

Okaloosa County District School Board
School Internal Funds

Financial Statement
and Supplementary Information

June 30, 2013

Okaloosa County District School Board
School Internal Funds
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INDEPENDENT AUDITOR'S REPORT

To the Okaloosa County District School Board
and Mary Beth Jackson, Superintendent of Schools
Fort Walton Beach, Florida

Report on the Financial Statement

We have audited the accompanying Statement of Fiduciary Net Assets of the Okaloosa County District School Board School Internal Funds as of June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement 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.

Auditor's Responsibility

Our responsibility is to express opinions on this financial statement based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Okaloosa County District School Board School Internal Funds as of June 30, 2013, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statement presents only the school internal funds and does not purport to, and does not, present the Okaloosa County District School Board's financial position as of June 30, 2013 and the changes in financial position, or, where applicable, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Okaloosa County District School Board School Internal Funds' basic financial statement. The accompanying supplemental schedules of cash receipts and disbursements by school for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statement. The supplemental schedules of cash receipts and disbursements by school are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013 on our consideration of the Okaloosa County District School Board School Internal Funds' internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Okaloosa County District School Board School Internal Funds' internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Miramar Beach, Florida
November 5, 2013

Okaloosa County District School Board
School Internal Funds

Statement of Fiduciary Net Assets

<i>June 30,</i>		2013
Assets		
Cash and cash equivalents	\$	2,325,368
Investments		1,908,642
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Total assets	\$	4,234,010
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Liabilities		
Accounts payable	\$	92,968
Internal accounts payable		4,141,042
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Total liabilities	\$	4,234,010
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See accompanying notes to financial statement.

Okaloosa County District School Board
School Internal Funds
Notes to Financial Statement

NOTE 1 – REPORTING ENTITY

The Okaloosa County District School Board (District) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education. The governing body of the District is the Okaloosa County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Okaloosa County.

Individual schools within the District are considered separate entities with regards to the accounting and reporting of their internal funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This financial statement presents the District's fiduciary fund used to account for resources of the school internal funds which are used to administer moneys collected at the District's schools in connection with school, student athletic, class and club activities.

Basis of Accounting

In accordance with Florida Statutes, the District accounts for its student activity accounts as an agency fund. This fund is organized into sub-funds to account for each school in the District. The operations of each sub-fund are accounted for with a separate set of self-balancing accounts that comprise each school's assets, liabilities, fund balance, revenues and expenditures. Each sub-fund is generally divided into seven student activity/project classifications, although not all schools utilize all seven classifications. These classifications are athletics, music, classes, clubs, departments, trust funds and general.

The financial statement of the District's internal funds has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by *Governmental Accounting Standards Board, Statement Number 40, Deposits and Investment Disclosures (An Amendment of Governmental Accounting Standards Board, Statement Number 3)*.

Okaloosa County District School Board
School Internal Funds
Notes to Financial Statement

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct obligations of the United States Treasury; the Local Government Surplus Funds Trust as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

The District's investments in Florida PRIME, which the State Board of Administration (SBA) indicates is a Securities and Exchange Commission Rule "2a7-like" external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – INVESTMENTS

All investments held at June 30, 2013, are reported at fair value, which approximates amortized cost. Values for the District's investments are based on quoted market prices or amounts determined by the issuer.

The following is a summary of the District's investments:

<i>June 30,</i>	2013	Credit Risk	Maturities
Certificates of deposit	\$ 827,217	n/a	Various through February 2016
State Board of Administration Florida Prime	<u>1,081,425</u>	S&P AAAM	40 days
Total investments	<u>\$ 1,908,642</u>		

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial credit risk. At June 30, 2013, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration risk – The District's investment policy requires diversification, but does not specify limits on types of investments.

NOTE 3 – INVESTMENTS (CONTINUED)

Interest rate risk – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Supplementary Information

Okaloosa County District School Board
School Internal Funds
Exhibit A - Listing of Schools

Elementary Schools:

Antioch Elementary School
Bluewater Elementary School
Bob Sikes Elementary School
Destin Elementary School
Lula J. Edge Elementary School
Annette P. Edwins Elementary School
Eglin Elementary School
Elliott Point Elementary School
Florosa Elementary School
Kenwood Elementary School
Longwood Elementary School
Mary Esther Elementary School
Northwood Elementary School
James E. Plew Elementary School
Riverside Elementary School
Shalimar Elementary School
Walker Elementary School
Wright Elementary School

Middle Schools:

Max Bruner, Jr. Middle School
Davidson Middle School
Destin Middle School at Regatta Bay
Clifford Meigs Middle School
W.C. Pryor Middle School
C.W. Ruckel Middle School
Shoal River Middle School

High Schools:

Choctawhatchee Senior High School
Crestview Senior High School
Fort Walton Beach High School
Niceville Senior High School

Other Schools:

Baker School
Choice High School & Technical Center
Laurel Hill School
Addie R. Lewis K-8 School
Lance C. Richbourg School
Silver Sands School
Southside Center

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
ANTIOCH ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ -	\$ 1,741	\$ (1,613)	\$ 118	\$ 246
Classes	810	40,420	(46,190)	5,646	686
Departments	15,757	31,460	(27,846)	739	20,110
Trust Funds	13,690	62,689	(56,800)	(2,042)	17,537
General	17,814	13,844	(9,522)	(4,461)	17,675
TOTALS	\$ 48,071	\$ 150,154	\$ (141,971)	\$ -	\$ 56,254

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
BLUEWATER ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 3,939	\$ 3,260	\$ (5,046)	\$ 800	\$ 2,953
Classes	1,324	23,833	(26,684)	3,262	1,735
Departments	10,683	26,532	(27,409)	3,300	13,106
Trust Funds	29,041	110,481	(95,719)	(8,115)	35,688
General	33,082	29,848	(23,906)	753	39,777
TOTALS	\$ 78,069	\$ 193,954	\$ (178,764)	\$ -	\$ 93,259

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
BOB SIKES ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 192	\$ 1,126	\$ (1,021)	\$ -	\$ 297
Classes	4,838	39,727	(37,667)	334	7,232
Clubs	2,555	5,388	(6,720)	1,254	2,477
Departments	5,536	27,187	(26,071)	(190)	6,462
Trust Funds	28,115	71,518	(65,088)	437	34,982
General	13,113	23,357	(21,034)	(1,835)	13,601
TOTALS	\$ 54,349	\$ 168,303	\$ (157,601)	\$ -	\$ 65,051

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
DESTIN ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 4,014	\$ 951	\$ (2,560)	\$ (670)	\$ 1,735
Classes	15,291	36,289	(46,788)	7,143	11,935
Clubs	231	-	(190)	-	41
Departments	25,928	57,649	(47,217)	34	36,394
Trust Funds	121,081	204,009	(170,112)	(14,273)	140,705
General	63,499	17,478	(50,695)	7,766	38,048
TOTALS	\$ 230,044	\$ 316,376	\$ (317,562)	\$ -	\$ 228,858

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
LULA J. EDGE ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 2,295	\$ 1,888	\$ (2,326)	\$ 125	\$ 1,982
Classes	5,954	21,967	(29,402)	14,414	12,933
Clubs	2,809	6,006	(5,444)	-	3,371
Departments	9,735	16,808	(21,619)	2,027	6,951
Trust Funds	25,304	47,648	(34,604)	(17,901)	20,447
General	6,269	4,798	(8,107)	1,335	4,295
TOTALS	\$ 52,366	\$ 99,115	\$ (101,502)	\$ -	\$ 49,979

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
ANNETTE P. EDWINS ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 261	\$ 11,511	\$ (6,484)	\$ -	\$ 5,288
Classes	4,817	2,699	(6,166)	1,532	2,882
Clubs	947	2,466	(1,934)	-	1,479
Departments	6,226	8,543	(12,022)	-	2,747
Trust Funds	16,582	36,521	(35,538)	(1,532)	16,033
General	13,090	3,359	(7,107)	-	9,342
TOTALS	\$ 41,923	\$ 65,099	\$ (69,251)	\$ -	\$ 37,771

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
EGLIN ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 830	\$ 617	\$ (1,121)	\$ 290	\$ 616
Classes	2,587	23,639	(26,927)	4,230	3,529
Clubs	-	3,626	(3,553)	-	73
Departments	10,077	16,381	(17,263)	120	9,315
Trust Funds	10,638	36,926	(37,198)	(5,233)	5,133
General	27,497	21,418	(21,318)	593	28,190
TOTALS	\$ 51,629	\$ 102,607	\$ (107,380)	\$ -	\$ 46,856

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
ELLIOTT POINT ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 1,541	\$ 859	\$ (2,302)	\$ 2,105	\$ 2,203
Classes	2,345	25,255	(24,857)	(83)	2,660
Departments	10,224	60,778	(59,245)	(6,960)	4,797
Trust Funds	4,508	18,147	(20,509)	1,998	4,144
General	3,515	9,431	(10,882)	2,940	5,004
TOTALS	\$ 22,133	\$ 114,470	\$ (117,795)	\$ -	\$ 18,808

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
FLOROSA ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ -	\$ 327	\$ (290)	\$ -	\$ 37
Classes	391	3,763	(4,307)	399	246
Clubs	1,588	936	(1,526)	(296)	702
Departments	2,717	9,867	(10,630)	10	1,964
Trust Funds	21,331	42,146	(38,473)	(79)	24,925
General	14,964	13,183	(17,152)	(34)	10,961
TOTALS	\$ 40,991	\$ 70,222	\$ (72,378)	\$ -	\$ 38,835

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
KENWOOD ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Classes	\$ 18,346	\$ 24,465	\$ (37,749)	\$ 7,780	\$ 12,842
Clubs	61	2,053	(959)	404	1,559
Departments	12,768	59,948	(51,920)	(2,817)	17,979
Trust Funds	12,458	41,977	(33,191)	(5,483)	15,761
General	24,152	9,274	(8,487)	116	25,055
TOTALS	\$ 67,785	\$ 137,717	\$ (132,306)	\$ -	\$ 73,196

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
LONGWOOD ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 200	\$ 240	\$ (425)	\$ -	\$ 15
Classes	12,936	15,953	(19,531)	(433)	8,925
Departments	12,507	15,336	(13,285)	103	14,661
Trust Funds	11,433	46,003	(34,316)	(1,020)	22,100
General	11,993	6,464	(9,753)	1,350	10,054
TOTALS	\$ 49,069	\$ 83,996	\$ (77,310)	\$ -	\$ 55,755

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
MARY ESTHER ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ -	\$ -	\$ -	\$ 760	\$ 760
Classes	2,357	21,078	(16,111)	(5,718)	1,606
Clubs	400	1,881	(1,236)	(80)	965
Departments	938	8,914	(8,804)	(427)	621
Trust Funds	24,475	73,587	(61,888)	(517)	35,657
General	17,355	6,802	(24,616)	5,982	5,523
TOTALS	\$ 45,525	\$ 112,262	\$ (112,655)	\$ -	\$ 45,132

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
NORTHWOOD ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 100	\$ 1,085	\$ (557)	\$ 50	\$ 678
Classes	7,990	21,582	(20,449)	1,706	10,829
Departments	7,061	11,760	(10,750)	(1,211)	6,860
Trust Funds	23,487	43,379	(45,577)	(1,141)	20,148
General	65,992	2,492	(33,582)	596	35,498
TOTALS	\$ 104,630	\$ 80,298	\$ (110,915)	\$ -	\$ 74,013

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
JAMES E. PLEW ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 2,442	\$ 1,000	\$ (2,962)	\$ 588	\$ 1,068
Classes	23,686	65,228	(86,560)	15,024	17,378
Clubs	3,633	6,624	(5,494)	-	4,763
Departments	13,857	32,086	(39,868)	7,461	13,536
Trust Funds	8,129	86,915	(64,123)	(22,730)	8,191
General	107,179	13,116	(5,635)	(343)	114,317
TOTALS	\$ 158,926	\$ 204,969	\$ (204,642)	\$ -	\$ 159,253

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
RIVERSIDE ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 70	\$ 814	\$ (788)	\$ -	\$ 96
Classes	5,028	88,794	(95,937)	8,130	6,015
Clubs	2,128	5,172	(6,014)	15	1,301
Departments	8,782	82,164	(87,312)	2,483	6,117
Trust Funds	12,832	48,215	(41,199)	(7,712)	12,136
General	8,569	10,529	(10,794)	(2,916)	5,388
TOTALS	\$ 37,409	\$ 235,688	\$ (242,044)	\$ -	\$ 31,053

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
SHALIMAR ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 133	\$ 1,240	\$ (1,515)	\$ 318	\$ 176
Classes	513	12,473	(25,599)	14,634	2,021
Clubs	1,622	2,764	(2,405)	(99)	1,882
Departments	4,236	13,038	(13,089)	357	4,542
Trust Funds	41,680	62,736	(52,771)	(14,976)	36,669
General	31,765	6,298	(6,170)	(234)	31,659
TOTALS	\$ 79,949	\$ 98,549	\$ (101,549)	\$ -	\$ 76,949

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
WALKER ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Classes	\$ 3,068	\$ 67,261	\$ (70,758)	\$ 3,441	\$ 3,012
Clubs	1,815	6,437	(5,286)	(142)	2,824
Departments	8,823	31,667	(29,046)	714	12,158
Trust Funds	11,214	55,568	(45,330)	(4,651)	16,801
General	3,434	5,692	(6,415)	638	3,349
TOTALS	\$ 28,354	\$ 166,625	\$ (156,835)	\$ -	\$ 38,144

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
WRIGHT ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Music	\$ 222	\$ 155	\$ (492)	\$ 115	\$ -
Classes	6,607	26,172	(41,449)	17,012	8,342
Clubs	2,167	4,379	(3,941)	(250)	2,355
Departments	12,509	20,094	(22,211)	799	11,191
Trust Funds	18,962	55,338	(31,308)	(17,598)	25,394
General	30,552	5,044	(10,406)	(78)	25,112
TOTALS	\$ 71,019	\$ 111,182	\$ (109,807)	\$ -	\$ 72,394

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
MAX BRUNER, JR. MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 23,339	\$ 131,983	\$ (125,099)	\$ (8,281)	\$ 21,942
Music	13,529	42,801	(43,408)	(515)	12,407
Classes	298	738	(950)	-	86
Clubs	12,432	43,017	(38,370)	(1,004)	16,075
Departments	4,981	57,452	(57,545)	(64)	4,824
Trust Funds	4,384	23,233	(35,411)	10,306	2,512
General	5,488	11,216	(10,601)	(442)	5,661
TOTALS	\$ 64,451	\$ 310,440	\$ (311,384)	\$ -	\$ 63,507

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
DAVIDSON MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 47,078	\$ 99,674	\$ (95,245)	\$ (477)	\$ 51,030
Music	11,751	40,210	(34,075)	(242)	17,644
Classes	6,662	66,041	(68,135)	(821)	3,747
Clubs	10,774	33,952	(34,527)	(375)	9,824
Departments	4,312	13,618	(14,188)	73	3,815
Trust Funds	12,226	25,574	(25,730)	917	12,987
General	12,489	2,423	(8,937)	925	6,900
TOTALS	\$ 105,292	\$ 281,492	\$ (280,837)	\$ -	\$ 105,947

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
DESTIN MIDDLE SCHOOL AT REGATTA BAY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Transfers	Cash and Investments June 30, 2013
Athletics	\$ 44,249	\$ 172,163	\$ (163,695)	\$ (349)	\$ 52,368
Music	2,067	52,507	(43,138)	118	11,554
Classes	12,517	23,170	(28,999)	7,045	13,733
Clubs	15,040	50,148	(51,651)	54	13,591
Departments	10,450	17,722	(18,858)	1,382	10,696
Trust Funds	7,356	19,403	(12,428)	(7,078)	7,253
General	26,056	21,261	(26,348)	(1,172)	19,797
TOTALS	\$ 117,735	\$ 356,374	\$ (345,117)	\$ -	\$ 128,992

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
CLIFFORD MEIGS MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 22,747	\$ 92,739	\$ (89,679)	\$ (453)	\$ 25,354
Music	5,092	46,404	(42,231)	107	9,372
Classes	575	5,248	(4,477)	(50)	1,296
Clubs	7,320	20,108	(17,499)	(4,381)	5,548
Departments	2,846	10,651	(10,949)	1,023	3,571
Trust Funds	1,557	7,756	(8,175)	70	1,208
General	8,059	17,044	(19,999)	3,684	8,788
TOTALS	\$ 48,196	\$ 199,950	\$ (193,009)	\$ -	\$ 55,137

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
W. C. PRYOR MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 42,165	\$ 136,501	\$ (118,502)	\$ 39	\$ 60,203
Music	1,839	21,234	(21,128)	(1,084)	861
Classes	5,289	79,638	(77,121)	(2,035)	5,771
Clubs	2,942	11,146	(9,343)	687	5,432
Departments	2,602	8,613	(7,542)	(765)	2,908
Trust Funds	3,472	17,146	(15,326)	(69)	5,223
General	3,828	12,230	(17,339)	3,227	1,946
TOTALS	\$ 62,137	\$ 286,508	\$ (266,301)	\$ -	\$ 82,344

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
C. W. RUCKEL MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 69,022	\$ 139,693	\$ (122,112)	\$ (183)	\$ 86,420
Music	37,550	158,291	(157,465)	14	38,390
Classes	9,704	12,166	(12,448)	(692)	8,730
Clubs	8,796	17,406	(14,762)	(57)	11,383
Departments	8,621	76,576	(76,213)	(389)	8,595
Trust Funds	94,277	224,224	(279,935)	(1,809)	36,757
General	47,164	12,786	(14,980)	3,116	48,086
TOTALS	\$ 275,134	\$ 641,142	\$ (677,915)	\$ -	\$ 238,361

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
SHOAL RIVER MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 49,590	\$ 90,985	\$ (95,899)	\$ 566	\$ 45,242
Music	6,366	66,342	(65,236)	(342)	7,130
Classes	1,905	70,260	(69,202)	(728)	2,235
Clubs	8,643	13,089	(18,475)	801	4,058
Departments	26,344	21,719	(32,472)	4,564	20,155
Trust Funds	10,311	47,368	(40,313)	(4,642)	12,724
General	8,781	5,535	(4,951)	(219)	9,146
TOTALS	\$ 111,940	\$ 315,298	\$ (326,548)	\$ -	\$ 100,690

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
CHOCTAWHATCHEE SENIOR HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 83,138	\$ 645,460	\$ (622,300)	\$ 13,875	\$ 120,173
Music	4,125	365,245	(348,654)	(12,707)	8,009
Classes	9,410	24,310	(28,437)	(212)	5,071
Clubs	42,973	150,596	(159,370)	5,818	40,017
Departments	12,937	19,846	(22,598)	686	10,871
Trust Funds	103,956	117,288	(152,980)	1,050	69,314
General	27,466	38,710	(13,455)	(8,510)	44,211
TOTALS	\$ 284,005	\$ 1,361,455	\$ (1,347,794)	\$ -	\$ 297,666

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
CRESTVIEW SENIOR HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 87,829	\$ 498,492	\$ (484,442)	\$ (19,033)	\$ 82,846
Music	10,648	370,054	(376,693)	11,146	15,155
Classes	3,734	51,298	(50,301)	(495)	4,236
Clubs	27,641	91,885	(81,792)	3,450	41,184
Departments	23,126	16,885	(19,754)	(93)	20,164
Trust Funds	74,811	58,845	(76,085)	9,115	66,686
General	18,086	18,060	(12,321)	(4,090)	19,735
TOTALS	\$ 245,875	\$ 1,105,519	\$ (1,101,388)	\$ -	\$ 250,006

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
FORT WALTON BEACH HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 139,212	\$ 685,909	\$ (631,233)	\$ (19,070)	\$ 174,818
Music	19,422	239,091	(230,785)	(6,826)	20,902
Classes	4,025	21,108	(22,712)	75	2,496
Clubs	76,083	267,269	(314,646)	9,040	37,746
Departments	40,715	48,206	(49,148)	(6,009)	33,764
Trust Funds	46,662	31,065	(70,834)	35,552	42,445
General	38,307	56,448	(48,067)	(12,762)	33,926
TOTALS	\$ 364,426	\$ 1,349,096	\$ (1,367,425)	\$ -	\$ 346,097

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
NICEVILLE SENIOR HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 324,578	\$ 794,148	\$ (736,555)	\$ (34,590)	\$ 347,581
Music	163,241	850,907	(982,940)	2,161	33,369
Classes	5,186	42,134	(39,248)	828	8,900
Clubs	46,204	225,410	(190,874)	(27,813)	52,927
Departments	40,822	76,932	(79,430)	2,414	40,738
Trust Funds	120,453	81,258	(147,415)	49,198	103,494
General	21,808	40,593	(48,781)	7,802	21,422
TOTALS	\$ 722,292	\$ 2,111,382	\$ (2,225,243)	\$ -	\$ 608,431

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
BAKER SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 44,684	\$ 206,914	\$ (216,495)	\$ (3,556)	\$ 31,547
Music	1,114	71,592	(72,607)	558	657
Classes	13,755	27,175	(28,727)	767	12,970
Clubs	29,224	64,918	(79,544)	3,199	17,797
Departments	7,023	32,024	(27,880)	228	11,395
Trust Funds	42,591	47,837	(41,757)	(293)	48,378
General	23,102	21,525	(19,089)	(903)	24,635
TOTALS	\$ 161,493	\$ 471,985	\$ (486,099)	\$ -	\$ 147,379

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
CHOICE HIGH SCHOOL & TECHNICAL CENTER
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Agriculture	\$ 5,340	\$ 369	\$ -	\$ -	\$ 5,709
Health Occupations	16,790	81,354	(85,676)	2,149	14,617
Industrial Education	196,980	53,812	(111,904)	(588)	138,300
Business/Office	3,294	8,644	(8,497)	-	3,441
Culinary Arts	3,283	4,698	(6,548)	100	1,533
Misc. Classes	3,857	4,932	(5,502)	125	3,412
Trust Funds	666	48,215	(46,802)	(304)	1,775
General	15,798	17,988	(20,040)	(1,482)	12,264
TOTALS	\$ 246,008	\$ 220,012	\$ (284,969)	\$ -	\$ 181,051

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
LAUREL HILL SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 19,506	\$ 79,863	\$ (82,355)	\$ (1,163)	\$ 15,851
Classes	5,615	26,879	(25,319)	204	7,379
Clubs	9,291	26,535	(27,831)	2,073	10,068
Departments	13,965	16,038	(17,671)	(16)	12,316
Trust Funds	2,151	12,350	(10,754)	1,137	4,884
General	11,268	73,895	(79,517)	(2,235)	3,411
TOTALS	\$ 61,796	\$ 235,560	\$ (243,447)	\$ -	\$ 53,909

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
ADDIE R. LEWIS K-8 SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 29,949	\$ 69,057	\$ (63,930)	\$ (669)	\$ 34,407
Music	12,363	23,615	(26,051)	522	10,449
Classes	3,142	19,886	(19,886)	245	3,387
Clubs	5,483	5,903	(6,567)	39	4,858
Departments	17,002	21,210	(25,559)	(1,169)	11,484
Trust Funds	15,660	40,211	(33,464)	3,068	25,475
General	6,676	15,482	(13,877)	(2,036)	6,245
TOTALS	\$ 90,275	\$ 195,364	\$ (189,334)	\$ -	\$ 96,305

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
LANCE C. RICHBOURG SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Classes	\$ 370	\$ 792	\$ (423)	\$ -	\$ 739
Departments	1,421	1,368	(1,314)	-	1,475
Trust Funds	31,175	16,971	(3,137)	-	45,009
General	60	1,874	(972)	-	962
TOTALS	\$ 33,026	\$ 21,005	\$ (5,846)	\$ -	\$ 48,185

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
SILVER SANDS SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Athletics	\$ 134	\$ 772	\$ (498)	\$ -	\$ 408
Music	18	-	-	-	18
Classes	14,812	4,846	(9,172)	3,750	14,236
Clubs	607	970	(50)	-	1,527
Departments	693	268	(629)	1,500	1,832
Trust Funds	14,753	15,462	(14,911)	(4,166)	11,138
General	138,772	42,402	(51,119)	(1,084)	128,971
TOTALS	\$ 169,789	\$ 64,720	\$ (76,379)	\$ -	\$ 158,130

OKALOOSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
SOUTHSIDE CENTER
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2013

	Cash and Investments July 1, 2012	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2013
Classes	\$ 1,678	\$ 11,901	\$ (11,996)	\$ 1,088	\$ 2,671
Departments	-	1,437	(1,437)	-	-
Trust Funds	76	8,580	(7,892)	648	1,412
General	6,827	4,387	(3,248)	(1,736)	6,230
TOTALS	\$ 8,581	\$ 26,305	\$ (24,573)	\$ -	\$ 10,313

**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 Okaloosa County District School Board
and Mary Beth Jackson, Superintendent of Schools
Fort Walton Beach, Florida

We have audited, 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, the Statement of Fiduciary Net Assets of the Okaloosa County District School Board School Internal Funds (hereinafter referred to as the "District") as of June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 5, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, 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.

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 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 the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is 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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*, however we did identify other matters which are described in the accompanying Management Letter as items MLC 2013-1 through MLC 2013-8.

Purpose of the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
November 5, 2013

MANAGEMENT LETTER

To the Okaloosa County District School Board
and Mary Beth Jackson, Superintendent of Schools
Fort Walton Beach, Florida

We have audited the Statement of Fiduciary Net Assets of the Okaloosa County District School Board's School Internal Funds ("District") as of June 30, 2013, and have issued our report thereon dated November 5, 2013.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report which is dated November 5, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.800, Rules of the Auditor General, which governs the conduct of district school board audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

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 have been taken to address findings and recommendations made in the preceding financial audit report.

Section 10.804(1)(f)2., Rules of the Auditor General, requires a statement be included as to whether or not the district school board has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.804(1)(f)3., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

Section 10.804(1)(f)4., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted certain items as discussed further in the Management Letter comments starting on page 48 following this letter.

Section 10.804(1)(f)5., Rules of the Auditor General, requires that we address fraud, noncompliance with provisions of laws or regulations and contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrant the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Pursuant to Sections 10.804(1)(f)6.a. and 10.805(6), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.804(1)(f)7., Rules of the Auditor General, requires the auditor to state whether or not the district school board complied with transparency requirements (Section 1011.035, Florida Statutes, provides that district school boards include 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, we determined that the District complied with transparency requirements.

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

Carri Riggs & Ingram, L.L.C.

Miramar Beach, Florida
November 5, 2013

Okaloosa County District School Board
School Internal Funds
Management Letter Comment - Longwood Elementary School

MLC 2013-1: IMPROPER COMPLETION OF REQUISITION/TRANSFER FORM (MIS 4003)

The Okaloosa County School District Internal Accounting Manual, Section 1.142 Check Requisition/Transfer Form (MIS 4003) states, "...The form is initiated by the teacher or sponsor desiring to make an expenditure. The teacher or sponsor must sign this form. The completed form is forwarded to the school principal, who must approve the request before any expenditure of School Activity Funds may be made."

- During our audit, we noted 5 instances out of a sample of 25 where the requisition/transfer form was not properly completed. In all five instances, the teacher or sponsor or principal had not signed the form; thus, there was no indication of approval.

Recommendation

We recommend that the teacher or sponsor of the organization desiring to make an expenditure, sign the required form which documents his/her authorization to disburse the funds. The principal should also sign the required form which documents his/her authorization to disburse the funds. This authorization should occur prior to the actual issuance of the check.

Okaloosa County District School Board
School Internal Funds

Management Letter Comment – Mary Esther Elementary School

MLC 2013-2: PAYMENT OF INVOICES

The *Red Book, Chapter 8, Section 1, Paragraph 8* states, “Sound business practices should be observed in all transactions.” One such sound business practice is that the payee and amount on the check and the check requisition should generally be the same as that noted on the vendor invoice and other supporting documentation.

- During our audit, we noted 3 instances out of a sample of 25 where the invoice or other supporting documentation was missing. In two of the three instances, the school did not receive acknowledgement from the recipient organization that a donation was received.

Recommendation

We recommend that the school obtain an invoice or a letter/receipt of acknowledgement for donations from the recipient organization for every disbursement. The check requisitions should be filled out and the payee and amounts generally should agree to the invoice. In the event that a different amount is to be paid, adequate documentation on the invoice or the check requisition should be presented to reconcile why and how the amount being requested was determined. This will help ensure that disbursements are not over or under paid or paid to an incorrect vendor.

Okaloosa County District School Board
School Internal Funds

Management Letter Comment – Northwood Elementary School

MLC 2013-3: UNTIMELY DEPOSITS – TEACHER/SPONSORS

The Okaloosa County School District Internal Accounting Manual, Section 1.009 (1) states, "...Collections made outside of the school office, which exceed \$10 in the aggregate, must be turned into the office daily."

- During our audit, we noted 4 instances out of a sample of 25 in which monies collected in excess of \$10 were not turned into the office until after the initial collection date.

Recommendation

We recommend that monies be turned into the office, either directly to the bookkeeper or by use of the drop safe, on a daily basis.

Okaloosa County District School Board
School Internal Funds
Management Letter Comment - Walker Elementary School

MLC 2013-4: PAYMENT OF INVOICES

The *Red Book, Chapter 8, Section 1, Paragraph 8* states, "Sound business practices should be observed in all transactions." One such sound business practice is that the payee and amount on the check and the check requisition should generally be the same as that noted on the vendor invoice and other supporting documentation. If a difference happens to occur, the appropriate person should note the reason for the difference and what the correct amount for payment is.

- During our audit, we noted 2 instances out of a sample of 25 where the amounts did not agree between the check, check requisition, and vendor invoice.

Recommendation

We recommend that the check requisitions should be filled out and the payee and amounts generally should agree to the invoice. In the event that a different amount is to be paid, adequate documentation on the invoice or the check requisition should be presented to reconcile why and how the amount being requested was determined. This will help ensure that disbursements are not over or under paid or paid to an incorrect vendor.

Okaloosa County District School Board
School Internal Funds

Management Letter Comment – Wright Elementary School

MLC 2013-5: PAYMENT OF INVOICES

The *Red Book, Chapter 8, Section I, Paragraph 8* states, “Sound business practices should be observed in all transactions.” One such sound business practice is that the payee and amount on the check and the check requisition should generally be the same as that noted on the vendor invoice and other supporting documentation. If a difference happens to occur, the appropriate person should note the reason for the difference and what the correct amount for payment is.

- During our audit, we noted 3 instances out of a sample of 35 where the amounts did not agree between the check, check requisition, and vendor invoice.

Recommendation

We recommend that the check requisitions should be filled out and the payee and amounts generally should agree to the invoice. In the event that a different amount is to be paid, adequate documentation on the invoice or the check requisition should be presented to reconcile why and how the amount being requested was determined. This will help ensure that disbursements are not over or under paid or paid to an incorrect vendor.

Okaloosa County District School Board
School Internal Funds

Management Letter Comment – Max Bruner, Jr. Middle School

MLC 2013-6: DISBURSEMENTS

The *Okaloosa County School District Internal Accounting Manual (Internal Accounting Manual)*, Section 1.026 (3) states, "Invoices will be marked "PAID" immediately upon making remittance."

- During our audit, we noted 3 instances out of a sample of 35 where the invoice was not stamped paid.

Recommendation

We recommend that the Bookkeeper mark all invoices "PAID," preferably with a stamp, after checks have been issued.

Okaloosa County District School Board
School Internal Funds
Management Letter Comments – W.C. Pryor Middle School

MLC 2013-7: ATHLETIC TICKETS

The Okaloosa County School District Internal Accounting Manual, Section 1.130 Admission Tickets states “Prior to the event the bookkeeper will prepare a box for each seller containing an appropriate amount of change, pre-numbered tickets, activity event ticket sellers report, monies collected form, instructions for ticket seller, bank bag with key, receipt of locked bag form, and report of tickets transferred. The ticket seller will sign acknowledging receipt of the change fund and tickets. If an intermediary picks up the ticket boxes from the bookkeeper and delivers to the ticket sellers, the intermediary will sign acknowledging receipt from the bookkeeper and then the ticket seller will sign acknowledging receipt from the intermediary. The ticket seller will verify the total amount of change and beginning and ending ticket number prior to acknowledging receipt. Immediately after ticket sales cease, the ticket seller will record the last ticket number sold of each series and record the value to tickets sold on the Activity Event Ticket Sellers Report (MIS 4000). The bookkeeper will verify the amounts on the Activity Event Ticket Sellers Report. The bookkeeper will note ‘cash over \$xx.xx’ or ‘cash short \$xx.xx on the Activity Event Ticket Sellers Report. The bookkeeper will sign the Activity Event Ticket Sellers Report.”

- During our audit, we noted 6 instances out of a sample of 10 where the Activity Event Ticket Sellers Report form was not properly completed. In three of the instances, the ticket seller or bookkeeper did not sign the form. In the other three instances, the quantity of tickets sold did not reconcile.

Recommendation

We recommend the ticket seller sign the required form acknowledging receipt of the change fund and tickets. At completion, the ticket seller and bookkeeper should sign the form verifying the information contained on the form is accurate. Any shortage or overages of cash or tickets should be documented on the form.

Okaloosa County District School Board
School Internal Funds

Management Letter Comments – Lance C. Richbourg School

MLC 2013-8: PAYMENT OF INVOICES

The *Red Book, Chapter 8, Section 1, Paragraph 8* states, “Sound business practices should be observed in all transactions.” One such sound business practice is that the payee and amount on the check and the check requisition should generally be the same as that noted on the vendor invoice and other supporting documentation. If a difference happens to occur, the appropriate person should note the reason for the difference and what the correct amount for payment is.

- During our current audit, we noted 3 instances out of a sample of 15 where the payee and amounts did not agree between the check, check requisition, and vendor invoice or the vendor invoice was missing. We did not identify any additional information in the supporting documents that reconciled the differences. In 2 of these instances, there was no invoice or other supporting documentation for the amount paid.

Recommendation

We recommend that the school obtain an invoice or a letter/receipt of acknowledgement for donations from the recipient organization for every disbursement. The check requisitions should be filled out and the payee and amounts generally should agree to the invoice. In the event that a different amount is to be paid, adequate documentation on the invoice or the check requisition should be presented to reconcile why and how the amount being requested was determined. This will help ensure that disbursements are not over or under paid or paid to an incorrect vendor.

Management's Responses



Longwood Elementary School

"Home of the Leopards"

A Blue Ribbon School

50 HOLLY AVENUE

SHALIMAR, FLORIDA 32579

(850) 833-4329

FAX (850) 833-4336

YVONNE MICHNA, PRINCIPAL

<http://www.okaloosa.k12.fl.us/longwood/>



Elementary Model for CHOICE

SACS Accredited School

Title I School

Distinguished Leadership School

Bronze Level Wellness Worksite

November 18, 2013

Katie Pollock
Carr, Riggs, and Ingram LLC

Katie,

In responds to the finding of the audit team on August 30, 2013, regarding discrepancies as it relates to *Section 1.142 Check Requisition/Transfer Form (MIS 4003)*.

The following recommendation was made:

We recommend that the teacher or sponsor of the organization desiring to make an expenditure, sign the required form which documents his/her authorization to disburse the funds. The principal should also sign the required form which documents his/her authorization to disburse the funds. This authorization should occur prior to the actual issuance of the check.

We have adjusted our procedures and sponsors and/or teachers are required to sign and initial when expenditures are made.

Yvonne Michna, Principal
Longwood Elementary School



Instill the passion to teach

Induce the passion to learn



MARY ESTHER ELEMENTARY

Home of the Thunderbirds



Gary G. Massey, M. Ed., Principal

320 Miracle Strip Parkway

Mary Esther, Florida 32569

(850) 833-3371

Fax (850) 833-3474

September 20, 2013

Carr, Riggs & Ingram, LLC

In response to our recent audit findings, please find enclosed the receipts in question.

In the future when making a donation, a letter will be sent requesting a receipt. The check requisition will be flagged as a reminder until the receipt is received. This will be in compliance with School Board policy.

If you have any questions please feel free to call.

Sincerely,

A handwritten signature in cursive script that reads "Starla Lucas".

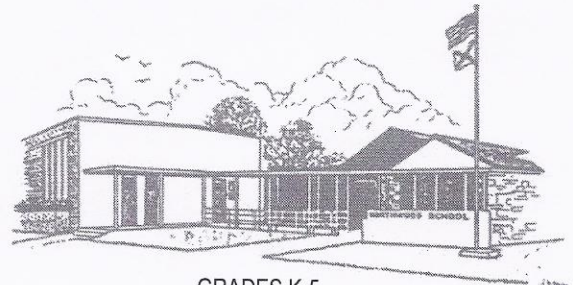
Starla Lucas
Mary Esther Elementary
Bookkeeper
850.833.3373

NORTHWOOD ELEMENTARY SCHOOL

501 FOURTH AVENUE
CRESTVIEW, FLORIDA 32536-2555

=====

Dr. Donna K. Goode, Principal



GRADES K-5


November 12, 2013

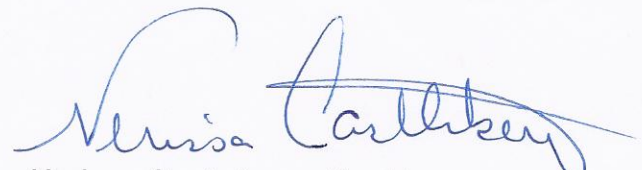
Katie Pollock, CPA
Carr, Riggs & Ingram, LLC
500 Grand Boulevard
Suite 210
Miramar Beach, FL 32550

Mrs. Pollock:

Due to the findings of our audit conducted on September 4, 2013, it was noted that there were 4 instances where the date on the Monies Collected Form did not indicate that the form and been reviewed for that day.

To correct this finding the Monies Collected Forms will be stamped "RECEIVED" daily with the date wrote in.


Donna Goode, Principal


Nerissa Castleberry, Bookkeeper

=====

Walker Elementary School

2988 Stillwell Blvd.
Crestview, FL 32539

Jeanine Kirkland
Principal

850-689-7220 phone
850-689-7654 fax

November, 12, 2013

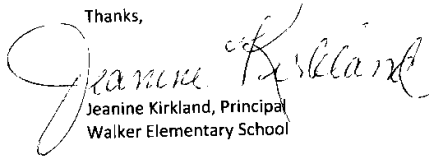
Katie Polk, CPA
Carr, Riggs & Ingram, LLC
500 Grand Boulevard
Suite 210
Miramar Beach, FL 32550

Mrs. Polk,

Due to the finding of our audit on September 4, 2013 it was noted that sales tax was paid on two occasions.

To correct these findings in the future the sub total will be highlighted on each receipt.

Thanks,



Jeanine Kirkland, Principal
Walker Elementary School

Responsible

Respectful

Ready to Learn



WRIGHT ELEMENTARY SCHOOL

305 Lang Road
Fort Walton Beach, Florida 32547
(850) 833-3580

Cathy Hubeli, Principal

November 12, 2013

Katie Pollock
Carr, Riggs, and Ingram, LLC

Katie,

We are responding to the findings of the audit team during our audit.

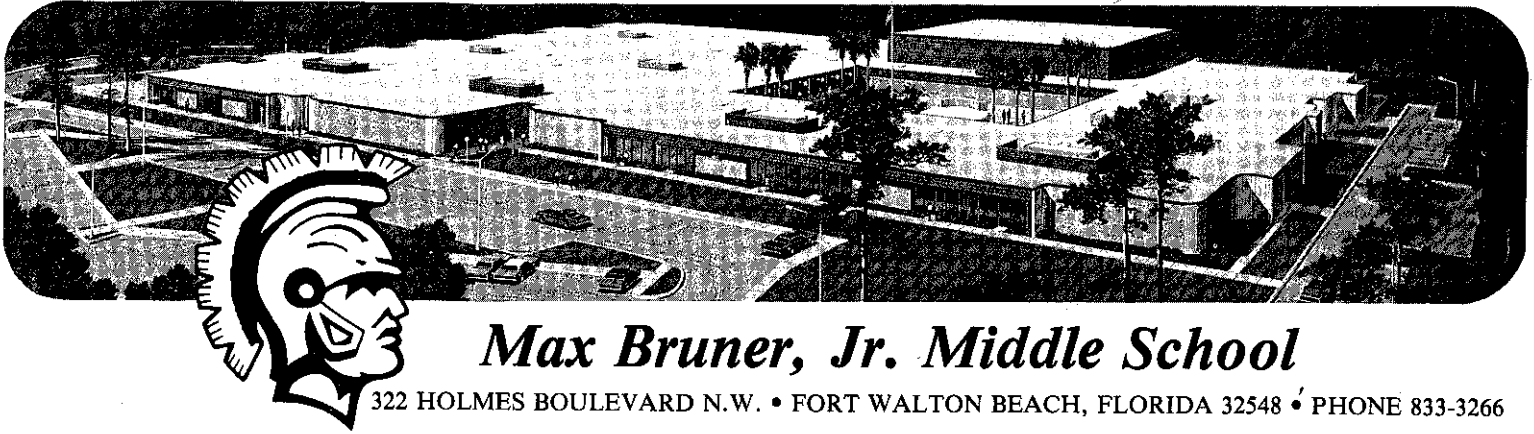
- 1) We have conferenced with the Child Care director, Coretta Johnson, and she is aware that a receipt must be given to her at the time of payment for any field trip.
- 2) In the future, when someone is given a check for any reason, he/she will sign for the check at that time.
- 3) When there is a discrepancy between the invoice and the amount on a check, either the individual who requests the check or I will state why the difference occurred. In this case, the invoice was more than the check amount.

Should you have any other questions, please let me know.

Sincerely,

Cathy Hubeli
Principal

Gena Thrasher
Bookkeeper



Max Bruner, Jr. Middle School

322 HOLMES BOULEVARD N.W. • FORT WALTON BEACH, FLORIDA 32548 • PHONE 833-3266

November 12, 2013

Katie Pollock, CPA
Manager
Carr, Riggs & Ingram, LLC
500 Grand Boulevard, Suite 210
Miramar Beach, FL 32550

Dear Ms. Pollock,

I have read the findings of your internal audit conducted on September 9, 2013. It has been noted that three invoices out of thirty-five had not been stamped paid.

In the future special attention will be given to assure that all invoices are stamped paid after checks have been issued.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Spolski', written over a white background.

John Spolski
Principal



W. C. PRYOR MIDDLE SCHOOL

201 Racetrack Road
Fort Walton Beach, Florida 32547

Mr. Jeff Palmer, Principal

A+
School
since
2000

November 15, 2013


Katie Pollock, CPA
Carr, Riggs & Ingram, LLC
500 Grand Boulevard, Suite 210
Miramar Beach, Florida 32550

Dear Ms. Pollock,

We have read the findings of your internal audit conducted on September 6, 2013. It has been noted, 6 instances out of a sample of 10 where the Ticket Seller's Report (MIS 4004) was not completed properly.

In the future special attention will be given to assure that all Ticket Seller's Reports are completed properly once all forms have been returned to the bookkeeper.

Sincerely,


Jeff Palmer, Principal


Lorin Lewis, Bookkeeper



500 Alabama Street
Crestview, Florida 32536
(850) 689-5089
(850) 689-7817 FAX

November 14, 2013

Katie Pollock, CPA, Manager
Carr, Riggs & Ingram, LLC
500 Grand Boulevard
Suite 210
Miramar Beach, FL 32550

RE: Response to 2012-2013 Audit

Dear Ms. Pollock,

Three items have been brought to the attention of our internal Bookkeeper, Barbara Kieszek and she has responded accordingly.

1. Check #1230 to Spacewalk of Crestview dated 10/18/2012 did not have an invoice or check request attached. Ms. Kieszek believes that this was inadvertently misplaced.
2. The record of the check issued to Okaloosa County School District, # 1233 did not have adequate backup though it did have a check request from the acting administrator. This check was for payment of the meals for the Teacher of the Year Banquet. The finance department at OCSD has informed her of the best way to document for this expenditure.
3. A receipt received by Akers of Strawberries did not match the check. The reason for this was the teacher presenting the check received change of \$3.00 for child who did not attend. This amount was spent for yogurt, but no receipt was included for this purchase. Teachers at our school have been reminded that an instance such as this creates an audit concern.

Thank you for your consideration.

A handwritten signature in blue ink that reads "Nicole Rickman". The signature is written in a cursive, flowing style.

Nicole Rickmon, Administrator-Richbourg School

Lance C. Richbourg faculty and staff, in cooperation with families and the community, will ensure that each student will have the opportunity to reach his or her best potential in life.