



September 28, 2023

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, 2023, 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 September 28, 2023, on the financial statements of the District.

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)

Ticket Sales:

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

2023 MANAGEMENT COMMENTS, CONTINUED

ACTIVITY FUNDS (SCHOOL LEVEL), CONTINUED:

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 2023 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.

2022 MANAGEMENT COMMENTS

FOOD SERVICE FUND

Finding:

Grant funds that were unspent at year end were not recorded as unearned revenue. An adjustment was made to correct the balance at fiscal year end.

Follow up:

Grant funds were properly recorded at June 30, 2023.

ACTIVITY FUNDS (SCHOOL LEVEL):

Findings noted and frequency of occurrence are as follows:

Disbursements:

Sales tax was paid on a transaction:

East View Elementary (1)

The requisition form did not have requester signature:

Highland Elementary (1)

Transfers:

The transfer form did not have an explanation for the transfer:

Apollo High School (1)

East View Elementary (3)

Deposits:

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

East View Elementary (4)

Money was not remitted timely to the bookkeeper:

Apollo High School (2)

East View Elementary (1)

Form F-SA-6 and deposit voucher did not agree to amount deposited:

East View Elementary (1)

2022 MANAGEMENT COMMENTS, CONTINUED

ACTIVITY FUNDS (SCHOOL LEVEL), CONTINUED:

Ticket Sales:

The first ticket sold was not entered as beginning ticket number on form F-SA-1:

Daviess County High School (1)

Daviess County 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.

Ring Hamel CPA&PSC