

HAMILTON COUNTY SCHOOL DISTRICT

FIDUCIARY (INTERNAL) FUND

FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

Kenneth M. Daniels
Certified Public Accountant

SCHOOL OFFICIALS

June 30, 2023

Superintendent

Lee Wetherington-Zamora

Board Members

District 1

Cheryl McCall

District 2

Gary Godwin

District 3

Saul Speights

District 4

Johnny Bullard

District 5

Sammy McCoy

Director of Business Services

April Perez

School

Hamilton County High

Principal/Administrator

Ryan Mitchell

Hamilton County Elementary

Kathy Griffin

**HAMILTON COUNTY SCHOOL DISTRICT
FIDUCIARY (INTERNAL) FUND**

FINANCIAL STATEMENTS

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For the Year Ended June 30, 2023

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KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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Jasper, FL 32052

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INDEPENDENT AUDITOR'S REPORT

To the Superintendent and Board Members
Hamilton County School District
Jasper, Florida

Opinion

I have audited the accompanying financial statements of the Fiduciary (Internal) Fund of the Hamilton County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Fiduciary (Internal) Fund of the Hamilton County School District, as of and for the year ended June 30, 2023, and the changes in net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Fiduciary (Internal) Fund of the Hamilton County School District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter

As discussed in Note A, the financial statements are intended to present only the Fiduciary (Internal) Fund's net position and changes in net position. The financial statements do not purport to, and do not present fairly the financial position of the Hamilton County School District, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. My 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County School District's Fiduciary (Internal) Fund's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 auditor's report that includes my 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, I:

- 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 Hamilton County School District'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.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County School District's Fiduciary (Internal) Fund's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Fiduciary (Internal) Fund of the Hamilton County School District. The combining and individual fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the fiduciary fund financial statements. Such information has been subjected to the auditing procedures applied in the audit of the fiduciary financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the fiduciary fund financial statements or to the fiduciary financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fiduciary fund financial statements are fairly stated, in all material respects, in relation to the fiduciary fund financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 3, 2023, on my consideration of the Hamilton County School District's Fiduciary (Internal) Fund's internal control over financial reporting and on my 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 my 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 Hamilton County School District's Fiduciary (Internal) 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 Hamilton County School District's Fiduciary (Internal) Fund's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'Ken M. Daniels', written in a cursive style.

Kenneth M. Daniels, CPA
December 3, 2023

FINANCIAL STATEMENTS

HAMILTON COUNTY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

June 30, 2023

	Custodial <u>Fund</u>
Assets	
Cash	\$ 208,452
Due from students	<u>3,202</u>
Total assets	<u>\$ 211,654</u>
 Liabilities	
Accounts payable	<u>\$ 27,567</u>
 Fiduciary net position - held for others	 <u>\$ 184,087</u>

HAMILTON COUNTY SCHOOL DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND**

For the Year Ended June 30, 2023

		Custodial <u>Fund</u>
Additions:		
Classes	\$	46,552
Clubs		48,912
Departments		62,578
Funds		<u>398,290</u>
Total additions		<u>556,332</u>
 Deductions:		
Classes		45,982
Clubs		49,474
Departments		59,130
Funds		<u>369,981</u>
Total deductions		<u>524,567</u>
 Change in net position		<u>31,765</u>
 Net position - beginning as restated		<u>152,322</u>
Net position - ending	\$	<u><u>184,087</u></u>

**HAMILTON COUNTY SCHOOL DISTRICT
FIDUCIARY (INTERNAL) FUND**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying fiduciary fund statement of fiduciary net position and statement of changes in fiduciary net position includes the effects of transactions and balances relating to the internal funds of the following schools within the Hamilton County, Florida, School District:

Hamilton County Elementary School
Hamilton County High School

In accordance with *Florida Statutes* 1011.07, the Florida Department of Education, and Hamilton County District School Board have established rules and regulations concerning the administration of internal funds. These rules and regulations govern the manner in which the internal funds are organized, accounted for, and reported.

Transactions and balances only relating to the Hamilton County School District's Internal Funds are included in the accompanying financial statements. All other activities are included in the financial statements of the Hamilton County School District of Hamilton County, Florida.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Fiduciary Fund Statements: The statement of fiduciary net position and the statement of changes in fiduciary net positions display information about the District's Internal Funds. As indicated above, each school within the district maintains a fiduciary fund in which the internal funds' transactions are reported.

Basis of Accounting

Fiduciary Fund Financial Statements: In accordance with accounting principles generally accepted in the United States of America (GAAP), the fiduciary fund financial statements are reported using the accrual basis of accounting. Additions are recorded when earned and deletions are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The primary sources of account additions are collections from students for dues, fees, event charges, and fundraising activities. Account deletions consist of student related expenditures: fundraising items, student support, and athletic supplies.

C. Income Taxes

The Internal Funds are part of the Hamilton County School District and are exempt from income taxes.

NOTE 2. DEPOSITS

The schools' bank accounts of the internal funds were fully insured by the Federal Depository Insurance Corporation and Florida Department of Financial Services. Section 280.04, *Florida Statutes*, requires qualified public depositories to pledge eligible collateral with the State's Chief Financial Officer to secure public funds.

The financial institution holding the schools' internal funds is a qualified public depository, and, as a result, the balances were fully insured during the year ending June 30, 2023.

Accounts held at June 30, 2023, were as follows:

School	<u>Balance</u>
Hamilton County Elementary	\$ 78,409
Hamilton County High	<u>130,043</u>
Total	<u>\$ 208,452</u>

Internal funds which are temporarily idle shall, as required by law, be invested pursuant to policies of the School Board using any medium of investment legal for public funds, and may not exceed insurance protection or other legal collateral limits.

During the year ending June 30, 2023, the District's Internal Funds did not have any idle, invested funds.

NOTE 3. RECEIVABLES AND PAYABLES

Amounts owed to the Internal Fund accounts at June 30, 2023, are as follows:

Receivables

<u>School/Activity</u>	<u>Description</u>	<u>Amount</u>
Hamilton County High School (HCHS)		
Hamilton County School District	FFA collections	\$ 3,142
Hamilton County School District	donations	<u>60</u>
Total receivables		<u>\$ 3,202</u>

Amounts owed by the Internal Fund accounts at June 30, 2023, are as follows:

Payables

<u>School/Activity</u>	<u>Description</u>	<u>Amount</u>
Hamilton County High School (HCHS)		
Athletics	supplies, other, officials	\$ 3,745
Cheerleaders	uniforms	2,298
FFA	animal feed, supplies	7,176
Football	reconditioning, travel	<u>14,348</u>
		<u>\$ 27,567</u>

NOTE 4. TRANSFERS

The following transfers between accounts were included in the Fiduciary Fund's additions and deletions:

Hamilton County High School	Transfers in <u>Additions</u>	Transfers out <u>Deductions</u>
Athletics	\$ 58,452	\$ 34,647
Baseball	1,175	-
Baseball booster	-	1,175
CLASS OF 22	-	5,715
Concessions	3,573	14,448
FSA	600	-
General Fund	5,715	-
Officials	34,400	-
Student incentives	-	600
Tickets	<u>247</u>	<u>47,577</u>
Totals	<u>\$ 104,163</u>	<u>\$ 104,163</u>

NOTE 5. EQUIPMENT PURCHASES

Within the Volleyball activity, the purchase of a Powr-steel volleyball international package was made in the amount of \$4,298. The equipment purchase exceeds the District's threshold for capitalization.

NOTE 6. SUBSEQUENT EVENTS

District management has considered subsequent events through the date of this report, December 3, 2023.

**SUPPLEMENTARY
INFORMATION**

HAMILTON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

June 30, 2023

	Custodial Funds		
	Hamilton County <u>High School</u>	Hamilton County <u>Elementary</u>	<u>Totals</u>
Assets			
Cash	\$ 130,043	\$ 78,409	\$ 208,452
Due from others	<u>3,202</u>	<u>-</u>	<u>3,202</u>
Total assets	<u>\$ 133,245</u>	<u>\$ 78,409</u>	<u>\$ 211,654</u>
Liabilities			
Accounts payable	<u>\$ 27,567</u>	<u>\$ -</u>	<u>\$ 27,567</u>
Fiduciary net position - held for others	<u>\$ 105,678</u>	<u>\$ 78,409</u>	<u>\$ 184,087</u>

HAMILTON COUNTY SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended June 30, 2023

	Custodial Funds		
	Hamilton County	Hamilton County	Totals
	<u>High School</u>	<u>Elementary</u>	
Additions:			
Classes	\$ 37,367	\$ 9,185	\$ 46,552
Clubs	47,694	1,218	48,912
Departments	48,191	14,387	62,578
Funds	<u>366,547</u>	<u>31,743</u>	<u>398,290</u>
Total additions	<u>499,799</u>	<u>56,533</u>	<u>556,332</u>
Deductions:			
Classes	34,610	11,372	45,982
Clubs	47,149	2,325	49,474
Departments	44,374	14,756	59,130
Funds	<u>341,833</u>	<u>28,148</u>	<u>369,981</u>
Total deductions	<u>467,966</u>	<u>56,601</u>	<u>524,567</u>
Change in net position	<u>31,833</u>	<u>(68)</u>	<u>31,765</u>
Net position - beginning	<u>73,845</u>	<u>78,477</u>	<u>152,322</u>
Net position - ending	<u>\$ 105,678</u>	<u>\$ 78,409</u>	<u>\$ 184,087</u>

**HAMILTON COUNTY SCHOOL DISTRICT
HAMILTON COUNTY ELEMENTARY SCHOOL**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

June 30, 2023

	Custodial <u>Fund</u>	
Assets		
Cash	\$	<u>78,409</u>
Liabilities		
Accounts payable	\$	<u>-</u>
Fiduciary net position - held for others	\$	<u>78,409</u>

**HAMILTON COUNTY SCHOOL DISTRICT
HAMILTON COUNTY ELEMENTARY SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND**

For the Year Ended June 30, 2023

	Custodial <u>Fund</u>
Additions:	
Classes	
First Grade	\$ 551
Second Grade	430
Third Grade	4,830
Fourth Grade	1,212
Fifth Grade	2,162
Total classes	<u>9,185</u>
Clubs	
Yearbook	<u>1,218</u>
Departments	
Grants	24
Library	14,363
Total departments	<u>14,387</u>
Funds	
General	23,583
Sunshine	1,152
Trust Funds:	
Faculty/Staff	<u>7,008</u>
Total funds	<u>31,743</u>
Total additions	<u>56,533</u>
Deductions:	
Classes	
Kindergarten	101
First Grade	547
Second Grade	513
Third Grade	4,782
Fourth Grade	927
Fifth Grade	2,171
Sixth Grade	2,331
Total classes	<u>11,372</u>
Clubs	
Yearbook	<u>2,325</u>
Departments	
Library	14,706
Yearbook	50
Total departments	<u>14,756</u>
Funds	
General	21,191
Sunshine	1,598
Trust Funds:	
Faculty/Staff	<u>5,359</u>
Total funds	<u>28,148</u>
Total deductions	<u>56,601</u>
Change in net position	<u>(68)</u>
Net position - beginning	<u>78,477</u>
Net position - ending	<u>\$ 78,409</u>

**HAMILTON COUNTY SCHOOL DISTRICT
HAMILTON COUNTY HIGH SCHOOL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

June 30, 2023

		Custodial <u>Fund</u>
Assets		
Cash	\$	130,043
Due from others		<u>3,202</u>
Total assets	\$	<u><u>133,245</u></u>
 Liabilities		
Accounts payable	\$	<u>27,567</u>
 Fiduciary net position - held for others	\$	<u><u>105,678</u></u>

**HAMILTON COUNTY SCHOOL DISTRICT
HAMILTON COUNTY HIGH SCHOOL**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND**

For the Year Ended June 30, 2023

	Custodial <u>Fund</u>
Additions:	
Classes	
Class of 23	\$ 6,293
Class of 24	6,677
Class of 24	491
Class of 26	203
Class of 27	311
Class of 28	909
Class of 29	22,483
Total classes	<u>37,367</u>
Clubs	
Annual - Year Book	9,195
Art Club	324
Beta Club	11,417
Cheerleaders	3,305
Cheerleaders - JV	4,720
Cheerleaders - MS	2,500
Drama	7,830
FSA	920
Key	1,226
Sr. Beta	5,468
Student Council	789
Total clubs	<u>47,694</u>
Departments	
Business Dept	12,820
Culinary Arts	1,764
FFA	31,455
Library	154
ROTC	1,713
Sunshine Fund	285
Total departments	<u>48,191</u>
Funds	
Athletics	
Athletics (combined)	25,703
Baseball	2,990
Baseball Boosters	17,659
Basketball Boosters	1,022
Boys' Basketball	600
Boys' Soccer	353
Clearing	76,110
Concessions	34,604
Cross Country	1,578
Football	32,785

(continued)

See notes to financial statements.

**HAMILTON COUNTY SCHOOL DISTRICT
HAMILTON COUNTY HIGH SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND**

For the Year Ended June 30, 2023

	Custodial <u>Fund</u>
Funds continued	
Football Boosters	\$ 11,537
Girls' Basketball	1,199
Girls' Soccer	1,324
Officials	34,400
Revenue sharing	183
Softball	2,810
Softball Boosters	7,315
Ticket sales	47,578
Travel	7,952
Volleyball	11,158
Total athletics	<u>318,860</u>
General	<u>12,567</u>
Trust Funds	
Faculty/staff	7,054
Grad Adventure	9,047
Grad Night	14,143
Letterman jackets	1,901
Wetherington Memorial	1,000
Zamora Memorial	500
Student incentives	1,475
Total trust funds	<u>35,120</u>
Total funds	<u>366,547</u>
Total additions	<u>499,799</u>
Deductions:	
Classes	
Class of 22	6,272
Class of 23	4,609
Class of 24	3,579
Class of 25	58
Class of 26	74
Class of 27	58
Class of 28	741
Class of 29	19,219
Total classes	<u>34,610</u>
Clubs	
Annual - Year Book	14,030
Art Club	25
Beta Club	11,519
Cheerleaders	3,234
Cheerleaders - JV	5,016
Cheerleaders - MS	2,221
Drama	3,919
Flag Corps	58
FSA	910
Key Club	629
Sr. Beta Club	4,109
Student Council	1,479
Total clubs	<u>47,149</u>

(continued)

See notes to financial statements.

**HAMILTON COUNTY SCHOOL DISTRICT
HAMILTON COUNTY HIGH SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND**

For the Year Ended June 30, 2023

Departments	Custodial <u>Fund</u>
Business Dept	\$ 8,890
Culinary Arts	3,741
ESE	25
FFA	29,505
Library	26
ROTC	1,620
Sunshine Fund	567
Total departments	<u>44,374</u>
Funds	
Athletics	
Athletics (combined)	20,144
Baseball	5,398
Baseball Boosters	14,229
Basketball Boosters	389
Boys' Basketball	129
Boys' Soccer	291
Clearing	76,110
Concessions	34,604
Cross Country	1,162
Football	27,144
Football Boosters	12,182
Girls' Basketball	1,338
Girls' Soccer	747
Officials	32,445
Revenue sharing	198
Softball	1,100
Softball Boosters	7,846
Ticket sales	47,577
Track	465
Travel	7,952
Volleyball	10,688
Weightlifting	98
Total athletics	<u>302,236</u>
General	<u>5,711</u>
Trust Funds	
Faculty/staff	6,373
Grad Adventure	8,968
Grad Night	13,692
Letterman jackets	1,681
Marty Jackson	500
Student incentives	2,672
Total trust funds	<u>33,886</u>
Total funds	<u>341,833</u>
Total deductions	<u>467,966</u>
Change in net position	<u>31,833</u>
Net position - beginning	73,845
Net position - ending	<u>\$ 105,678</u>

See notes to financial statements.

COMPLIANCE

SECTION

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
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kmdcpa@windstream.net

**INDEPENDENT AUDITOR'S 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***

To the Superintendent and Board Members
Hamilton County School District
Jasper, Florida

I 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 Standard* issued by the Comptroller General of the United States, the financial statements of the Fiduciary (Internal) Fund of the Hamilton County School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fiduciary (Internal) Fund financial statements of the Hamilton County School District, and have issued my report thereon dated December 3, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Hamilton County School District's Fiduciary (Internal) Funds' 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton County School District's internal control over its Fiduciary (Internal) Fund. Accordingly, I do not express an opinion on the effectiveness of Hamilton County School District's Fiduciary (Internal) 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hamilton County School District's fiduciary fund financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

A handwritten signature in black ink, appearing to read 'Ken M. Daniels', written in a cursive style.

Kenneth M. Daniels
Certified Public Accountant
December 3, 2023

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Avenue S.E.
Jasper, FL 32052

Phone 386-792-1906
Fax 386-792-1925
kmdcpa@windstream.net

MANAGEMENT LETTER

To the Superintendent and Board Members
Hamilton County School District
Jasper, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County School District's Fiduciary (Internal) Funds as of and for the year ended June 30, 2023, and have issued my report thereon dated December 3, 2023.

Auditor's Responsibility

I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Requirements

I have issued my Independent Auditor's 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*. Disclosures in that report, which is dated December 3, 2023, should be considered in conjunction with this management letter.

Other Matters

In addition, for matters that have an effect on the financial statements considering both quantitative and qualitative factors, the following may be reported based on professional judgment: 1.) violations of School Board or Department of Education Policies 2.) deficiencies in internal control

In connection with my audit, I am reporting the following matters:

Prior Year Findings:

2022-001 Payment of Invoices (Second Year)

Criteria: Per *Florida Statutes* 218.74(2), "the payment due date for local governmental entity for the purchase of goods or services other than construction services is 45 days after the date specified in s. 218.73." (Generally, the date the invoice is received.)

Condition: From my review of accounts payable and subsequent payment dates, I again noted the payment of six invoices ranging in amounts from \$128 to \$9,863 paid from 28 to 111 days after the allowable period above. See below:

<u>Invoice Date</u>	<u>Amount</u>	<u>Vendor</u>	<u>Date paid</u>	<u>Activity</u>	<u>Total Days Until Payment</u>	<u>Net Days Late</u>
04/19/23	\$ 1,651.88	Riddell	8/7/2023	Athletics	110	65
05/01/23	128.00	NFL Sports Connection	8/14/2023	Athletics	105	60
05/01/23	2,297.91	Cheer Outfitters	8/10/2023	Cheerleaders JV	101	56
05/12/23	545.83	Jostens	7/24/2023	Athletics	73	28
05/30/23	9,863.00	Riddell	11/2/2023	Football	156	111
05/30/23	3,819.18	Riddell	10/16/2023	Football	139	94

Cause: Failure to timely remit invoices to the school secretary for payment (Athletic related activities).

Effect: Failure to comply with *Florida Statutes*.

Recommendation: Remit invoices to the school secretary for payment in a timely manner.

Current Year Findings:

2023-001 Student Awards

Criteria: Per District protocol, any awards to students via cash or gift cards are supported by a signed acknowledgement from the student that the cash or card were received.

Condition: From my review of disbursements, I noted the following:

Annual – Year Book

Twenty students were provided \$25 gift cards.

Business Department

Five students were provided \$50 gift cards.

In both instances, a list of the students receiving the gift cards accompanied the disbursement but the students' signature was not included.

Cause: Failure to follow District protocol.

Effect: Potential of individuals other than the intended to receive the gift cards.

Recommendation: For all awards of gift cards, the student/individual receiving the gift card should sign for its receipt. The signature sheet should be retained as support for the disbursement.

This Management Letter is intended solely for the information and use of the Hamilton School District's management and School Officials, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Ken M. Daniels", written in a cursive style.

Kenneth M. Daniels
Certified Public Accountant
December 3, 2023



Hamilton County School District

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Phone: 386.792.7800 – Fax: 386.792.3681

Lee Wetherington-Zamora, Superintendent

School Board Members

Cheryl McCall – District 1
Gary Godwin – District 2
Saul Speights – District 3
Johnny Bullard – District 4
Sammy McCoy – District 5

December 13, 2023

Kenneth M. Daniels, CPA
107 2nd Ave SE
Jasper, FL 32052

Mr. Daniels:

Please accept the below as our District's response concerning the findings in the 2022-2023 Internal Accounts audit of Hamilton County Schools:

- Finding 1: 2022-001 Payment of Invoices. The District will continue to tighten controls on the invoice payment process. This process will address fall billing for athletics and will ensure correct dates on all invoices.
- Finding 2: 2023-001 Student Awards. The District will ensure that all student awards given in the form of cash or gift cards will be supported by signed acknowledgement from the student.

Please feel free to contact my office with any additional questions you may have.

Sincerely,

Lee Wetherington-Zamora
Superintendent of Schools
Hamilton County School District
dorothy.zamora@hamiltonfl.com
386-792-7802

"Ensuring a Successful Future for Every Student"

www.hamiltonfl.com