

**OKEECHOBEE COUNTY
DISTRICT SCHOOL BOARD**

INTERNAL FUNDS FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS
JUNE 30, 2023

	<u>Page</u>
Independent Auditors’ Report	1
Financial Statement:	
Combined Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds	4
Notes to the Financial Statement	5
Supplemental Schedules:	
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – All Schools	6
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – Elementary Schools	7
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – Middle Schools	8
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – High Schools	9
Other Reporting:	
Communication of No Material Weaknesses	10
Management Letter	11

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

504 Northwest Fifth Avenue, Okeechobee, Florida 34972-2570
(863) 763-2354 • Fax: (863) 467-4519

Charles F. Wicks, C.P.A. (1911 - 1996)
J. Richard Brown, C.P.A. (1940 - 1997)
W. Bruce Stratton, C.P.A., Retired
Cheryl M. Williams, C.P.A., P.A.
C. Mark Cox, C.P.A., P.A.
John W. Davis, C.P.A., P.A.
Charles P. Cox, C.P.A., P.A.

April D. Harris, C.P.A.

Lake Placid
(863) 699-5544

Sebring
(863) 382-1157

INDEPENDENT AUDITORS' REPORT

Okeechobee County District School Board
Okeechobee, Florida

Report on the Financial Statement

Opinion

We have audited the accompanying combined statement of cash receipts, disbursements, transfers, and balances - internal funds of the Okeechobee County District School Board (the "District") for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District'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 District for the year ended June 30, 2023, 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. 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 Okeechobee County District School Board, and to meet our other ethical responsibilities, in accordance with 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 Matters

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared 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.

Okeechobee County District School Board (continued)

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 Okeechobee County District School Board in conformity with accounting principles generally accepted in the United States of America.

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 described in Note 1; and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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.

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 generally accepted 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 generally accepted 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 Okeechobee 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 Okeechobee 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.

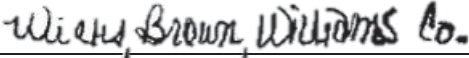
Okeechobee County District School Board (continued)

Other Matters

Other Information

Management is responsible for the other information included in the supplemental schedules. The other information comprises the combining statements of cash receipts, disbursements, transfers and balances - internal funds, as listed in the table of contents under supplemental schedules but does not include the basic financial statement and our auditors' report thereon. Our opinion on the basic financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Wicks, Brown, Williams & Co., CPA's LLP
Certified Public Accountants
Okeechobee, Florida

January 11, 2024

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

CASH - JULY 1, 2022	\$ 765,080
RECEIPTS:	
Athletics	322,006
Music	98,918
Class, club, departments	683,941
Trust funds	84,639
General	200,015
Total receipts	1,389,519
DISBURSEMENTS:	
Athletics	317,392
Music	110,624
Class, club, departments	696,217
Trust funds	80,970
General	168,680
Total disbursements	1,373,883
TRANSFERS IN (OUT):	
Athletics	3,907
Music	(50)
Class, club, departments	(647)
Trust funds	(1,243)
General	(1,967)
Total transfers	-
CASH - JUNE 30, 2023	\$ 780,716
CASH CONSISTING OF:	
Checking accounts	\$ 467,997
Savings accounts	312,719
Total	\$ 780,716

The notes to the financial statements are an integral part of this statement.

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

The internal funds of the Okeechobee County District School Board (“District”) are comprised of nine individual funds. There is one fund for each of the five elementary schools, two middle schools, and two high schools. For reporting purposes Okeechobee Achievement Academy is considered to be a high school. This financial statement presents only the internal funds and is not intended to present fairly the financial position and results of operations of Okeechobee County District School Board in conformity with accounting principles generally accepted in the United States of America. The internal funds are included in the District’s annual financial report as fiduciary 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. Noncash transactions are not recognized.

Cash:

Cash is defined to include cash funds on hand and demand deposits.

Inventories:

Inventories of school stores and FFA livestock are recognized as expenditures when initially purchased by the schools; therefore, cash disbursements include amounts expended for inventories.

Fixed Assets:

Any fixed assets purchased from the internal accounts are recorded as expenditures and capitalized as additions in the District’s government-wide Statement of Net Position.

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.

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
ALL SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023

	Elementary Schools	Middle Schools	High Schools	Total
CASH - JULY 1, 2022	\$ 125,808	\$ 148,936	\$ 490,336	\$ 765,080
RECEIPTS:				
Athletics	-	51,219	270,787	322,006
Music	-	39,287	59,631	98,918
Class, club, departments	157,841	264,268	261,832	683,941
Trust funds	39,550	39,740	5,349	84,639
General	93,770	16,766	89,479	200,015
Total receipts	<u>291,161</u>	<u>411,280</u>	<u>687,078</u>	<u>1,389,519</u>
DISBURSEMENTS:				
Athletics	-	41,406	275,986	317,392
Music	-	35,933	74,691	110,624
Class, club, departments	144,509	252,871	298,837	696,217
Trust funds	38,073	37,508	5,389	80,970
General	93,803	13,996	60,881	168,680
Total disbursements	<u>276,385</u>	<u>381,714</u>	<u>715,784</u>	<u>1,373,883</u>
TRANSFERS IN (OUT):				
Athletics	-	-	3,907	3,907
Music	-	-	(50)	(50)
Class, club, departments	4,533	-	(5,180)	(647)
Trust funds	(1,243)	-	-	(1,243)
General	(3,290)	-	1,323	(1,967)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH - JUNE 30, 2023	<u>\$ 140,584</u>	<u>\$ 178,502</u>	<u>\$ 461,630</u>	<u>\$ 780,716</u>
CASH CONSISTING OF:				
Checking accounts	\$ 140,584	\$ 163,389	\$ 164,024	\$ 467,997
Savings accounts	-	15,113	297,606	312,719
Total	<u>\$ 140,584</u>	<u>\$ 178,502</u>	<u>\$ 461,630</u>	<u>\$ 780,716</u>

See independent auditors' report.

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
ELEMENTARY SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023

	Central	Everglades	North	Seminole	South	Total
CASH - JULY 1, 2022	\$ 25,291	\$ 17,187	\$ 42,436	\$ 21,548	\$ 19,346	\$ 125,808
RECEIPTS:						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	-	-
Class, club, departments	19,784	51,834	33,432	7,777	45,014	157,841
Trust funds	5,802	-	6,368	12,709	14,671	39,550
General	29,500	16,656	26,343	6,130	15,141	93,770
Total receipts	55,086	68,490	66,143	26,616	74,826	291,161
DISBURSEMENTS:						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	-	-
Class, club, departments	19,496	44,605	25,130	4,624	50,654	144,509
Trust funds	6,300	491	6,189	10,780	14,313	38,073
General	31,646	14,262	24,277	7,094	16,524	93,803
Total disbursements	57,442	59,358	55,596	22,498	81,491	276,385
TRANSFERS IN (OUT):						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	-	-
Class, club, departments	991	(1,478)	5,237	-	(217)	4,533
Trust funds	364	(88)	-	-	(1,519)	(1,243)
General	(1,355)	1,566	(5,237)	-	1,736	(3,290)
Total transfers	-	-	-	-	-	-
CASH - JUNE 30, 2023	\$ 22,935	\$ 26,319	\$ 52,983	\$ 25,666	\$ 12,681	\$ 140,584
CASH CONSISTING OF:						
Checking accounts	\$ 22,935	\$ 26,319	\$ 52,983	\$ 25,666	\$ 12,681	\$ 140,584
Total	\$ 22,935	\$ 26,319	\$ 52,983	\$ 25,666	\$ 12,681	\$ 140,584

See independent auditors' report.

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
MIDDLE SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023

	Osceola	Yearling	Total
CASH - JULY 1, 2022	\$ 72,263	\$ 76,673	\$ 148,936
RECEIPTS:			
Athletics	17,046	34,173	51,219
Music	35,695	3,592	39,287
Class, club, departments	129,905	134,363	264,268
Trust funds	19,354	20,386	39,740
General	477	16,289	16,766
Total receipts	202,477	208,803	411,280
DISBURSEMENTS:			
Athletics	10,616	30,790	41,406
Music	32,242	3,691	35,933
Class, club, departments	125,657	127,214	252,871
Trust funds	18,877	18,631	37,508
General	310	13,686	13,996
Total disbursements	187,702	194,012	381,714
TRANSFERS IN (OUT):			
Athletics	-	-	-
Music	-	-	-
Class, club, departments	-	-	-
Trust funds	-	-	-
General	-	-	-
Total transfers	-	-	-
CASH - JUNE 30, 2023	\$ 87,038	\$ 91,464	\$ 178,502
CASH CONSISTING OF:			
Checking accounts	\$ 87,038	\$ 76,351	\$ 163,389
Savings accounts	-	15,113	15,113
Total	\$ 87,038	\$ 91,464	\$ 178,502

See independent auditors' report.

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
HIGH SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023

	Okeechobee Achievement Academy	Okeechobee High School	Total
CASH - JULY 1, 2022	\$ 2,374	\$ 487,962	\$ 490,336
RECEIPTS:			
Athletics	-	270,787	270,787
Music	-	59,631	59,631
Class, club, departments	1,875	259,957	261,832
Trust funds	1,385	3,964	5,349
General	266	89,213	89,479
Total receipts	3,526	683,552	687,078
DISBURSEMENTS:			
Athletics	-	275,986	275,986
Music	-	74,691	74,691
Class, club, departments	2,224	296,613	298,837
Trust funds	880	4,509	5,389
General	97	60,784	60,881
Total disbursements	3,201	712,583	715,784
TRANSFERS IN (OUT):			
Athletics	-	3,907	3,907
Music	-	(50)	(50)
Class, club, departments	-	(5,180)	(5,180)
Trust funds	-	-	-
General	-	1,323	1,323
Total transfers	-	-	-
CASH - JUNE 30, 2023	\$ 2,699	\$ 458,931	\$ 461,630
CASH CONSISTING OF:			
Checking accounts	\$ 2,699	\$ 161,325	\$ 164,024
Savings accounts	-	297,606	297,606
Total	\$ 2,699	\$ 458,931	\$ 461,630

See independent auditors' report.

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

504 Northwest Fifth Avenue, Okeechobee, Florida 34972-2570
(863) 763-2354 • Fax: (863) 467-4519

Charles F. Wicks, C.P.A. (1911 - 1996)
J. Richard Brown, C.P.A. (1940 - 1997)
W. Bruce Stratton, C.P.A., Retired
Cheryl M. Williams, C.P.A., P.A.
C. Mark Cox, C.P.A., P.A.
John W. Davis, C.P.A., P.A.
Charles P. Cox, C.P.A., P.A.

April D. Harris, C.P.A.

Lake Placid
(863) 699-5544

Sebring
(863) 382-1157

COMMUNICATION OF NO MATERIAL WEAKNESSES

Okeechobee County District School Board
Okeechobee, Florida

In planning and performing our audit of the combined statement of cash receipts, disbursements, transfers, and balances – internal funds of the Okeechobee County District School Board for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered each school's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statement, but not for the purpose of expressing an opinion on the effectiveness of each school's internal control. Accordingly, we do not express an opinion on the effectiveness of each school'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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

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

Wicks, Brown, Williams Co.

Wicks, Brown, Williams & Co., CPA'S LLP
Certified Public Accountants
Okeechobee, Florida

January 11, 2024

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

504 Northwest Fifth Avenue, Okeechobee, Florida 34972-2570
(863) 763-2354 • Fax: (863) 467-4519

Charles F. Wicks, C.P.A. (1911 - 1996)
J. Richard Brown, C.P.A. (1940 - 1997)
W. Bruce Stratton, C.P.A., Retired
Cheryl M. Williams, C.P.A., P.A.
C. Mark Cox, C.P.A., P.A.
John W. Davis, C.P.A., P.A.
Charles P. Cox, C.P.A., P.A.

April D. Harris, C.P.A.

Lake Placid
(863) 699-5544

Sebring
(863) 382-1157

MANAGEMENT LETTER

Okeechobee County District School Board
Okeechobee, Florida

In planning and performing our audit of the combined statement of cash receipts, disbursements, transfers, and balances – internal funds of the Okeechobee County District School Board for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered each school's internal control over internal funds (internal control) as a basis for designing auditing 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 the internal funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the internal funds' internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated January 11, 2024, on the combined statement of cash receipts, disbursements, transfers, and balances-internal funds of the Okeechobee County District School Board.

OKEECHOBEE HIGH SCHOOL

2023-001, Acquisition of Tangible Property

Condition: We noted four instances in which no property tag was issued for assets purchased.

Criteria or specific requirement: School Board policy requires tagging of all items that meet the criteria for fixed assets (assets of \$750 or more).

Effect: No tag was issued for four fixed assets purchased during the year.

Cause: Due to an oversight, no information was sent to the District Office on these purchases. When the bookkeeper became aware of the oversight during the audit, the necessary information was sent to the District Office for the property tags to be issued.

Okeechobee County District School Board (continued)

OKEECHOBEE HIGH SCHOOL (continued)

2023-001, Acquisition of Tangible Property (continued)

Recommendation: We recommend instituting a process to track fixed assets submitted to the District Office for tag issuance. Tags should be sent directly to the bookkeeper for placement on the assets. The bookkeeper should follow up with the District Office when no tag is issued.

Views of Responsible Officials: Okeechobee High School began using a google spreadsheet to track the status of fixed assets submitted for tagging. The District Office will issue the property tags for the items. The stickers will be sent to the Assistant Principal to be placed on the items, and the google spreadsheet will be updated.

CENTRAL ELEMENTARY SCHOOL

2023-002, Sales Tax

Condition: We noted three instances in which sales tax was not paid on items purchased for teachers, and one instance in which sales tax was not paid on items purchased for resale.

Criteria or specific requirement: Florida law requires sales tax to be paid on items purchased for teachers, and the school is exempt from paying sales tax on items purchased for students. Per Florida sales tax, “schools may pay tax to their suppliers on the cost price of items sold for fundraising purposes, such as candy, photographs, greeting cards, wrapping paper, and similar fundraising items.”

Effect: Sales tax is not always being paid when required or collected and remitted, and sales tax is paid on non-taxable items.

Cause: Lack of knowledge of sales tax rules and regulations applicable to internal funds activities.

Recommendation: We recommend that sales tax rules and regulations relevant to the internal funds be communicated to all principals and bookkeepers to ensure compliance with state law.

Views of Responsible Officials: Central Elementary School will review its procedures to ensure that sales tax is paid or collected and remitted when required and not paid on items exempt from sales tax.

2023-003, Collection of Money

Condition: During our audit procedures, we noted one instance where a Report of Monies Collected (RMC) for the cookie dough fundraiser did not have receipt numbers listed or attached for amounts over \$10. We also noted one instance where the individual receipts attached to the RMC totaled \$10 more than the amount listed on the RMC and deposited to the bank.

Criteria or specific requirement: School Board policy requires receipts to be issued for all monies collected of \$10 or more. The RMC should indicate the total amount collected and the receipt numbers issued.

Effect: When cash collection procedures are not followed, monitoring the safeguarding of money is limited.

Cause: Due to an oversight, no receipt numbers were listed on the RMC form selected for testing, and a receipt was written for \$10 more than the amount collected.

Okeechobee County District School Board (continued)

CENTRAL ELEMENTARY SCHOOL (continued)

2023-003, Collection of Money (continued)

Recommendation: We recommend that receipts and RMC's be completed in accordance with School Board policy.

Views of Responsible Officials: Central Elementary School agrees with the finding and the bookkeeper will provide additional training to all individuals collecting money.

EVERGLADES ELEMENTARY SCHOOL

2023-004, Cash Receipts

Condition: We noted one instance where receipts for the Busch Gardens field trip collected outside of the school office was not turned into the bookkeeper by the next business day. Additionally, we noted the majority of individual receipts issued for the Busch Gardens field trip were not dated. We also noted one instance where no receipts were listed or attached for amounts over \$10.

Criteria or specific requirement: Section III 1.4 of the Red Book requires that all money collected must be substantiated by pre-numbered receipts and these receipts. Collections made outside of the school office must be turned into the office no later than the next business day.

Effect: When receipts are not turned into the office timely, money collected is not adequately safeguarded. When individual receipts are not dated, timely compliance cannot be verified.

Cause: Due to inadequate training of individuals responsible for collecting money and issuing receipts, the receipts were not properly dated. Due to inadequate monitoring and control, this problem persisted throughout the school year for nearly every Busch Gardens receipt selected for testing.

Recommendation: We recommend reviewing policies and procedures with individuals responsible for collecting money. We also recommend monitoring compliance with all policies and procedures within the cash collection process.

Views of Responsible Officials: Everglades Elementary School agrees with the finding, and will increase training and monitoring.

2023-005, Improper Use of General Fund

Condition: During our audit procedures, we noted two instances when general fund monies were used for purchases that did not benefit the general welfare of the student body.

Criteria or specific requirement: Chapter 8, Section II, 2.5(a) of the Red Book states, "This category encompasses all other accounts for funds that are to be used for the general welfare of the student body."

Effect: The general fund is being utilized for purposes other than the general welfare of the student body.

Cause: Lack of understanding of what types of purchases can be paid using the general fund account.

Okeechobee County District School Board (continued)

EVERGLADES ELEMENTARY SCHOOL (continued)

2023-005, Improper Use of General Fund (continued)

Recommendation: We recommend that training be provided to all staff to provide guidance on what types of purchases can be paid utilizing general fund monies to ensure money collected for general purposes are used for the general welfare of the entire student body, and not for a specific individual, class, club, or department.

Views of Responsible Officials: Everglades Elementary School agrees with the finding. The District will review its procedures to provide additional training to staff on the proper use of the general fund account.

2023-006, Sales Tax

Condition: During our audit procedures, we noted one instance where sales tax was paid on items purchased for students and one instance where sales tax was not paid on items purchased for fundraisers.

Criteria or specific requirement: Per Florida sales tax, “schools may pay tax to their suppliers on the cost price of items sold for fundraising purposes, such as candy, photographs, greeting cards, wrapping paper, and similar fundraising items.” The school is exempt from paying sales tax on items purchased for students.

Effect: Sales tax is not always being paid when required or collected and remitted, and sales tax is paid on non-taxable items.

Cause: Lack of knowledge of sales tax rules and regulations applicable to internal funds activities.

Recommendation: We recommend that sales tax rules and regulations relevant to the internal funds purchases and fundraising activities be communicated to all principals and bookkeepers to ensure compliance with state law.

Views of Responsible Officials: Everglades Elementary School will review its procedures to ensure that sales tax is paid or collected and remitted on all fundraising resale expenditures.

SEMINOLE ELEMENTARY SCHOOL

2023-007, Disbursement Supporting Documentation

Condition: We noted (1) instance where the check request, invoice or other support could not be located for a disbursement selected for testing, and one instance where the check request and purchase order were in the file, but the invoice or receipt could not be located. These checks were issued to School Specialty for \$169 and Domino’s Pizza for \$213. We reviewed the check image for this check and confirmed the vendor, amount and two authorized signatures.

Criteria or specific requirement: Support for every disbursement should be maintained to ensure that all expenditures are appropriate, checks are issued for the correct amount, and no duplicate payments are made.

Effect: A disbursement was not supported by a check request and invoice.

Cause: The supporting documentation was misplaced.

Recommendation: We recommend that you improve the filing and maintenance of documents and records.

Okeechobee County District School Board (continued)

SEMINOLE ELEMENTARY SCHOOL (continued)

2023-007, Disbursement Supporting Documentation (continued)

Views of Responsible Officials: Seminole Elementary School agrees with the finding and will be more meticulous in filing and maintaining records in the future.

SOUTH ELEMENTARY SCHOOL

2023-008, Ticket Reconciliation

Condition: We noted that tickets were sold for the Winter Carnival, but no ticket reconciliation report was prepared. The timely preparation of ticket reconciliation reports ensures the proper fiscal accountability for ticket sales to ensure that all money collected is deposited into the school internal accounts.

Criteria or specific requirement: Section III 1.4 (f) of the Red Book requires that perpetual inventories of tickets shall be maintained, and for all cases in which tickets are used, ticket reconciliation reports must be available for audit.

Effect: No ticket reconciliation report was prepared for the Winter Carnival.

Cause: The individual responsible for the Winter Carnival updated the ticket roll inventory, but did not prepare a reconciliation for tickets sold.

Recommendation: We recommend preparing a ticket reconciliation report and updating the ticket roll inventory immediately following any event in which tickets are used.

Views of Responsible Officials: South Elementary School agrees with the finding and will prepare the required reconciliation in the future.

2023-009, Collection of Money

Condition: During our audit procedures, we noted three instances throughout the year where a Report of Monies Collected (RMC) did not have receipt numbers listed or attached for amounts over \$10. We also noted one instance where the RMC was not signed by the sponsor.

Criteria or specific requirement: School Board policy requires receipts to be issued for all monies collected of \$10 or more. The RMC should indicate the total amount collected and the receipt numbers issued.

Effect: When cash collection procedures are not followed, monitoring the safeguarding of money is limited.

Cause: Due to an oversight, no receipt numbers were listed on the RMC form selected for testing.

Recommendation: We recommend that receipts and RMC's be completed in accordance with School Board policy.

Views of Responsible Officials: South Elementary School agrees with the finding and the bookkeeper will provide additional training to all individuals collecting money.

Okeechobee County District School Board (continued)

SOUTH ELEMENTARY SCHOOL (continued)

2023-010, Checks Signed by Only One Authorized Check Signer

Condition: During our audit procedures, we noted two instances in which checks were issued with only one authorized signature. Additional procedures performed on these disbursements verified that each disbursement was a proper use of internal funds. We also noted one instance in which a check request and purchase order was not signed by the principal.

Criteria or specific requirement: Chapter 8, Section III, 1.3(a) of the Red Book states, “All checks must be signed with two signatures as prescribed by the principal if not prescribed by school board rule.” Chapter 8, Section II 1.2 of the Red Book states, “Purchases from internal funds must be authorized in writing by the organization designee or members.”

Effect: Checks issued with only one authorized signature or without properly completed purchase orders and check requests could result in internal funds being used for unauthorized purposes.

Cause: The individual responsible for processing the check and invoice for mailing did not verify that supporting documents were properly completed and two authorized signatures were obtained before mailing.

Recommendation: We recommend the School review all documents, verifying appropriate signatures before mailing checks and filing invoices.

Views of Responsible Officials: South Elementary School agrees with the finding and will review its procedures to ensure that all signatures are complete before mailing checks.

STATUS OF PRIOR YEAR MANAGEMENT LETTER COMMENTS:

OKEECHOBEE HIGH SCHOOL

The prior year comments related to sales tax compliance appears to have been corrected.

OKEECHOBEE ACHIEVEMENT ACADEMY

The prior year comments related to sales tax compliance appears to have been corrected.

CENTRAL ELEMENTARY SCHOOL

The prior year comments related to payments made in excess of available funds and the bookkeeper directly receipting money appear to have been corrected.

NORTH ELEMENTARY SCHOOL

The prior year comments related to timeliness of deposits to the bank and depositing of receipts appear to have been corrected.

Okeechobee County District School Board (continued)

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

The District's response to the findings identified in our audit is described above. The District'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 these comments during our next audit engagement. We have already discussed the comments and suggestions with various School Board personnel. We will be pleased to discuss them in further detail at your convenience, or to assist you in implementing the recommendations.

Wicks, Brown, Williams Co.

Wicks, Brown, Williams & Co., CPA's LLP
Certified Public Accountants
Okeechobee, Florida

January 11, 2024