



October 1, 2024

Members of the Board of Education
Daviess County School District
Owensboro, Kentucky

Kentucky State Committee for School District Audits
Frankfort, Kentucky

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Daviess County School District (District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's 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. This letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated October 1, 2024, on the financial statements of the District.

2024 MANAGEMENT COMMENTS

ACTIVITY FUNDS (SCHOOL LEVEL):

Findings noted and frequency of occurrence are as follows:

Deposits:

Form F-SA-6 did not have student signatures:

Daviess County Middle School (5)

The deposit slip was not initialed by two individuals:

Daviess County Middle School (1)

The deposit did not agree to amount collected:

Apollo High School (3)

Form F-SA-6 was not filed with receipt stubs:

Daviess County High School (12)

Excessive time between remitting date on F-SA-6 and treasurer's receipt date:

Apollo High School (1)

Receipt identifiers were not included with or on the deposit slip:

Apollo (4)

Daviess County Middle School (5)

2024 MANAGEMENT COMMENTS, CONTINUED

ACTIVITY FUNDS (SCHOOL LEVEL), CONTINUED:

Disbursements:

- Check had only one signature:
 - Apollo High School (1)
- Form F-SA-8 was not signed by requestor:
 - Daviess County High School (1)
- Disbursement did not have backup documentation:
 - Apollo High School (1)

Ticket Sales:

- Form F-SA-1 not properly completed:
 - Daviess County Middle School (3)
- Form F-SA-1 was not signed by the ticket taker:
 - Daviess County Middle School (3)
- Previous ticket sold could not be located:
 - Daviess County High School (2)

Recommendation:

We recommend that Activity Fund bookkeepers be reminded of the importance of adhering to the “Red Book” and performing generally accepted practices which enhance internal control for the District.

District Response to 2024 Management Comments:

The District regularly communicates with bookkeepers, and also holds semi-annual meetings to remind them of the importance of following Redbook procedures. Additionally, month end financial statements are review at Central Office.

2023 MANAGEMENT COMMENTS

ACTIVITY FUNDS (SCHOOL LEVEL):

Findings noted and frequency of occurrence are as follows:

Inventory:

- Beginning inventory did not agree to prior ending inventory:
 - Apollo High School (1)

Deposits:

- Form F-SA-6 did not have student signatures:
 - Daviess County High School (2)
- The deposit slip was not initialed by two individuals:
 - Apollo High School (1)
- The deposit voucher did not agree to amount deposited:
 - Apollo High School (2)

2023 MANAGEMENT COMMENTS, CONTINUED

ACTIVITY FUNDS (SCHOOL LEVEL), CONTINUED:

Ticket Sales:

Form F-SA-1 not properly completed:
Burns Middle School (3)

Follow up and resolution:

The District regularly communicates with bookkeepers, and also holds semi-annual meetings to remind them of the importance of following Redbook procedures. Additionally, month end financial statements are reviewed at Central Office.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Education, the Kentucky Department of Education, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Riney Hancock CPAs PSC