

2022

Citrus County District School Board
Internal Accounts

Financial Statements and
Independent Auditor's Report

June 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the
Citrus County District School Board
Citrus County, Florida

Opinions

We have audited the accompanying financial statements of the Special Revenue Fund (Internal Accounts), a major fund, and the Private-Purpose Trust Fund (a Fiduciary Fund) of the Citrus County District School Board (the District), collectively the "the Internal Accounts and Fiduciary Fund", as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Internal Accounts' and Fiduciary Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Internal Accounts and Fiduciary Fund as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Internal Accounts and Fiduciary Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the accompanying financial statements present only the Internal Accounts and Fiduciary Fund, and do not present fairly the financial position of the Citrus County District School Board as of June 30, 2022, or the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Honorable Chairman and Members of the
Citrus County District School Board
Citrus County, Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's 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 auditor's report that includes our opinions. 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 statements.

In performing an audit in accordance with generally accepted 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 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 Internal Accounts and Fiduciary Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Honorable Chairman and Members of the
Citrus County District School Board
Citrus County, Florida

INDEPENDENT AUDITOR'S REPORT

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Internal Accounts' and Fiduciary Fund's basic financial statements. The accompanying Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance of the Internal Accounts are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023, on our consideration of the Internal Accounts' and Fiduciary Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Internal Accounts' and Fiduciary 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 Internal Accounts' and Fiduciary Fund's internal control over financial reporting and compliance.



March 3, 2023
Ocala, Florida

**BALANCE SHEET - SPECIAL REVENUE FUND
 JUNE 30, 2022
 CITRUS COUNTY DISTRICT SCHOOL BOARD
 CITRUS COUNTY, FLORIDA**

ASSETS

	Internal Accounts
Assets	
Cash and Cash Equivalents	\$ 3,550,696
Accounts Receivable, Net	81,983
Due from District	31,862
Inventory	5,091
Total Assets	3,669,632

LIABILITIES

Liabilities	
Accounts Payable	152,531
Due to District	2,518
Total Liabilities	155,049
Fund Balance	
Non-Spendable	5,091
Restricted	3,509,492
Total Fund Balance	3,514,583
Total Fund Balance and Liabilities	\$ 3,669,632

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA

	<u>Internal Accounts</u>
Revenues	
Gifts, Grants, and Bequests	\$ 1,191,584
Miscellaneous Local Sources	2,840,150
Total Revenues	<u>4,031,734</u>
 Expenditures	
Purchased Services	259,782
Materials and Supplies	620,052
Other	2,863,073
Total Expenditures	<u>3,742,907</u>
 Excess of Revenues Over Expenditures	 288,827
 Fund Balance, July 1, 2021	 <u>3,225,756</u>
 Fund Balance, June 30, 2022	 <u>\$ 3,514,583</u>

See accompanying notes.

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

ASSETS

Assets	<u>Private-Purpose Trust Fund</u>
Cash and Cash Equivalents	<u>\$ 107,949</u>
Total Assets	<u><u>107,949</u></u>
Net Position	<u><u>\$ 107,949</u></u>

See accompanying notes.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

	Private-Purpose Trust Fund
Additions	
Contributions:	
Individuals and Organizations	\$ 23,234
Total Additions	<u>23,234</u>
 Deductions	
Scholarships Awarded	<u>(26,449)</u>
Total Deductions	<u>(26,449)</u>
 Change in Net Position	 (3,215)
 Net Position, July 1, 2021	 <u>111,164</u>
 Net Position, June 30, 2022	 <u>\$ 107,949</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Special Revenue Fund (Internal Accounts) and Private-Purpose Trust Funds (Fiduciary Fund) of Citrus County District School Board (the District) have been prepared to conform to generally accepted accounting principles, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Florida Statutes, Section 1001.51(11)(f), the Superintendent of schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The following is a summary of the more significant of these policies:

Reporting Entity

The accompanying financial statements include the effects of activity relating exclusively to the Internal Accounts and Fiduciary Fund of the schools within the District. The financial statements do not include other financial activities of the District. Therefore, the accompanying financial statements do not purport to, and do not, present the net position, or changes therein, of the District in accordance with accounting principles generally accepted in the United States of America.

Following is information regarding the Special Revenue Fund (Internal Accounts):

- *Special Revenue Fund*—to account for resources of the Internal Accounts, which are used to administer monies collected at the District’s schools in connection with school, fundraising activities for specific purposes, student athletics, class and club activities, and financial aid fee collections and expenditures. The fund is made up of all of the internal account activity of the District’s fundraising, elementary, junior or middle, high schools, a virtual K-12, and an adult community education center and are public funds under the control and supervision of the District, with individual school principals having day-to-day responsibility over their respective school’s accounts.

The Fiduciary Fund is also included in the financial reporting entity of the District.

Within the Fiduciary Fund, the District reports the following fiduciary fund type:

- *Private-Purpose Trust Fund*—to account for various endowments and other contributions, the earnings of which are held in trust for scholarships to students from Withlacoochee Technical College. In the current year, the scholarship funds from Citrus High School were transferred to the District.

The collection and disbursement of Internal Accounts is performed in accordance with Florida Statutes, School Board rules, and the Financial and Program Cost Accounting and Reporting for Florida Schools manual, published by the Florida Department of Education.

Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within

**NOTES TO FINANCIAL STATEMENTS
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized when the related fund liability is incurred, as under accrual accounting.

Cash and Cash Equivalents

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes; thus, all bank balances of the student activity funds of the District are fully-insured or collateralized.

Accounts Receivable

The majority of the accounts receivables are recorded for tuition/fees and facility use that are earned and unpaid or insufficient fund checks as of year-end. An allowance for uncollectible accounts was recorded for Withlacoochee Technical College receivables in the amount of \$89,701.

Due From District

The majority of the amounts due between the school's internal accounts and the district are related to vending commissions.

Inventory

Inventory consists of various school supplies and is reported at cost under the first-in first-out method.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Fund Balance

The Special Revenue Fund (Internal Accounts) follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Internal Accounts is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balances are described below:

Non-Spendable Fund Balances—Non-Spendable Fund Balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balances—Restricted Fund Balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**NOTES TO FINANCIAL STATEMENTS
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Committed Fund Balances—Committed Fund Balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Internal Accounts’ highest level of decision-making authority. The District is the highest level of decision-making authority for the Internal Accounts that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balances. Committed amounts cannot be used for any other purpose unless the District removes those constraints by taking the same type of action.

Assigned Fund Balances—Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District has authorized the finance director to assign fund balance. Unlike commitments, assignments generally only exist temporarily.

The District’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned, as applicable.

A single fund level statement is presented for the Special Revenue Fund (Internal Accounts). No entity-wide statements are presented as there are no reconciling items between fund level and entity-wide.

Note 2 - Cash Deposits With Financial Institutions

Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit. All bank balances of the District are fully insured or collateralized as required by Chapter 280, Florida Statutes.

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET
JUNE 30, 2022
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA

ASSETS

	Citrus High School	Crystal River High School	Lecanto High School
Assets			
Cash and Cash Equivalents	\$ 248,692	\$ 302,308	\$ 324,325
Accounts Receivable, Net	2,916	26,919	-
Due from District	7,724	8,533	8,951
Inventory	-	1,846	-
Total Assets	259,332	339,606	333,276

LIABILITIES

Liabilities			
Accounts Payable	27,120	25,444	37,909
Due to District	817	816	816
Total Liabilities	27,937	26,260	38,725

NET POSITION

Fund Balance			
Non-Spendable	-	1,846	-
Restricted	231,395	311,500	294,551
Total Fund Balance	231,395	313,346	294,551
Total Fund Balance and Liabilities	\$ 259,332	\$ 339,606	\$ 333,276

<u>Citrus Springs Middle School</u>	<u>Crystal River Middle School</u>	<u>Inverness Middle School</u>	<u>Lecanto Middle School</u>	<u>Central Ridge Elementary School</u>	<u>Citrus Springs Elementary School</u>
\$ 80,562	\$ 143,720	\$ 121,779	\$ 173,050	\$ 42,556	\$ 47,808
-	1,000	-	-	-	70
214	775	285	-	633	-
-	3,245	-	-	-	-
<u>80,776</u>	<u>148,740</u>	<u>122,064</u>	<u>173,050</u>	<u>43,189</u>	<u>47,878</u>
3,357	2,785	5,885	6,310	38	853
-	-	-	-	-	-
<u>3,357</u>	<u>2,785</u>	<u>5,885</u>	<u>6,310</u>	<u>38</u>	<u>853</u>
-	3,245	-	-	-	-
<u>77,419</u>	<u>142,710</u>	<u>116,179</u>	<u>166,740</u>	<u>43,151</u>	<u>47,025</u>
<u>77,419</u>	<u>145,955</u>	<u>116,179</u>	<u>166,740</u>	<u>43,151</u>	<u>47,025</u>
<u>\$ 80,776</u>	<u>\$ 148,740</u>	<u>\$ 122,064</u>	<u>\$ 173,050</u>	<u>\$ 43,189</u>	<u>\$ 47,878</u>

<u>Crystal River Primary School</u>	<u>Floral City Elementary School</u>	<u>Forest Ridge Elementary School</u>	<u>Hernando Elementary School</u>	<u>Homosassa Elementary School</u>	<u>Inverness Primary School</u>
\$ 201,377	\$ 24,362	\$ 86,901	\$ 64,803	\$ 53,906	\$ 82,346
-	-	-	-	-	355
860	537	150	38	557	401
-	-	-	-	-	-
<u>202,237</u>	<u>24,899</u>	<u>87,051</u>	<u>64,841</u>	<u>54,463</u>	<u>83,102</u>
3,407	317	856	-	134	9,992
-	-	-	-	-	-
<u>3,407</u>	<u>317</u>	<u>856</u>	<u>-</u>	<u>134</u>	<u>9,992</u>
-	-	-	-	-	-
<u>198,830</u>	<u>24,582</u>	<u>86,195</u>	<u>64,841</u>	<u>54,329</u>	<u>73,110</u>
<u>198,830</u>	<u>24,582</u>	<u>86,195</u>	<u>64,841</u>	<u>54,329</u>	<u>73,110</u>
<u>\$ 202,237</u>	<u>\$ 24,899</u>	<u>\$ 87,051</u>	<u>\$ 64,841</u>	<u>\$ 54,463</u>	<u>\$ 83,102</u>

<u>Lecanto Primary School</u>	<u>Pleasant Grove Elementary School</u>	<u>Rock Crusher Elementary School</u>	<u>Crest School</u>	<u>Marine Science Station</u>	<u>Withlacoochee Technical College</u>
\$ 43,304	\$ 91,670	\$ 83,115	\$ 50,728	\$ 54,212	\$ 1,227,773
-	-	-	1,334	1,295	48,042
1,036	674	444	-	50	-
-	-	-	-	-	-
<u>44,340</u>	<u>92,344</u>	<u>83,559</u>	<u>52,062</u>	<u>55,557</u>	<u>1,275,815</u>
1,540	707	9,000	1,844	9,560	5,473
-	-	-	-	-	-
<u>1,540</u>	<u>707</u>	<u>9,000</u>	<u>1,844</u>	<u>9,560</u>	<u>5,473</u>
-	-	-	-	-	-
<u>42,800</u>	<u>91,637</u>	<u>74,559</u>	<u>50,218</u>	<u>45,997</u>	<u>1,270,342</u>
<u>42,800</u>	<u>91,637</u>	<u>74,559</u>	<u>50,218</u>	<u>45,997</u>	<u>1,270,342</u>
<u>\$ 44,340</u>	<u>\$ 92,344</u>	<u>\$ 83,559</u>	<u>\$ 52,062</u>	<u>\$ 55,557</u>	<u>\$ 1,275,815</u>

K5 Citrus eSchool	6-12 Citrus eSchool	Total
\$ 580	\$ 819	\$ 3,550,696
52	-	81,983
-	-	31,862
-	-	5,091
<u>632</u>	<u>819</u>	<u>3,669,632</u>
-	-	152,531
-	69	2,518
<u>-</u>	<u>69</u>	<u>155,049</u>
-	-	5,091
<u>632</u>	<u>750</u>	<u>3,509,492</u>
<u>632</u>	<u>750</u>	<u>3,514,583</u>
<u>\$ 632</u>	<u>\$ 819</u>	<u>\$ 3,669,632</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

	Citrus High School	Crystal River High School	Lecanto High School
Revenues			
Gifts, Grants, and Bequests	\$ 209,776	\$ 245,332	\$ 152,228
Miscellaneous Local Sources	231,238	290,311	221,272
Total Revenues	<u>441,014</u>	<u>535,643</u>	<u>373,500</u>
Expenditures			
Purchased Services	48,404	59,240	69,884
Materials and Supplies	99,905	149,812	147,053
Other	284,640	293,449	141,456
Total Expenditures	<u>432,949</u>	<u>502,501</u>	<u>358,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,065	33,142	15,107
Fund Balance, July 1, 2021	<u>223,330</u>	<u>280,204</u>	<u>279,444</u>
Fund Balance, June 30, 2022	<u>\$ 231,395</u>	<u>\$ 313,346</u>	<u>\$ 294,551</u>

Citrus Springs Middle School	Crystal River Middle School	Inverness Middle School	Lecanto Middle School	Central Ridge Elementary School	Citrus Springs Elementary School
\$ 34,452	\$ 46,182	\$ 68,911	\$ 48,012	\$ 6,388	\$ 13,083
30,061	81,263	80,244	117,641	9,822	16,179
64,513	127,445	149,155	165,653	16,210	29,262
4,143	19,629	12,196	5,368	680	-
17,931	20,061	27,972	22,814	803	3,650
39,897	79,334	129,666	109,333	11,453	25,860
61,971	119,024	169,834	137,515	12,936	29,510
2,542	8,421	(20,679)	28,138	3,274	(248)
74,877	137,534	136,858	138,602	39,877	47,273
\$ 77,419	\$ 145,955	\$ 116,179	\$ 166,740	\$ 43,151	\$ 47,025

Crystal River Primary School	Floral City Elementary School	Forest Ridge Elementary School	Hernando Elementary School	Homosassa Elementary School	Inverness Primary School
\$ 143,202	\$ 10,901	\$ 19,545	\$ 20,749	\$ 16,671	\$ 13,551
13,683	14,338	17,346	11,844	10,252	40,693
<u>156,885</u>	<u>25,239</u>	<u>36,891</u>	<u>32,593</u>	<u>26,923</u>	<u>54,244</u>
-	-	-	-	-	320
5,574	3,767	4,784	1,547	2,526	5,508
20,379	18,237	31,962	27,101	15,207	47,224
<u>25,953</u>	<u>22,004</u>	<u>36,746</u>	<u>28,648</u>	<u>17,733</u>	<u>53,052</u>
130,932	3,235	145	3,945	9,190	1,192
67,898	21,347	86,050	60,896	45,139	71,918
<u>\$ 198,830</u>	<u>\$ 24,582</u>	<u>\$ 86,195</u>	<u>\$ 64,841</u>	<u>\$ 54,329</u>	<u>\$ 73,110</u>

Lecanto Primary School	Pleasant Grove Elementary School	Rock Crusher Elementary School	Crest School	Marine Science Station	Withlacoochee Technical College
\$ 6,040	\$ 16,288	\$ 4,593	\$ 15,095	\$ 36,700	\$ 63,139
10,008	31,726	13,308	2,491	35,490	1,560,235
16,048	48,014	17,901	17,586	72,190	1,623,374
-	-	160	-	9,358	30,400
1,288	4,744	72	784	26,141	73,316
8,445	31,540	41,995	15,663	32,103	1,458,060
9,733	36,284	42,227	16,447	67,602	1,561,776
6,315	11,730	(24,326)	1,139	4,588	61,598
36,485	79,907	98,885	49,079	41,409	1,208,744
\$ 42,800	\$ 91,637	\$ 74,559	\$ 50,218	\$ 45,997	\$ 1,270,342

K5 Citrus eSchool		6-12 Citrus eSchool		Total
\$	373	\$	373	\$ 1,191,584
	259		446	2,840,150
	632		819	4,031,734
	-		-	259,782
	-		-	620,052
	-		69	2,863,073
	-		69	3,742,907
	632		750	288,827
	-		-	3,225,756
\$	632	\$	750	\$ 3,514,583

OTHER REPORTS

**INDEPENDENT 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**

Honorable Chairman and Members of the
Citrus County District School Board
Citrus County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Special Revenue Fund (Internal Accounts) and the Private-Purpose Trust Fund (Fiduciary Fund) of the Citrus County District School Board (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Internal Accounts and Fiduciary Fund of the District and have issued our report thereon dated March 3, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Internal Accounts' and Fiduciary Fund's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Internal Accounts' and Fiduciary Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Internal Accounts' and Fiduciary Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and other matters that we consider to be a significant deficiency as 2013-001.

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Honorable Chairman and Members of the
Citrus County District School Board
Citrus County, Florida

**INDEPENDENT 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***

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Internal Accounts' and Fiduciary Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying District Response Letter. 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 the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Internal Accounts' and Fiduciary Fund'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 Internal Accounts' and Fiduciary Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 3, 2023
Ocala, Florida

MANAGEMENT LETTER

Honorable Chairman and Members of the
Citrus County District School Board
Citrus County, Florida

Report on the Financial Statements

We have audited the financial statements of the Special Revenue Fund (Internal Accounts) and the Private-Purpose Trust Fund (Fiduciary Fund) of the Citrus County District School Board (the District) as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 3, 2023. Our report on the financial statements includes a paragraph explaining that the financial statements include only the Internal Accounts and the Fiduciary Fund of the District and do not include other funds of the District.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.800, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Schedule of Findings and Other Matters. Disclosures in those reports, which are dated March 3, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations taken in the preceding annual financial audit report. See Schedule of Findings and Other Matters.

Financial Condition and Management

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires us to communicate whether or not the Internal Accounts and Fiduciary Fund have met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the District's Internal Accounts and Fiduciary Fund did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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MANAGEMENT LETTER

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Internal Accounts and Fiduciary Fund of the District. It is management's responsibility to monitor these funds' financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations, however, see Prior Year Findings.

Transparency

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires that we communicate the results of our determination as to whether the District maintains on its website the information specified in Section 1011.035, Florida Statutes (Section 1011.035, Florida Statutes, provides that district school boards shall prominently post on their website a plain language version of each proposed, tentative, and official budget that describes each budget item in terms that are easily understandable to the public). In connection with our audit, as it relates to the District's Internal Accounts and the Fiduciary Fund, information regarding the budget was not included on the website. See Schedule of Findings and Other Matters.

Additional Matters

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. See Schedule of Findings and Other Matters.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, District School Board members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



March 3, 2023
Ocala Florida

**SCHEDULE OF FINDINGS AND OTHER MATTERS
CITRUS COUNTY DISTRICT SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2022**

Significant Deficiency

2013-001 Lack of Segregation of Duties (Prior Year Finding)

Because of a limited number of personnel, school employees who maintain accounting records also handle cash collections, cosign checks, and reconcile bank statement balances to the accounting records. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation

Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition. We noted that some principals are reviewing bank reconciliations in order to help compensate for the lack of segregation of duties. We continue to encourage all principals to perform this review process. We also encourage the Citrus County District School Board (the District) to implement a District level employee to complete bank statement reviews for each school and related accounts.

Other Management Letter Findings

2021-002 Budget Requirements (Prior Year Finding)

Governmental Accounting Standards Board Statement No. 30 Paragraph 130 states that budgetary comparison schedules should be presented as required supplementary information for the general fund and each major special revenue fund that has a legally adopted annual budget. Although the Special Revenue Fund (Internal Accounts) is not a major fund for the District for the year ended June 30, 2022, it is considered a major special revenue fund for the separate Special Revenue Fund (Internal Accounts) report. For the year ended June 30, 2022, we noted no budget to actual schedule was presented in the financial statements as no budget was adopted by the District for the Special Revenue Fund (Internal Accounts).

We would recommend management review necessary budgetary reporting requirements for the Special Revenue Fund (Internal Accounts) and consider adopting a budget for this fund in the future.

2021-003 Other Matters (Prior Year Finding)

In addition to the significant deficiency described above, our audit procedures disclosed the following immaterial instances of non-compliance at various schools, which were presented to management for consideration. For schools that are not specifically identified, our audit procedures did not disclose other conditions that we feel should be brought to your attention.

Chapter 8, Section III of the Florida Department of Education’s “Red Book” provides standards, practices, and procedures for districts to govern internal accounts. Our audit procedures included the review of cash receipts and disbursements. We noted several instances of non-compliance with these standards, practices, and procedures as they related to the transactions of cash receipts and disbursements.

We recommend that the District’s management continue to monitor and train accounting staff at the schools to ensure compliance with the Red Book’s standards.



SANDRA "SAM" HIMMEL – SUPERINTENDENT OF SCHOOLS

*"Where Learning is the Expectation
And Caring is a Commitment"*

THOMAS KENNEDY
DISTRICT 1

VIRGINIA BRYANT
DISTRICT 2

DOUGLAS A. DODD
DISTRICT 3

SANDRA COUNTS
DISTRICT 4

JOSEPH C. FLAHERTY
DISTRICT 5

March 3, 2023

Purvis, Gray & Company, L.L.P.
Attn: Helen Y. Painter
2347 SE 17th Street
Ocala, Florida 34471
Re: Citrus County Schools' Internal Account Audit

Dear Ms. Painter:

Regarding the above-referenced Audit, the District's Response is as follows:

Significant Deficiencies

2013-001 - Lack of Segregation of Duties

District's Response – The District acknowledges that due to staffing levels, duties cannot always be adequately separated. The District provides a compensating control of review to help mitigate any control issues. The District has established procedures where the Internal Accounts Manager does review the bank statements from the schools monthly. The Internal Account Manager also reviews and approves all purchase before they are made and daily reviews the transactions recorded by the schools.

In addition, all principals have signed off that they have reviewed the bank reconciliations monthly.

Other Management Letter Findings

2021-002 – Budget Requirements

District's Response – Management will review necessary budgetary reporting requirements for the Special Revenue Fund (Internal Accounts) and did adopt a budget for this fund in the 2022-2023 budget submission.

Respectfully,

Tammy Wilson
Director of Finance

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