Okaloosa County District School Board School Internal Funds

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFOMRATION

June 30, 2014



Okaloosa County District School Board School Internal Funds Table of Contents June 30, 2014

TAB: REPORT	
Independent Auditors' Report	1
TAB: FINANCIAL STATEMENT Statement of Fiduciary Net Position	3
Notes to Financial Statement	4
Supplementary Information:	
Listing of Schools	7
Supplemental Schedules of Cash Receipts and Disbursements	8
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	45
Management Letter	47



Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

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 Position of the Okaloosa County District School Board School Internal Funds as of June 30, 2014, 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 an opinion 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, 2014, 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, 2014 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, 2014, 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

Can, Rigge & Ingram, L.L.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2014, 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 the Okaloosa County District School Board School Internal Funds' internal control over financial reporting and compliance.

Miramar Beach, Florida

October 13, 2014

Okaloosa County District School Board School Internal Funds Statement of Fiduciary Net Position

<i>June 30,</i>	2014
Assets	
Cash and cash equivalents Investments	\$ 2,388,030 1,907,029
Total assets	\$ 4,295,059
Liabilities	
Accounts payable	\$ 104,090
Internal accounts payable	4,190,969
Total liabilities	\$ 4,295,059

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

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.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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, 2014, 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:

June 30,	2014	Credit Risk	Maturities
Certificates of deposit State Board of Administration Florida Prime	\$ 830,397 1,076,632	n/a S&P AAAm	Various through February 2016 40 days
Total investments	\$ 1,907,029		

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

NOTE 3: INVESTMENTS (CONTINUED)

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, 2014, 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.

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.

NOTE 4: SCHOOL OPENING

The District opened Okaloosa STEMM Academy in fiscal year 2012-2013. During the year ended June 30, 2014, the District established a new set of internal funds for this location. The Schedule of Cash Receipts and Disbursements related to the Okaloosa STEMM Academy is included in the supplementary information.



Okaloosa County District School Board School Internal Funds 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
Okaloosa STEMM Academy
Silver Sands School
Southside Center

ANTIOCH ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2013	ts					Net ansfers	Cash and Investments June 30, 2014	
	_	•				(4.700)				
Music	\$	246	\$	1,914	\$	(1,508)	\$	210	\$	862
Classes		686		34,782		(42,651)		8,119		936
Departments		20,110		28,070		(28,132)		(2,433)		17,615
Trust Funds		17,537		78,043		(67,288)		(1,884)		26,408
General		17,675		10,143		(6,641)		(4,012)		17,165
TOTALS	\$	56,254	\$	152,952	\$	(146,220)	\$	-	\$	62,986

BLUEWATER ELEMENTARY SCHOOL

	Cash and Investments July 1, 2013			stments					Cash and Investments June 30, 2014	
Music	\$	2,953	\$	3,733	\$	(5,985)	\$	2,469	\$	3,170
Classes	Ą	2,933 1,735	Ą	33,686	Ų	(36,582)	Ų	2,409	۲	1,135
Departments		13,106		30,857		(32,654)		3,005		14,314
Trust Funds		35,688		140,764		(108,183)		(7,265)		61,004
General		39,777		26,671		(21,471)		(505)		44,472
TOTALS	\$	93,259	\$	235,711	\$	(204,875)	\$	-	\$	124,095

BOB SIKES ELEMENTARY SCHOOL

	Cash and Investments July 1, 2013		ents			Tr	Net ansfers	Cash and Investments June 30, 2014		
Music	\$	297	\$	1,190	\$	(1,297)	\$	75	\$	265
Classes	Y	7,232	Ψ.	39,736	Ψ.	(42,086)	Ψ	4,789	Ψ	9,671
Clubs		2,477		3,752		(2,274)		(74)		3,881
Departments		6,462		21,831		(22,202)		2,144		8,235
Trust Funds		34,982		71,655		(57,333)		(5,291)		44,013
General		13,601		18,185		(20,319)		(1,643)		9,824
TOTALS	\$	65,051	\$	156,349	\$	(145,511)	\$	-	\$	75,889

DESTIN ELEMENTARY SCHOOL

	_	ash and restments						Net	_	ash and estments
	Jul	ly 1, 2013	F	Receipts	Disbursements		Transfers		June 30, 2014	
Music	\$	1,735	\$	1,254	\$	(2,192)	\$	(119)	\$	678
Classes		11,935	-	49,496		(59,570)		10,123		11,984
Clubs		41		-		-		48		89
Departments		36,394		23,819		(23,472)		(2,068)		34,673
Trust Funds		140,705		199,618		(165,519)		(32,405)		142,399
General		38,048		23,468		(67,426)		24,421		18,511
TOTALS	\$	228,858	\$	297,655	\$	(318,179)	\$	-	\$	208,334

LULA J. EDGE ELEMENTARY SCHOOL

	Inve	Cash and Investments July 1, 2013		eceipts	Disb	oursements	Т	Net ransfers	Cash and Investments June 30, 2014	
Music	\$	1,982	\$	3,255	\$	(3,418)	\$	300	\$	2,119
Classes		12,933		15,225		(25,495)		6,613		9,276
Clubs		3,371		8,743		(7,498)		(650)		3,966
Departments		6,951		17,397		(17,337)		2,821		9,832
Trust Funds		20,447		61,728		(36,747)		(13,283)		32,145
General		4,295		4,194		(5,297)		4,199		7,391
TOTALS	\$	49,979	\$	110,542	\$	(95,792)	\$	-	\$	64,729

ANNETTE P. EDWINS ELEMENTARY SCHOOL

	Cash and Investments July 1, 2013		ents					Net ansfers	Cash and Investments June 30, 2014	
Music	\$	5,288	\$	4,667	\$	(4,895)	\$	_	\$	5,060
Classes	•	2,882	•	7,616	•	(8,711)	,	(142)	•	1,645
Clubs		1,479		9,631		(9,963)		-		1,147
Departments		2,747		9,392		(11,159)		-		980
Trust Funds		16,033		30,448		(28,059)		(108)		18,314
General		9,342		3,971		(4,468)		250		9,095
			•						•	
TOTALS	\$	37,771	\$	65,725	\$	(67,255)	\$	-	\$	36,241

EGLIN ELEMENTARY SCHOOL

	Inve	esh and estments / 1, 2013	Receipts Disbursements				Tr	Net ansfers	Cash and Investments June 30, 2014	
Music	\$	616	\$	541	\$	(785)	\$	100	\$	472
Classes	Y	3,529	Y	26,508	Y	(26,235)	Y	1,137	Y	4,939
Clubs		73		4,945		(4,912)		-		106
Departments		9,315		11,796		(14,234)		112		6,989
Trust Funds		5,133		34,139		(27,803)		(1,600)		9,869
General		28,190		22,769		(23,310)		251		27,900
TOTALS	\$	46,856	\$	100,698	\$	(97,279)	\$	-	\$	50,275

ELLIOTT POINT ELEMENTARY SCHOOL

	Inve	Cash and Investments July 1, 2013 Receipts			Disb	oursements	Net Transfers		Cash and Investments June 30, 2014	
Music Classes Departments Trust Funds General	\$	2,203 2,660 4,797 4,144 5,004	\$	766 18,151 46,943 23,513 9,282	\$	(1,211) (19,198) (40,032) (26,002) (5,211)	\$	1,616 1,636 (5,691) 1,799 640	\$	3,374 3,249 6,017 3,454 9,715
TOTALS	\$	18,808	\$	98,655	\$	(91,654)	\$	-	\$	25,809

FLOROSA ELEMENTARY SCHOOL

	Cash and Investments July 1, 2013		nvestments						Cash and Investments June 30, 2014	
Music	\$	37	\$	440	\$	(1,670)	\$	4,853	\$	3,660
Classes	•	246	•	7,657	•	(7,181)	·	(86)	•	636
Clubs		702		1,572		(839)		-		1,435
Departments		1,964		9,801		(14,721)		4,854		1,898
Trust Funds		24,925		37,657		(28,018)		(31,923)		2,641
General		10,961		14,296		(34,338)		22,302		13,221
TOTALS	\$	38,835	\$	71,423	\$	(86,767)	\$	-	\$	23,491

KENWOOD ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2013	R	Receipts	Disl	bursements	Tr	Net ansfers	Inv	estments 2014
Classes	\$	12,842	\$	25,239	\$	(38,545)	\$	13,875	\$	13,411
Clubs	,	1,559	•	2,338	т.	(2,729)	•	117	т	1,285
Departments		17,979		54,366		(43,593)		(5,876)		22,876
Trust Funds		15,761		39,708		(32,563)		(7,705)		15,201
General		25,055		68,832		(73,411)		(411)		20,065
	•		•		•		•			
TOTALS	\$	73,196	\$	190,483	\$	(190,841)	\$	-	\$	72,838

LONGWOOD ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2013	R	eceipts	Disb	ursements	Tr	Net ansfers	Inv	ash and estments a 30, 2014
Music	\$	15	\$	745	\$	(897)	\$	200	\$	63
Classes	Y	8,925	Y	12,598	Y	(16,890)	Y	7,359	Y	11,992
Departments		14,661		10,457		(9,107)		(23)		15,988
Trust Funds		22,100		39,213		(32,574)		(9,004)		19,735
General		10,054		4,014		(9,744)		1,468		5,792
TOTALS	\$	55,755	\$	67,027	\$	(69,212)	\$	-	\$	53,570

MARY ESTHER ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2013	R	eceipts	Disl	oursements	Tr	Net ansfers	Inve	estments as 30, 2014
Music	\$	760	\$	_	\$	-	\$	_	\$	760
Classes	•	1,606	•	15,486	•	(20,114)	•	3,982	•	960
Clubs		965		1,272		(937)		(96)		1,204
Departments		621		7,213		(6,147)		(28)		1,659
Trust Funds		35,657		66,072		(62,683)		(9,514)		29,532
General		5,523		9,263		(15,087)		5,656		5,355
TOTALS	\$	45,132	\$	99,306	\$	(104,968)	\$	-	\$	39,470

NORTHWOOD ELEMENTARY SCHOOL

	Inv	estments y 1, 2013	R	eceipts	Disl	oursements	Tr	Net ansfers	Inv	ash and estments e 30, 2014
Music	\$	678	\$	715	\$	(993)	\$	50	\$	450
Classes		10,829		23,196		(25,123)		(112)		8,790
Departments		6,860		27,331		(26,329)		(700)		7,162
Trust Funds		20,148		40,535		(35,919)		(2,470)		22,294
General		35,498		8,209		(17,858)		3,232		29,081
TOTALS	\$	74,013	\$	99,986	\$	(106,222)	\$	-	\$	67,777

JAMES E. PLEW ELEMENTARY SCHOOL

	Inv	eash and vestments by 1, 2013	F	Receipts	Disl	bursements	т	Net ransfers	Inv	Cash and vestments e 30, 2014
Music	\$	1,068	\$	662	\$	(1,446)	\$	500	\$	784
Classes		17,378		60,953		(74,044)		15,230		19,517
Clubs		4,763		6,459		(5,686)		-		5,536
Departments		13,536		26,913		(38,283)		6,541		8,707
Trust Funds		8,191		85,186		(60,808)		(22,082)		10,487
General		114,317		18,546		(19,708)		(189)		112,966
			•						•	
TOTALS	\$	159,253	\$	198,719	\$	(199,975)	\$	-	\$	157,997

RIVERSIDE ELEMENTARY SCHOOL

	Inv	esh and estments y 1, 2013	R	eceipts	Disl	bursements	Tr	Net ansfers	Inv	estments 2 30, 2014
Music	\$	96	\$	1,417	\$	(1,354)	\$	(17)	\$	142
Classes	•	6,015	•	90,345	•	(95,216)	•	1,366	•	2,510
Clubs		1,301		5,266		(6,724)		831		674
Departments		6,117		24,976		(29,037)		252		2,308
Trust Funds		12,136		41,315		(40,375)		(1,525)		11,551
General		5,388		15,771		(7,870)		(907)		12,382
TOTALS	\$	31,053	\$	179,090	\$	(180,576)	\$	-	\$	29,567

SHALIMAR ELEMENTARY SCHOOL

	Inv	esh and estments y 1, 2013	F	Receipts	Dis	bursements	Т	Net ransfers	Inv	estments 2014
Music	\$	176	\$	609	\$	(576)	\$	_	\$	209
Classes	Ą	2,021	Ą	14,711	Ą	(27,059)	Ų	12,392	Ų	2,065
Clubs		1,882		4,141		(3,385)		-		2,638
Departments		4,542		17,319		(21,853)		6,471		6,479
Trust Funds		36,669		66,768		(46,300)		(21,477)		35,660
General		31,659		6,973		(14,121)		2,614		27,125
TOTALS	\$	76,949	\$	110,521	\$	(113,294)	\$	-	\$	74,176

WALKER ELEMENTARY SCHOOL

	Inv	esh and estments y 1, 2013	R	Receipts	Disl	bursements	Tr	Net ansfers	Inve	estments e 30, 2014
Music	\$	_	\$	4,172	\$	(4,172)	\$	-	\$	-
Classes	·	3,012	·	49,232	·	(53,507)	·	2,538	·	1,275
Clubs		2,824		6,732		(6,718)		51		2,889
Departments		12,158		34,028		(36,336)		(200)		9,650
Trust Funds		16,801		49,185		(44,933)		(2,472)		18,581
General		3,349		2,002		(3,082)		83		2,352
					•		•	•		
TOTALS	\$	38,144	\$	145,351	\$	(148,748)	\$	-	\$	34,747

WRIGHT ELEMENTARY SCHOOL

	Inv	esh and estments y 1, 2013	R	eceipts	Disb	oursements	Tr	Net ansfers	Inve	estments 30, 2014
Music	\$	_	\$	631	\$	(565)	\$	(31)	\$	35
Classes	Y	8,342	Y	22,871	Y	(28,629)	Y	5,104	Y	7,688
Clubs		2,355		3,592		(3,925)		(325)		1,697
Departments		11,191		9,665		(10,568)		343		10,631
Trust Funds		25,394		36,136		(39,188)		(4,895)		17,447
General		25,112		5,653		(7,515)		(196)		23,054
TOTALS	\$	72,394	\$	78,548	\$	(90,390)	\$	-	\$	60,552

MAX BRUNER, JR. MIDDLE SCHOOL

	Inv	estments y 1, 2013	F	Receipts	Disl	bursements	Tr	Net ansfers	Inv	estments a 30, 2014
Athletics	\$	21,942	\$	115,961	\$	(111,998)	\$	(4,370)	\$	21,535
Music		12,407		93,419		(89,169)		(701)		15,956
Classes		86		1,154		(305)		-		935
Clubs		16,075		36,492		(35,985)		(455)		16,127
Departments		4,824		26,379		(25,783)		767		6,187
Trust Funds		2,512		38,256		(44,433)		6,363		2,698
General		5,661		12,075		(9,091)		(1,604)		7,041
TOTALS	\$	63,507	\$	323,736	\$	(316,764)	\$	-	\$	70,479

DAVIDSON MIDDLE SCHOOL

	Inv	cash and restments ly 1, 2013	F	Receipts	Dis	bursements	Tr	Net ansfers	Inv	ash and estments e 30, 2014
Athletics	\$	51,030	\$	82,461	\$	(95,554)	\$	(307)	\$	37,630
Music		17,644		50,595		(45,919)		(361)		21,959
Classes		3,747		24,230		(24,170)		(493)		3,314
Clubs		9,824		35,754		(26,633)		(109)		18,836
Departments		3,815		12,896		(12,234)		(5)		4,472
Trust Funds		12,987		34,767		(33,636)		(4,276)		9,842
General		6,900		8,671		(6,460)		5,551		14,662
TOTALS	\$	105,947	\$	249,374	\$	(244,606)	\$	-	\$	110,715

DESTIN MIDDLE SCHOOL AT REGATTA BAY

	Inv	Cash and vestments by 1, 2013	F	Receipts	Dis	bursements	Tr	Net ansfers	Inv	ash and estments e 30, 2014
Athletics	\$	52,368	\$	186,270	\$	(172,589)	\$	(2,126)	\$	63,923
Music		11,554		63,647		(57,947)		(96)		17,158
Classes		13,733		26,793		(32,297)		7,994		16,223
Clubs		13,591		37,547		(42,237)		(182)		8,719
Departments		10,696		21,535		(19,463)		243		13,011
Trust Funds		7,253		26,658		(17,666)		(6,360)		9,885
General		19,797		20,514		(21,264)		527		19,574
TOTALS	\$	128,992	\$	382,964	\$	(363,463)	\$	-	\$	148,493

CLIFFORD MEIGS MIDDLE SCHOOL

	Cash and Investments July 1, 2013		Investments			bursements	Net Transfers		Cash and Investments June 30, 2014	
Athletics	\$	25,354	\$	109,904	\$	(109,649)	\$	(82)	\$	25,527
Music		9,372		43,697		(38,338)		(363)		14,368
Classes		1,296		2,755		(2,976)		525		1,600
Clubs		5,548		12,925		(13,768)		(2,002)		2,703
Departments		3,571		6,042		(7,107)		2,039		4,545
Trust Funds		1,208		10,380		(10,246)		60		1,402
General		8,788		16,337		(13,444)		(177)		11,504
TOTALS	\$	55,137	\$	202,040	\$	(195,528)	\$	-	\$	61,649

W. C. PRYOR MIDDLE SCHOOL

	Cash and Investments July 1, 2013		Investments			bursements	Tr	Net ansfers	Cash and Investments June 30, 2014	
Athletics	\$	60,203	\$	139,950	\$	(146,944)	\$	(3,286)	\$	49,923
Music		861		31,841		(27,789)		(2,788)		2,125
Classes		5,771		80,100		(82,723)		758		3,906
Clubs		5,432		11,266		(8,749)		(783)		7,166
Departments		2,908		8,678		(9,820)		258		2,024
Trust Funds		5,223		23,278		(21,531)		(471)		6,499
General		1,946		5,784		(11,378)		6,312		2,664
TOTALS	\$	82,344	\$	300,897	\$	(308,934)	\$	-	\$	74,307

C. W. RUCKEL MIDDLE SCHOOL

	Cash and Investments July 1, 2013		vestments		Disbursements		Net Transfers		Cash and Investments June 30, 2014	
Athletics	\$	86,420	\$	154,278	\$	(149,962)	\$	129	\$	90,865
Music		38,390		114,595		(103,614)		660		50,031
Classes		8,730		22,887		(20,836)		148		10,929
Clubs		11,383		16,621		(13,899)		30		14,135
Departments		8,595		68,971		(70,921)		(205)		6,440
Trust Funds		36,757		255,285		(226,154)		(2,777)		63,111
General		48,086		10,079		(21,109)		2,015		39,071
TOTALS	\$	238,361	\$	642,716	\$	(606,495)	\$	-	\$	274,582

SHOAL RIVER MIDDLE SCHOOL

	Inv	Cash and Investments July 1, 2013 Receipts D			Dis	bursements	Tr	Net ansfers	Cash and Investments June 30, 2014	
Athletics	\$	45,242	\$	99,326	\$	(102,920)	\$	576	\$	42,224
Music		7,130		65,204		(60,504)		(1,564)		10,266
Classes		2,235		57,126		(55 <i>,</i> 478)		(716)		3,167
Clubs		4,058		14,001		(15,162)		(72)		2,825
Departments		20,155		20,668		(25,319)		694		16,198
Trust Funds		12,724		36,527		(34,693)		(2,243)		12,315
General		9,146		3,542		(10,940)		3,325		5,073
TOTALS	\$	100,690	\$	296,394	\$	(305,016)	\$	-	\$	92,068

CHOCTAWHATCHEE SENIOR HIGH SCHOOL

	Inv	Cash and nvestments luly 1, 2013 Receip		Receipts	Disbursements			Net ansfers	Cash and Investments June 30, 2014	
Athletics	\$	120,173	\$	614,560	\$	(653,277)	\$	2,730	\$	84,186
Music		8,009		299,145		(275,975)		(7,326)		23,853
Classes		5,071		26,732		(26,284)		(69)		5,450
Clubs		40,017		118,806		(130,351)		343		28,815
Departments		10,871		25,503		(20,666)		(3,109)		12,599
Trust Funds		69,314		88,284		(114,738)		10,261		53,121
General		44,211		22,778		(15,900)		(2,830)		48,259
TOTALS	\$	297,666	\$	1,195,808	\$	(1,237,191)	\$	-	\$	256,283

CRESTVIEW SENIOR HIGH SCHOOL

	Cash a Investm July 1, 2			Receipts		bursements	Net Transfers		Inv	ash and estments e 30, 2014
Athletics	\$	82,846	\$	486,893	\$	(497,800)	\$	(8,200)	\$	63,739
Music		15,155		566,431		(577,528)		3,130		7,188
Classes		4,236		60,192		(61,486)		255		3,197
Clubs		41,184		102,024		(100,936)		3,102		45,374
Departments		20,164		20,239		(17,637)		(75)		22,691
Trust Funds		66,686		81,070		(82,782)		5,899		70,873
General		19,735		15,880		(14,481)		(4,111)		17,023
TOTALS	\$	250,006	\$	1,332,729	\$	(1,352,650)	\$	-	\$	230,085

FORT WALTON BEACH HIGH SCHOOL

	Inv	Cash and vestments by 1, 2013	F	Receipts	Dis	bursements	Т	Net ransfers	Inv	ash and restments e 30, 2014
Athletics	\$	174,818	\$	641,854	\$	(664,959)	\$	(8,111)	\$	143,602
Music		20,902		227,731		(217,890)		(10,834)		19,909
Classes		2,496		15,728		(16,736)		(192)		1,296
Clubs		37,746		220,241		(202,571)		9,441		64,857
Departments		33,764		60,116		(52,351)		(21,988)		19,541
Trust Funds		42,445		39,783		(80,716)		33,294		34,806
General		33,926		51,540		(51,294)		(1,610)		32,562
TOTALS	\$	346,097	\$	1,256,993	\$	(1,286,517)	\$	-	\$	316,573

NICEVILLE SENIOR HIGH SCHOOL

	Inv	ash and restments ly 1, 2013	F	Receipts	Dis	bursements	Т	Net ransfers	Inv	ash and estments e 30, 2014
Athletics	\$	347,581	\$	938,861	\$	(965,914)	\$	(1,323)	\$	319,205
Music		33,369		678,670		(570,520)		(25,200)		116,319
Classes		8,900		46,196		(51,011)		(125)		3,960
Clubs		52,927		228,670		(184,521)		(30,258)		66,818
Departments		40,738		71,888		(70,658)		11,725		53,693
Trust Funds		103,494		84,040		(136,810)		48,740		99,464
General		21,422		41,432		(46,726)		(3,559)		12,569
TOTALS	\$	608,431	\$	2,089,757	\$	(2,026,160)	\$	-	\$	672,028

BAKER SCHOOL

	Inv	Cash and vestments by 1, 2013	F	Receipts	Dis	bursements	Tr	Net ansfers	Inv	ash and estments e 30, 2014
Athletics	\$	31,547	\$	223,829	\$	(218,904)	\$	7,093	\$	43,565
Music		657		64,497		(71,011)		5,882		25
Classes		12,970		21,491		(23,155)		4,974		16,280
Clubs		17,797		50,945		(51,335)		(383)		17,024
Departments		11,395		40,333		(32,175)		(7,080)		12,473
Trust Funds		48,378		84,292		(104,088)		(2,461)		26,121
General		24,635		20,755		(27,679)		(8,025)		9,686
TOTALS	\$	147,379	\$	506,142	\$	(528,347)	\$	-	\$	125,174

CHOICE HIGH SCHOOL & TECHNICAL CENTER

	Inv	ash and restments ly 1, 2013	F	teceipts	Disl	bursements	Tı	Net ransfers	Inv	ash and restments e 30, 2014
Agriculture Health	\$	5,709	\$	-	\$	(1,550)	\$	(3,515)	\$	644
Occupations Industrial		14,617		73,973		(57,267)		(2,228)		29,095
Education Business/		138,300		103,950		(109,362)		348		133,236
Office		3,441		11,082		(6,747)		(1,263)		6,513
Culinary Arts		1,533		1,247		(6,314)		3,534		-
Misc. Classes		3,412		1,816		(2,375)		-		2,853
Trust Funds		1,775		26,877		(29,750)		3,189		2,091
General		12,264		19,776		(26,919)		(65)		5,056
TOTALS	\$	181,051	\$	238,721	\$	(240,284)	\$	-	\$	179,488

LAUREL HILL SCHOOL

	Inv	esh and estments y 1, 2013	R	Receipts	Dis	bursements	Tı	Net ransfers	Inve	estments asstments associated associated aso
Athletics	\$	15,851	\$	82,669	\$	(85,968)	\$	(1,128)	\$	11,424
Classes	Ψ.	7,379	Ψ	21,638	Ψ	(23,166)	Ψ	1,404	Ψ	7,255
Clubs		10,068		22,130		(24,765)		323		7,756
Departments		12,316		4,258		(5,279)		(1,522)		9,773
Trust Funds		4,884		12,189		(12,211)		849		5,711
General		3,411		29,871		(29,894)		74		3,462
TOTALS	\$	53,909	\$	172 <i>,</i> 755	\$	(181,283)	\$	-	\$	45,381

ADDIE R. LEWIS K-8 SCHOOL

	Inv	esh and estments y 1, 2013	R	leceipts	Disl	bursements	Tr	Net ansfers	Inv	estments 2 30, 2014
Athletics	\$	34,407	\$	66,604	\$	(66,137)	\$	(565)	\$	34,309
Music		10,449		22,550		(24,420)		836		9,415
Classes		3,387		13,040		(13,975)		1,243		3,695
Clubs		4,858		6,478		(6,184)		120		5,272
Departments		11,484		10,615		(12,121)		989		10,967
Trust Funds		25,475		42,554		(39,779)		353		28,603
General		6,245		16,504		(13,420)		(2,976)		6,353
TOTALS	\$	96,305	\$	178,345	\$	(176,036)	\$	-	\$	98,614

LANCE C. RICHBOURG SCHOOL

	Inv	esh and estments y 1, 2013	R	eceipts	Disb	ursements	let Isfers	Inv	estments e 30, 2014
						.			
Classes	\$	739	\$	2,202	\$	(782)	\$ -	\$	2,159
Departments		1,475		5,004		(3,288)	-		3,191
Trust Funds		45,009		19,352		(2,769)	-		61,592
General		962		540		(573)	-		929
TOTALS	\$	48,185	\$	27,098	\$	(7,412)	\$ -	\$	67,871

OKALOOSA STEMM ACADEMY

	Inve	sh and stments 1, 2013	R	eceipts	Dich	ursements	No Trans		Inve	estments as 30, 2014
	July	1, 2013	- 11	cccipts	Disk	ar serricines	Hall	31613	June	. 50, 2014
Classes	\$	100	\$	759	\$	(530)	\$	-	\$	329
Clubs		-		5,157		(4,384)		-		773
Departments		-		1,405		(1,397)		-		8
Trust Funds		2,067		14,610		(5,112)		-		11,565
Field Trips		170		2,392		(2,392)		-		170
General		505		7,272		(6,755)		-		1,022
			•						•	
TOTALS	\$	2,842	\$	31,595	\$	(20,570)	\$	-	\$	13,867

SILVER SANDS SCHOOL

	Inv	ash and restments ly 1, 2013	R	eceipts	Disb	oursements	Tr	Net ansfers	Inv	ash and restments e 30, 2014
Athletics	\$	408	\$	1,203	\$	(1,195)	\$	-	\$	416
Music		18		-		-		-		18
Classes		14,236		5,198		(6,554)		(1,600)		11,280
Clubs		1,527		865		(2,025)		1,500		1,867
Departments		1,832		355		(927)		100		1,360
Trust Funds		11,138		26,595		(20,082)		2,640		20,291
General		128,971		45,433		(25,990)		(2,640)		145,774
TOTALS	\$	158,130	\$	79,649	\$	(56,773)	\$	-	\$	181,006

SOUTHSIDE CENTER

	Inve	ash and estments y 1, 2013	R	eceipts	Disb	oursements	Tr	Net ansfers	Inv	estments estments
Classes Departments Trust Funds General	\$	2,671 - 1,412 6,230	\$	20,424 768 8,530 7,413	\$	(15,950) (910) (7,687) (9,048)	\$	(3,806) 142 (566) 4,230	\$	3,339 - 1,689 8,825
TOTALS	\$	10,313	\$	37,135	\$	(33,595)	\$	-	\$	13,853



Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

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 Position of the Okaloosa County District School Board School Internal Funds (hereinafter referred to as the "District") as of June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated October 13, 2014.

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 2014-01 through MLC 2014-08.

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.

Miramar Beach, Florida October 13, 2014

Can, Rigge & Ingram, L.L.C.



Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

(850) 837-3141 (850) 654-4619 (fax) CRIcpa.com

MANAGEMENT LETTER

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

Report on the Financial Statements

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, 2014, and have issued our report thereon dated October 13, 2014.

Auditor's Responsibility

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.

Other Reporting Required by Government Auditing Standards

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 October 13, 2014, 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 have been taken to address findings and recommendations made in the preceding financial audit report.

Financial Condition

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.

Sections 10.804(1)(f)5.a. and 10.805(6), Rules of the Auditor General, require that we apply financial condition assessment procedures for the District. 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.

Transparency

Section 10.804(1)(f)6., 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.

Other Matters

Section 10.804(1)(f)3., 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 identified certain matters which are described as items MLC 2014-01 through MLC 2014-08 starting on page 49 following this letter.

Section 10.804(1)(f)4., Rules of the Auditor General, requires that we address noncompliance with provisions of 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.

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the 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.

Miramar Beach, Florida

Can, Rigge & Ingram, L.L.C.

October 13, 2014

Okaloosa County District School Board School Internal Funds Management Letter Comment – Mary Esther Elementary School

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-01	IP	Improper completion of requisition/transfer 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 3 instances out of a sample of 36 where the requisition/ transfer form was not properly completed. The appropriate teacher/ sponsor or principal had not signed the form; thus, there was no indication of approval.	We recommend that the actual teacher or sponsor of the organization desiring to make expenditure, sign the required form which documents his/her authorization to disburse the funds. The principal should sign the required form as well in the appropriate spot documenting his/her authorization to disburse the funds. This authorization should occur prior to the actual issuance of the check.	See management's response at the end of the report.

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

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-02	IP	Improper completion of requisition/transfer 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 4 instances out of a sample of 25 where the requisition/ transfer form was not properly completed. In all four instances, the school principal signed as both the sponsor and the principal even though the principal was not the actual sponsor. The appropriate teacher or sponsor had not signed the form; thus, there was no indication of approval.	We recommend that the actual teacher or sponsor of the organization desiring to make expenditure, sign the required form which documents his/her authorization to disburse the funds. The principal should sign the required form as well in the appropriate spot documenting his/her authorization to disburse the funds. This authorization to disburse the funds. This authorization should occur prior to the actual issuance of the check.	See management's response at the end of the report.

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

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-03	IP	Improper completion of requisition/transfer 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."	was not properly completed. In all three instances, the appropriate teacher or sponsor had not signed the	We recommend that the teacher or sponsor of the organization desiring to make expenditure, sign the required form which documents his/her authorization to disburse the funds. The principal should sign the required form as well in the appropriate spot documenting his/her authorization to disburse the funds. This authorization should occur prior to the actual issuance of the check.	See management's response at the end of the report.

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

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTRO L NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-04	IP	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 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. The bookkeeper will sign the Activity Event Ticket Sellers Report.	During our audit, we noted 2 instances out of a sample of 11 where the Activity Event Ticket Sellers Report form was missing.	We recommend the Activity Event Ticket Sellers Report be completed for each event and a copy maintained with the monthly records.	See management's response at the end of the report.

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

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-05	IP	Improper Completion of Monies Collected 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 monies collected form should be signed by the individual collecting the money.	During our current audit, we noted 3 instances out of a sample of 26 where the monies collected form was not signed by the individual collecting the money.	Money collectors should be instructed to fill in the date at the top of the Monies Collected Form (MCF) when beginning money collection and to sign and date the form at the bottom when turning funds in indicating the total monies collected is correct. In the event the form is not signed by the individual collecting the money, the bookkeeper should request the individual come to the office and verify the funds with the bookkeeper and sign the form indicating the total monies collected is correct.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Baker School

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-06	IP	Athletic Tickets 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 cash collections from ticket sales should be reconciled to the number of tickets sold. The District does this through the use of an Activity Event Ticket Seller's Report. Any discrepancies noted on these forms should be investigated to determine the nature of the difference and whether any trend can be noted.	During our audit, we noted 4 instances out of a sample of 20 where the actual cash collected was significantly different than the cash that should have been collected based on total tickets sold and price per ticket.	We recommend that an employee of the School verify the athletic ticket reconciliations within a relatively short period of time (i.e., within a few days). Any discrepancies should be investigated and the ticket seller should be made aware of the discrepancy. If the discrepancies persist or if a trend is noted, such as consistent discrepancies with one ticket seller, the school should either remediate or remove the individual as a ticket seller.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Laurel Hill School

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATIN G	AREA	ITEM NOTED	SUGGESTION	MANAGEME NT ACTION
ML 2014-07	IP	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 the correct amount for payment.	During our current audit, we noted 3 instances out of a sample of 15 where differences existed between the check, check requisition, and supported amounts per the vendor invoice or other documentation. In all of these instances, sales tax was inappropriately paid on reimbursements for items that were not to be resold.	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. In addition, sales tax should generally not be paid or reimbursed on items that are not to be resold to the general public.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Niceville High School

IP =	D =	SD =	MW =
Improvement Point	Control Deficiency	Significant Deficiency	Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2014-08	IP	Improper completion of requisition/transfer 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 3 instances out of a sample of 36 where the requisition/ transfer form was not properly completed. The appropriate teacher/sponsor or principal had not signed the form; thus, there was no indication of approval.	We recommend that the actual teacher or sponsor of the organization desiring to make expenditure, sign the required form which documents his/her authorization to disburse the funds. The principal should sign the required form as well in the appropriate spot documenting his/her authorization to disburse the funds. This authorization should occur prior to the actual issuance of the check.	See management's response at the end of the report.



MARY ESTHER ELEMENTARY

Home of the Thunderbirds



(850) 833-3371

Gary G. Massey, M. Ed., Principal 320 Miracle Strip Parkway Mary Esther, Florida 32569

Fax (850) 833-3474

August 27, 2014

Carr, Riggs & Ingram, LLC

The findings for Mary Esther Elementary were as follows, it was noted 3 instances out of a sample of 36 where the requisition/transfer form was not properly completed. The appropriate teacher/sponsor or principal had not signed the form; thus, there was no indication of approval.

A new system has been put into place where the principal and I will verify that all required signatures are on the requisition/transfer form. Our second check signature person will also verify that all required signatures are on the requisition/transfer form. This will bring us into compliance with School Board policy.

Sincerely,

Starla Lucas

Mary Esther Elementary

Bookkeeper 850.833.3373

Walker Elementary

2988 Stillwell Blvd. Jeanine Kirkland Crestview, FL 32539

Phone 689-7220 FAX 689-7654



TO: Nic Fulmer

Principal

nfulmer@cricpa.com Staff Accountant Carr, Riggs & Ingram, LLC

FROM: Jeanine Kirkland

SUBJECT: Internal Funds Audit-Walker Elementary Findings Response

DATE: September 3, 2014

Our procedures for signing check requisitions in the absence of a sponsor have been changed as a result of the recent audit findings. In the past, the Principal has signed when a sponsor was not immediately available to sign the check requisition in order to pay for services or supplies in a timely manner. That will no longer occur. The check requisition, and consequently, the check will be placed on hold until the sponsor is present and available.

Jeanine Kirkland Principal Walker Elementary

Lynda Loosen Bookkeeper Walker Elementary



W. C. PRYOR MIDDLE SCHOOL

A+ School since 2000

201 Racetrack Road Fort Walton Beach, Florida 32547

Mr. Grant Meyer, Principal

August 6, 2014

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

Dear Mrs. Sidrony,

In response to the findings during the Okaloosa Schools' annual audit, we, the principal and bookkeeper, have implemented more stringent guidelines.

 Check Requisition/Transfer Form, MIS 4003, will not be processed by the bookkeeper nor signed by the principal unless properly completed.

2) Athletic tickets were completely inventoried and verified. Sales procedures will be discussed with all coaches with the expectation of their review with individual ticket sellers. A package of all required forms will be included for each ticket sales at each event.

3) Specific instructions for Monies Collected Forms have been included in the Pryor Staff Handbook. Incomplete MCFs will be completed at the time of processing by calling the "depositor" to the bookkeeping office if retrieved from the drop safe or at the time of acceptance.

With the above mentioned changes implemented, we are confident the findings of the July 2014 audit will be resolved. If you should have any questions, please do not hesitate to contact us.

Sincerelly,

Grant Meyer, Principal

Suzzame Barber, Bookkeeper



MICHAEL MARTELLO Principal

BETH GEOGHAGAN Director of Guidance Elementary – Middle – High School 1369 14th Street, Baker, Florida 32531-2809 Phone: (850) 689-7279 Fax: (850) 689-7416 www.okaloosa.k12.fl.us/baker JENNIFER STEWART Assistant Principal

JAY SANDERS Assistant Principal

BRIAN WAGNER Dean

8/26/2014

Dear Ms. Sidrony,

I have read the findings of our internal funds audit conducted July 2014. It has been noted that 4 out of a sample of 20 where the actual cash collected was significantly different than the cash that should have been collected based on total tickets sold and price per ticket.

We will be following your recommendations based on the findings. We have removed some volunteers from ticket sales and money handling and others are being retrained on proper procedures. We have also inserted step-by-step instructions into ticket sellers' boxes for their reference.

Sincerely,

Michael Martello

Principal



LAUREL HILL SCHOOL

Lee Greene Martello Principal

> Carla Strickland School Counselor

July 24, 2014

Carr, Riggs and Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, FL 32550

To Whom It May Concern,

Now that I have a better understanding of taxes, as related to the Okaloosa County School District, I will not reimburse anyone again for taxes paid for items, unless the items have been purchased for resale purposes.

Sincerely,

Marilyn Coon, Bookkeeper

Lee Greene Martello, Principal



NICEVILLE HIGH SCHOOL

800 EAST JOHN SIMS PARKWAY NICEVILLE, FLORIDA 32578



2014 Audit Finding:

IMPROPER COMPLETION OF REQUISITIONN/TRANSFER FORM (MIS4003)

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 expenditure. The teacher of sponsor must sign the form. The completed to the school principal, who must approve the request before any expenditure of School Activity Funds may be made."

Reply

Niceville High School will make sure all sponsor and school principal signatures are accounted for.

Respectfully,

Jeff Palmer











