advance approval of purchases appears to have been corrected.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Management Letter Comments

DeSoto Middle School

2024-001, Sales Tax

Condition: During our audit procedures, we noted three instances where sales tax was not paid when it should have been paid on items purchased for the direct benefit of teachers and staff.

Criteria or specific requirement: Purchases by a school that are unrelated to the education process, i.e. items purchased that directly benefit teachers and staff, requires sales tax be paid.

Effect: Sales tax was not paid on items that did not qualify for the school's sales tax exemption.

Cause: Due to bookkeeper oversight, sales tax was not paid for items that did not qualify for the school's sales tax exemption.

Recommendation: We recommend that each transaction be reviewed by the bookkeeper to ensure the purchase is in compliance with the sales tax rules and regulations relevant to the internal funds activities.

Views of Responsible Officials: DeSoto Middle School agrees with the finding. In the future, sales tax will be paid on all applicable purchases.