

**JEFFERSON COUNTY DISTRICT
SCHOOL BOARD INTERNAL ACCOUNTS**

FINANCIAL STATEMENTS

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Jefferson County District School Board
Jefferson County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of fiduciary net position – custodial fund of the Internal Accounts of Jefferson County District School Board as of and for the year ended June 30, 2025, and the related statement of changes in fiduciary net position – custodial fund for the year then ended and the notes to the financial statements, which collectively comprise the Jefferson County District School Board Internal Accounts' (the Internal Accounts) 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 as of June 30, 2025, 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 Opinion

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 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 opinion.

Emphasis of Matter

As discussed in Note 1, the accompanying financial statements present only the fiduciary net position and changes in fiduciary net position of the Internal Accounts. They do not purport to, and do not, present fairly the financial position of Jefferson County District School Board (the District), as of June 30, 2025, 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. 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.

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 Internal Accounts' 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

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 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 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' 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Internal Accounts' 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the Internal Accounts' 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' 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' internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Law Redd Crone + Munroe P.A.".

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 1, 2025

JEFFERSON COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUND
JUNE 30, 2025

Assets	
Cash	\$ 70,294
Total Assets	<u><u>\$ 70,294</u></u>
 Net Postion	
Restricted for Student Groups	<u>\$ 70,294</u>
Total Net Position	<u><u>\$ 70,294</u></u>

The accompanying notes are an integral part of these financial statements.

JEFFERSON COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Additions:

Student Group Collections	\$ 146,576
Total Additions	<u>146,576</u>

Deductions

Student Group Disbursements	<u>160,517</u>
Total Deductions	<u>160,517</u>

Net Change in Fiduciary Net Position	(13,941)
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Net Position, Beginning of Year	<u>84,235</u>
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Net Position, End of Year	<u><u>\$ 70,294</u></u>
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The accompanying notes are an integral part of these financial statements.

**JEFFERSON COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jefferson County District School Board Internal Accounts (the Internal Accounts) of Jefferson County District School Board (the District) has been prepared to conform to generally accepted accounting principles (GAAP), 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.

Reporting Entity: The District and its Governing Board are organized and operated under Section 4, Article IX, of the Constitution of Florida and Chapter 1001 of the *Florida Statutes*. The District's boundaries are coterminous with those of Jefferson County. Management of the District is independent of county and city governments. The membership of the Governing Board of the District consists of five members elected by county-wide vote for overlapping four-year terms. The appointed Superintendent of Schools acts as the executive officer for the District.

For financial reporting purposes, the accompanying financial statements include only the activity accounted for in the Internal Accounts of the School Board and does not purport to present financial position and results of operations for the District as a whole. The District does, however, prepare an entity-wide annual financial report which also includes the Internal Accounts, which can be obtained from the District's administrative offices.

The Internal Accounts are a single fiduciary fund of the District as follows:

Fiduciary Fund Type

Custodial Fund: To account for resources of the Internal Accounts, which are used to administer monies collected at the District's school in connection with school, student athletics, class, and club activities. The fund is made up of all of the internal account activity of the School Board's K-12 School and are unbudgeted public funds under the control and supervision of the School Board, with the Principal having day-to-day responsibility over the school.

The collection and disbursement of internal accounts' funds 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.

JEFFERSON COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting: The accompanying financial statements are reported using the economic resources management focus and the accrual basis of accounting.

Cash: Cash consists of a checking account held at a qualified public depository. Qualified public depositories of public funds are required to provide collateral each month pursuant to Chapter 280.04, *Florida Statutes*. The collateral is held by the Florida Division of Treasury under the provisions of the Florida Security for Public Deposits Act. Any loss not covered by the pledged securities and Federal Deposit Insurance Corporation (FDIC) deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. Therefore, any amount of the Custodial Fund's deposits in excess of FDIC protection would be fully insured or collateralized.

Accounting Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risk Management: The Internal Accounts are exposed to various risks of loss related to theft of, damage to, and destruction of assets. The District provides commercial insurance to cover these risks of the Internal Accounts.

**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 Jefferson County District School Board
Jefferson 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 statement of fiduciary net position—custodial fund and the statement of changes in fiduciary net position—custodial fund of the Internal Accounts of the Jefferson County District School Board (the Internal Accounts) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Internal Accounts' basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Internal Accounts' 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Internal Accounts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Internal Accounts' 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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Internal Accounts financial statements are free from material misstatement, we 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 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management in the accompanying management letter dated December 1, 2025.

Jefferson County District School Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Jefferson County District School Board's response to the findings identified in our audit and described in the accompanying *Management Letter*. The Jefferson County District School Board's response was not subjected to other auditing procedures applied in the audit of the Internal Accounts' 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 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 blue ink that reads "Law Redd Crone & Munroe P.A.".

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
December 1, 2025

Management Letter

To the Jefferson County District School Board
Jefferson County, Florida

Report on the Financial Statements

We have audited the financial statements of the Jefferson County District School Board, Florida Internal Accounts (the Internal Accounts), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 1, 2025.

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*. Disclosures in that report, which is dated December 1, 2025, 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 made in the preceding annual financial audit report. Corrective actions regarding the recommendations made in the preceding annual financial audit report are described below.

2024-01 Qualified Public Depository Reporting

This corrective action is ongoing as of June 30, 2025, and as a result, this is the third consecutive year this specific recommendation is reported. See current year recommendation 2025-01.

2024-02 Cash Receipts

This corrective action is ongoing as of June 30, 2025, and as a result, this is the third consecutive year this specific recommendation is reported. See current year recommendation 2025-02.

2024-03 Annual Reporting and June 30, 2024 Bank Reconciliation

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

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 has 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 Internal Accounts did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

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. It is management's responsibility to monitor the Internal Accounts' financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This does not apply to the Internal Accounts.

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. The following recommendations were made:

2025-01 Qualified Public Depository Reporting

Criteria: Chapter 8 of The Financial & Program Cost Accounting & Reporting for Florida Schools (Red Book) requires internal funds to be kept in qualified public depositories.

Condition: The District completed the Public Deposit Identification and Acknowledgement form required by the Florida Department of Financial Services, Division of Treasury – Bureau of Collateral Management (the Department) in August 2022 when the Internal Accounts checking account was opened. The Department requires public depositors to annually file the Public Depositor Annual Report to the Chief Financial Officer for the period ended September 30. The report is due November 30. The District has not filed any annual reports with the Department but intends to file the September 30, 2025 report by the November 30, 2025 deadline.

Cause: Oversight

Effect: Noncompliance with Department reporting requirements.

Recommendation: We recommend all reports be timely filed with the Department.

Management's Response: As of November 7, 2025, the Public Depositor Annual Report for the period ending September 30, 2025, was received from Capital City Bank, signed and returned for filing. The District now understands the filing process and will ensure it is completed in the future.

2025-02 Cash Receipts

Criteria: The Red Book and the Internal Accounts Manual requires certain documentation be completed and maintained over cash receipts into the Internal Accounts Fund. This includes the use of pre-numbered receipt forms to record and account for cash received.

Condition: Of our sample of 25 cash receipts, we identified the following:

1. Two instances of cash collected from students/parents that a pre-numbered receipt was not issued.
2. One instance of a Report of Monies collected not signed by the sponsor or teacher, only the School bookkeeper.

Cause: Oversight

Effect: Increased risk of fraud and financial reporting misstatements.

Recommendation: Required supporting documentation as outlined in The Red Book and Internal Accounts Manual should be appropriately completed and maintained in a manner that makes it easily accessible.

Management's Response: The District will review the required documentation with the school bookkeeper, per Chapter 8 of the Red Book, and ensure that the bookkeeper conveys the expectations regarding required signatures and the issuance of prenumbered receipts for all monies collected from parents, students, etc.

2025-03 Cash Disbursements

Criteria: The Red Book and the Internal Accounts Manual requires certain documentation be completed and maintained over cash disbursements from the Internal Accounts Fund to provide evidence of the nature, authorization, and amount of expenditures, in accordance with generally accepted accounting principles and sound internal control practices.

Condition: Of our sample of 25 cash disbursements, we identified one instance of a missing receipt for a credit card charge. Only the customer copy of the credit card sales draft was obtained. While sales drafts confirm that a payment occurred, they do not provide sufficient detail about the nature of the goods or services purchased. As a result, they do not fully support the transaction for accounting, audit, or internal control purposes.

Cause: Oversight

Effect: Increased risk of fraud and financial reporting misstatements.

Recommendation: All credit card charges should be supported by detailed receipts or vendor invoices. Receipts or invoices provide complete documentation of the transaction, including vendor name, date, items or services purchased, and amounts, which strengthens the audit trail and supports proper expense recognition and internal controls.

Management's Response: The District will ensure that detailed invoices or receipts are received from the vendor for all transactions, preferably as invoices received prior to payment.

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 Internal Accounts maintains on its website the information specified in Section 1011.035, *Florida Statutes*. This does not apply to the Internal Accounts.

Additional Matters

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, 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. In connection with our audit, we did not note any such findings.

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.

A handwritten signature in blue ink that reads "Law Redd Crone & Munroe P.A.".

LAW, REDD, CRONA & MUNROE, P.A.

Tallahassee, Florida
December 1, 2025