

**Okaloosa County District School Board
School Internal Funds**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

June 30, 2015



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**Okaloosa County District School Board
School Internal Funds
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June 30, 2015**

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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

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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, 2015, 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, 2015, 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, 2015 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, 2015, 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 30, 2015, 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.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
November 30, 2015

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

<i>June 30,</i>	2015
Assets	
Cash and cash equivalents	\$ 2,638,680
Investments	1,860,082
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Total assets	\$ 4,498,762
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Liabilities	
Accounts payable	\$ 90,473
Internal accounts payable	4,408,289
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Total liabilities	\$ 4,498,762
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The accompanying footnotes are an integral part of this financial statement.



**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, 2015, 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>	2015	Credit Risk	Maturities
Certificates of deposit	\$ 832,967	n/a	Various through
State Board of Administration Florida Prime	1,027,115	S&P AAAM	February 2016 34 days
Total investments	\$ 1,860,082		



**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, 2015, 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.



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

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

ANTIOCH ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 862	\$ 2,647	\$ (3,171)	\$ 298	\$ 636
Classes	936	26,079	(34,818)	15,613	7,810
Departments	17,615	34,069	(27,109)	(2,017)	22,558
Trust Funds	26,408	69,322	(72,450)	(7,488)	15,792
General	17,165	13,229	(6,912)	(6,406)	17,076
TOTALS	\$ 62,986	\$ 145,346	\$ (144,460)	\$ -	\$ 63,872

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

BLUEWATER ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 3,170	\$ 4,286	\$ (6,789)	\$ 806	\$ 1,473
Classes	1,135	33,160	(36,518)	3,416	1,193
Departments	14,314	34,659	(24,977)	1,450	25,446
Trust Funds	61,004	131,340	(126,671)	(5,479)	60,194
General	44,472	27,097	(26,445)	(193)	44,931
TOTALS	\$ 124,095	\$ 230,542	\$ (221,400)	\$ -	\$ 133,237

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

BOB SIKES ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 265	\$ 5,808	\$ (3,533)	\$ 150	\$ 2,690
Classes	9,671	48,235	(53,856)	7,852	11,902
Clubs	3,881	1,310	(2,405)	(5)	2,781
Departments	8,235	17,576	(20,449)	1,079	6,441
Trust Funds	44,013	70,737	(54,790)	(6,380)	53,580
General	9,824	17,987	(12,908)	(2,696)	12,207
TOTALS	\$ 75,889	\$ 161,653	\$ (147,941)	\$ -	\$ 89,601

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

DESTIN ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 678	\$ 2,099	\$ (704)	\$ (1,274)	\$ 799
Classes	11,984	50,100	(61,140)	4,645	5,589
Clubs	89	-	-	-	89
Departments	34,673	30,917	(37,107)	4,412	32,895
Trust Funds	142,399	190,029	(192,398)	(10,608)	129,422
General	18,511	21,660	(21,529)	2,825	21,467
TOTALS	\$ 208,334	\$ 294,805	\$ (312,878)	\$ -	\$ 190,261

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

LULA J. EDGE ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 2,119	\$ 2,967	\$ (3,130)	\$ 335	\$ 2,291
Classes	9,276	17,102	(23,887)	7,532	10,023
Clubs	3,966	7,124	(7,424)	(1,666)	2,000
Departments	9,832	18,044	(15,243)	654	13,287
Trust Funds	32,145	53,853	(37,977)	(14,758)	33,263
General	7,391	5,119	(7,131)	7,903	13,282
TOTALS	\$ 64,729	\$ 104,209	\$ (94,792)	\$ -	\$ 74,146

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

ANNETTE P. EDWINS ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 5,060	\$ 19,183	\$ (14,321)	\$ (1,722)	\$ 8,200
Classes	1,645	7,885	(9,893)	1,800	1,437
Clubs	1,147	4,573	(4,592)	-	1,128
Departments	980	8,509	(9,620)	1,722	1,591
Trust Funds	18,314	31,000	(27,623)	(2,150)	19,541
General	9,095	4,780	(4,470)	350	9,755
TOTALS	\$ 36,241	\$ 75,930	\$ (70,519)	\$ -	\$ 41,652

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

EGLIN ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 472	\$ 912	\$ (1,072)	\$ -	\$ 312
Classes	4,939	20,338	(22,234)	1,576	4,619
Clubs	106	-	-	-	106
Departments	6,989	14,557	(13,943)	40	7,643
Trust Funds	9,869	34,297	(30,400)	(1,234)	12,532
General	27,900	16,709	(15,724)	(382)	28,503
TOTALS	\$ 50,275	\$ 86,813	\$ (83,373)	\$ -	\$ 53,715

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

ELLIOTT POINT ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 3,374	\$ 982	\$ (2,642)	\$ 780	\$ 2,494
Classes	3,249	19,709	(18,342)	452	5,068
Departments	6,017	48,413	(42,450)	(3,600)	8,380
Trust Funds	3,454	33,792	(33,713)	496	4,029
General	9,715	6,058	(8,208)	1,872	9,437
TOTALS	\$ 25,809	\$ 108,954	\$ (105,355)	\$ -	\$ 29,408

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

FLOROSA ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 3,660	\$ 498	\$ (2,606)	\$ -	\$ 1,552
Classes	636	6,953	(6,643)	(182)	764
Clubs	1,435	4,690	(3,831)	-	2,294
Departments	1,898	13,651	(12,166)	(547)	2,836
Trust Funds	2,641	29,145	(27,774)	(91)	3,921
General	13,221	33,855	(40,963)	820	6,933
TOTALS	\$ 23,491	\$ 88,792	\$ (93,983)	\$ -	\$ 18,300

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

KENWOOD ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Classes	\$ 13,411	\$ 22,502	\$ (30,786)	\$ 10,249	\$ 15,376
Clubs	1,285	2,306	(2,816)	196	971
Departments	22,876	26,569	(24,084)	2,857	28,218
Trust Funds	15,201	67,264	(54,707)	(17,707)	10,051
General	20,065	15,810	(18,923)	4,405	21,357
TOTALS	\$ 72,838	\$ 134,451	\$ (131,316)	\$ -	\$ 75,973

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

LONGWOOD ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 63	\$ 335	\$ (1,062)	\$ 778	\$ 114
Classes	11,992	14,488	(15,763)	2,138	12,855
Departments	15,988	16,633	(15,646)	1,008	17,983
Trust Funds	19,735	44,502	(35,723)	(9,289)	19,225
General	5,792	6,866	(5,883)	5,365	12,140
TOTALS	\$ 53,570	\$ 82,824	\$ (74,077)	\$ -	\$ 62,317

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

MARY ESTHER ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 760	\$ -	\$ (760)	\$ -	\$ -
Classes	960	12,181	(16,755)	4,040	426
Clubs	1,204	2,164	(2,422)	(52)	894
Departments	1,659	13,247	(10,797)	(1,110)	2,999
Trust Funds	29,532	64,306	(64,886)	(2,832)	26,120
General	5,355	9,390	(13,229)	(46)	1,470
TOTALS	\$ 39,470	\$ 101,288	\$ (108,849)	\$ -	\$ 31,909

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

NORTHWOOD ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 450	\$ 335	\$ (517)	\$ -	\$ 268
Classes	8,790	53,885	(52,300)	1,638	12,013
Departments	7,162	31,008	(20,208)	(10,617)	7,345
Trust Funds	22,294	41,335	(29,076)	(164)	34,389
General	29,081	3,695	(21,889)	9,143	20,030
TOTALS	\$ 67,777	\$ 130,258	\$ (123,990)	\$ -	\$ 74,045

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

JAMES E. PLEW ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 784	\$ 1,536	\$ (2,474)	\$ 244	\$ 90
Classes	19,517	56,259	(69,455)	16,725	23,046
Clubs	5,536	5,798	(5,987)	-	5,347
Departments	8,707	30,464	(33,784)	4,936	10,323
Trust Funds	10,487	58,799	(36,859)	(21,945)	10,482
General	112,966	29,586	(26,683)	40	115,909
TOTALS	\$ 157,997	\$ 182,442	\$ (175,242)	\$ -	\$ 165,197

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

RIVERSIDE ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 142	\$ 987	\$ (42)	\$ (6)	\$ 1,081
Classes	2,510	76,025	(77,420)	2,079	3,194
Clubs	674	5,885	(5,626)	(706)	227
Departments	2,308	67,396	(59,844)	(642)	9,218
Trust Funds	11,551	40,449	(41,171)	1,620	12,449
General	12,382	10,258	(6,597)	(2,345)	13,698
TOTALS	\$ 29,567	\$ 201,000	\$ (190,700)	\$ -	\$ 39,867

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

SHALIMAR ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 209	\$ 685	\$ (456)	\$ -	\$ 438
Classes	2,065	12,493	(27,412)	14,549	1,695
Clubs	2,638	2,948	(4,302)	-	1,284
Departments	6,479	17,931	(17,933)	1,701	8,178
Trust Funds	35,660	76,494	(63,675)	(16,932)	31,547
General	27,125	55,818	(60,311)	682	23,314
TOTALS	\$ 74,176	\$ 166,369	\$ (174,089)	\$ -	\$ 66,456

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

WALKER ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ -	\$ 2,514	\$ (2,223)	\$ 28	\$ 319
Classes	1,275	59,423	(59,201)	1,097	2,594
Clubs	2,889	7,302	(6,492)	291	3,990
Departments	9,650	28,150	(34,281)	-	3,519
Trust Funds	18,581	63,189	(63,510)	(3,797)	14,463
General	2,352	3,269	(4,275)	2,381	3,727
TOTALS	\$ 34,747	\$ 163,847	\$ (169,982)	\$ -	\$ 28,612

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

WRIGHT ELEMENTARY SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Music	\$ 35	\$ -	\$ (11)	\$ -	\$ 24
Classes	7,688	18,110	(21,318)	949	5,429
Clubs	1,697	4,188	(900)	(10)	4,975
Departments	10,631	13,934	(16,193)	3,343	11,715
Trust Funds	17,447	41,986	(31,530)	(3,983)	23,920
General	23,054	8,717	(13,166)	(299)	18,306
TOTALS	\$ 60,552	\$ 86,935	\$ (83,118)	\$ -	\$ 64,369

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

MAX BRUNER, JR. MIDDLE SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 21,535	\$ 106,794	\$ (100,403)	\$ (547)	\$ 27,379
Music	15,956	36,212	(31,671)	(388)	20,109
Classes	935	53,911	(55,753)	1,661	754
Clubs	16,127	41,324	(39,856)	(322)	17,273
Departments	6,187	10,118	(9,250)	(2,439)	4,616
Trust Funds	2,698	17,001	(19,456)	2,089	2,332
General	7,041	9,724	(11,709)	(54)	5,002
TOTALS	\$ 70,479	\$ 275,084	\$ (268,098)	\$ -	\$ 77,465

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

DAVIDSON MIDDLE SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 37,630	\$ 86,050	\$ (91,425)	\$ 150	\$ 32,405
Music	21,959	54,912	(50,402)	493	26,962
Classes	3,314	78,555	(78,243)	(1,109)	2,517
Clubs	18,836	28,776	(41,594)	399	6,417
Departments	4,472	34,159	(20,617)	(1,180)	16,834
Trust Funds	9,842	40,234	(36,093)	505	14,488
General	14,662	7,000	(5,980)	742	16,424
TOTALS	\$ 110,715	\$ 329,686	\$ (324,354)	\$ -	\$ 116,047

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

DESTIN MIDDLE SCHOOL AT REGATTA BAY

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 63,923	\$ 211,110	\$ (208,760)	\$ (1,598)	\$ 64,675
Music	17,158	45,559	(36,346)	905	27,276
Classes	16,223	24,168	(32,953)	10,149	17,587
Clubs	8,719	25,543	(26,255)	(451)	7,556
Departments	13,011	14,212	(14,920)	390	12,693
Trust Funds	9,885	43,573	(18,261)	(9,289)	25,908
General	19,574	17,880	(11,494)	(106)	25,854
TOTALS	\$ 148,493	\$ 382,045	\$ (348,989)	\$ -	\$ 181,549

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

CLIFFORD MEIGS MIDDLE SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 25,527	\$ 86,307	\$ (99,596)	\$ 2,118	\$ 14,356
Music	14,368	42,258	(33,641)	(150)	22,835
Classes	1,600	1,596	(2,279)	1,508	2,425
Clubs	2,703	16,367	(13,352)	(1,872)	3,846
Departments	4,545	5,368	(5,624)	(1,000)	3,289
Trust Funds	1,402	10,975	(10,305)	(867)	1,205
General	11,504	13,817	(16,223)	263	9,361
TOTALS	\$ 61,649	\$ 176,688	\$ (181,020)	\$ -	\$ 57,317

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

W. C. PRYOR MIDDLE SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 49,923	\$ 139,282	\$ (136,122)	\$ (5,832)	\$ 47,251
Music	2,125	27,385	(23,266)	(732)	5,512
Classes	3,906	96,871	(92,641)	(1,353)	6,783
Clubs	7,166	12,237	(12,090)	156	7,469
Departments	2,024	7,640	(4,859)	(375)	4,430
Trust Funds	6,499	27,313	(27,746)	4,867	10,933
General	2,664	3,778	(5,841)	3,269	3,870
TOTALS	\$ 74,307	\$ 314,506	\$ (302,565)	\$ -	\$ 86,248

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

C. W. RUCKEL MIDDLE SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 90,865	\$ 156,702	\$ (152,188)	\$ (3,189)	\$ 92,190
Music	50,031	111,756	(110,963)	500	51,324
Classes	10,929	20,967	(17,668)	-	14,228
Clubs	14,135	20,528	(15,657)	(5)	19,001
Departments	6,440	57,153	(54,833)	(119)	8,641
Trust Funds	63,111	188,666	(207,751)	666	44,692
General	39,071	12,834	(23,808)	2,147	30,244
TOTALS	\$ 274,582	\$ 568,606	\$ (582,868)	\$ -	\$ 260,320

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

SHOAL RIVER MIDDLE SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 42,224	\$ 88,908	\$ (101,329)	\$ 1,972	\$ 31,775
Music	10,266	58,891	(56,722)	(372)	12,063
Classes	3,167	59,181	(57,976)	(1,506)	2,866
Clubs	2,825	10,820	(8,547)	(311)	4,787
Departments	16,198	22,766	(21,403)	274	17,835
Trust Funds	12,315	34,227	(36,879)	(3,359)	6,304
General	5,073	6,263	(11,311)	3,302	3,327
TOTALS	\$ 92,068	\$ 281,056	\$ (294,167)	\$ -	\$ 78,957

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

CHOCTAWHATCHEE SENIOR HIGH SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 84,186	\$ 650,792	\$ (708,726)	\$ 30,767	\$ 57,019
Music	23,853	305,136	(245,040)	(34,869)	49,080
Classes	5,450	18,118	(19,006)	(1,299)	3,263
Clubs	28,815	102,717	(112,532)	4,833	23,833
Departments	12,599	35,605	(39,150)	1,773	10,827
Trust Funds	53,121	97,845	(101,954)	(772)	48,240
General	48,259	22,101	(13,314)	(433)	56,613
TOTALS	\$ 256,283	\$ 1,232,314	\$ (1,239,722)	\$ -	\$ 248,875

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

CRESTVIEW SENIOR HIGH SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 63,739	\$ 442,163	\$ (461,986)	\$ (2,821)	\$ 41,095
Music	7,188	407,810	(372,697)	(3,227)	39,074
Classes	3,197	65,695	(61,986)	-	6,906
Clubs	45,374	110,487	(105,671)	(90)	50,100
Departments	22,691	19,783	(17,151)	(76)	25,247
Trust Funds	70,873	82,937	(92,336)	5,051	66,525
General	17,023	14,648	(18,964)	1,163	13,870
TOTALS	\$ 230,085	\$ 1,143,523	\$ (1,130,791)	\$ -	\$ 242,817

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

FORT WALTON BEACH HIGH SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 143,602	\$ 637,193	\$ (636,760)	\$ (10,849)	\$ 133,186
Music	19,909	263,356	(253,526)	(13,687)	16,052
Classes	1,296	34,623	(35,677)	1,020	1,262
Clubs	64,857	241,157	(277,738)	8,841	37,117
Departments	19,541	55,111	(43,044)	(12,768)	18,840
Trust Funds	34,806	58,612	(83,601)	27,550	37,367
General	32,562	50,110	(58,494)	(107)	24,071
TOTALS	\$ 316,573	\$ 1,340,162	\$ (1,388,840)	\$ -	\$ 267,895

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

NICEVILLE SENIOR HIGH SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 319,205	\$ 946,274	\$ (921,233)	\$ (16,072)	\$ 328,174
Music	116,319	623,897	(589,494)	(12,781)	137,941
Classes	3,960	25,112	(25,106)	380	4,346
Clubs	66,818	268,589	(241,130)	(20,113)	74,164
Departments	53,693	67,148	(66,250)	2,946	57,537
Trust Funds	99,464	84,069	(108,524)	45,178	120,187
General	12,569	29,116	(20,100)	462	22,047
TOTALS	\$ 672,028	\$ 2,044,205	\$ (1,971,837)	\$ -	\$ 744,396

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

BAKER SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 43,565	\$ 256,958	\$ (270,083)	\$ 1,118	\$ 31,558
Music	25	82,936	(95,624)	13,262	599
Classes	16,280	54,976	(50,683)	(3,939)	16,634
Clubs	17,024	40,615	(22,317)	(22,976)	12,346
Departments	12,473	42,218	(36,313)	5,532	23,910
Trust Funds	26,121	61,268	(62,274)	(636)	24,479
General	9,686	15,312	(19,765)	7,639	12,872
TOTALS	\$ 125,174	\$ 554,283	\$ (557,059)	\$ -	\$ 122,398

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

CHOICE HIGH SCHOOL & TECHNICAL CENTER

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Agriculture	\$ 644	\$ -	\$ -	\$ (644)	\$ -
Health					
Occupations	29,095	96,971	(69,361)	(1,224)	55,481
Industrial					
Education	133,236	171,427	(99,694)	(2,058)	202,911
Business/					
Office	6,513	10,717	(8,376)	-	8,854
Culinary Arts	-	2,140	(3,344)	1,320	116
Misc. Classes	2,853	1,756	(1,289)	(50)	3,270
Trust Funds	2,091	20,178	(21,081)	355	1,543
General	5,056	16,888	(19,543)	2,301	4,702
TOTALS	\$ 179,488	\$ 320,077	\$ (222,688)	\$ -	\$ 276,877

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

LAUREL HILL SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 11,424	\$ 82,406	\$ (85,934)	\$ (1,046)	\$ 6,850
Music	-	2,242	(1,223)	98	1,117
Classes	7,255	24,070	(24,494)	411	7,242
Clubs	7,756	26,193	(22,378)	170	11,741
Departments	9,773	10,487	(10,059)	(299)	9,902
Trust Funds	5,711	12,215	(12,529)	954	6,351
General	3,462	9,290	(7,410)	(288)	5,054
TOTALS	\$ 45,381	\$ 166,903	\$ (164,027)	\$ -	\$ 48,257

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

ADDIE R. LEWIS K-8 SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 34,309	\$ 83,644	\$ (77,185)	\$ (1,402)	\$ 39,366
Music	9,415	14,541	(17,786)	496	6,666
Classes	3,695	12,743	(13,619)	(313)	2,506
Clubs	5,272	5,602	(4,886)	(25)	5,963
Departments	10,967	12,829	(14,154)	418	10,060
Trust Funds	28,603	33,106	(32,253)	1,925	31,381
General	6,353	13,283	(10,088)	(1,099)	8,449
TOTALS	\$ 98,614	\$ 175,748	\$ (169,971)	\$ -	\$ 104,391

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

LANCE C. RICHBOURG SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Classes	\$ 2,159	\$ 3,727	\$ (2,423)	\$ -	\$ 3,463
Departments	3,191	3,872	(5,477)	-	1,586
Trust Funds	61,592	25,662	(6,641)	-	80,613
General	929	2,742	(1,935)	-	1,736
TOTALS	\$ 67,871	\$ 36,003	\$ (16,476)	\$ -	\$ 87,398

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

OKALOOSA STEMM ACADEMY

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Classes	\$ 329	\$ 1,022	\$ (1,036)	\$ -	\$ 315
Clubs	773	2,642	(2,390)	-	1,025
Departments	8	2,971	(2,948)	-	31
Trust Funds	11,565	39,593	(40,745)	-	10,413
Field Trips	170	-	-	(170)	-
General	1,022	2,496	(1,978)	170	1,710
TOTALS	\$ 13,867	\$ 48,724	\$ (49,097)	\$ -	\$ 13,494

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

SILVER SANDS SCHOOL

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Athletics	\$ 416	\$ 1,090	\$ (545)	\$ (49)	\$ 912
Music	18	-	-	-	18
Classes	11,280	6,061	(6,541)	3,044	13,844
Clubs	1,867	900	(2,032)	-	735
Departments	1,360	-	(637)	650	1,373
Trust Funds	20,291	22,632	(21,941)	(3,795)	17,187
General	145,774	57,562	(69,588)	150	133,898
TOTALS	\$ 181,006	\$ 88,245	\$ (101,284)	\$ -	\$ 167,967

**Okaloosa County District School Board
School Internal Funds
Schedule of Cash Receipts and Disbursements**

SOUTHSIDE CENTER

	Cash and Investments July 1, 2014	Receipts	Disbursements	Net Transfers	Cash and Investments June 30, 2015
Classes	\$ 3,339	\$ 14,591	\$ (14,580)	\$ 161	\$ 3,511
Departments	-	2,121	(2,042)	787	866
Trust Funds	1,689	13,462	(14,429)	(8)	714
General	8,825	18,039	(17,858)	(940)	8,066
TOTALS	\$ 13,853	\$ 48,213	\$ (48,909)	\$ -	\$ 13,157



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**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, 2015, and the related notes to the financial statement, and have issued our report thereon dated November 30, 2015.

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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Management Letter as items MLC 2015-01 through MLC 2015-05.

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.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
November 30, 2015



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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, 2015, and have issued our report thereon dated November 30, 2015.

Auditor's Responsibility

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

Other Reporting 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 that report which is dated November 30, 2015, 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(7), Rules of the Auditor General, we applied 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 that we report the results of our determination as to whether the District maintains on its web site the information specified in Section 1011.035, Florida Statutes. (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 maintained on its web site the information specified in Section 1011.035.

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 2015-01 through MLC 2015-05 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 which warrants 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.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
November 30, 2015

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

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2015-01	IP	Improper completion of requisition/transfer form (MIS 4003) <i>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."</i>	During our audit, we noted 2 instances out of a sample of 25 where the requisition/transfer form was not properly completed. In one of those instances, the supporting documentation was missing. In the second instance, the form was dated subsequent to the issuance of the check.	We recommend the requisition/transfer from (MIS 4003) be completed by the teacher/sponsor wishing to make the expenditure and given to the school principal for approval prior to the issuance of the check for each disbursement.	See management’s response at the end of the report.

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

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2015-02	IP	<p>Improper completion of requisition/transfer form (MIS 4003)</p> <p><i>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."</i></p>	<p>During our audit, we noted 3 instances out of a sample of 15 where the requisition/transfer form was not properly completed. In two of those instances, the supporting documentation was missing. In the third instance, the form was dated subsequent to the issuance of the check.</p>	<p>We recommend the requisition/transfer from (MIS 4003) be completed by the teacher/sponsor wishing to make the expenditure and given to the school principal for approval prior to the issuance of the check for each disbursement.</p>	<p>See management’s response at the end of the report.</p>

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

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2015-03	IP	<p>Untimely deposits – teachers/sponsors</p> <p><i>The Okaloosa County School District Internal Accounting Manual, Section 1.009(1) states, "...Collections made outside of the school office, <u>which exceed \$10 in the aggregate</u> must be turned into the office daily."</i></p>	<p>During our audit, we noted 2 instances out of a sample of 25 where we were unable to determine if the funds collected in excess of \$10 were turned into the office on the initial collection date.</p>	<p>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. The MCF forms should be properly filled out denoting the date the funds were collected and the date the bookkeeper and witness verified the money.</p>	<p>See management’s response at the end of the report.</p>

**Okaloosa County District School Board
School Internal Funds**

Management Letter Comment – Destin Middle School at Regatta Bay

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2015-04	IP	<p>Improper completion of requisition/transfer form (MIS 4003)</p> <p><i>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."</i></p>	<p>During our audit, we noted 2 instances out of a sample of 18 where the requisition/transfer form was dated subsequent to the issuance of the check.</p>	<p>We recommend the requisition/transfer from (MIS 4003) be completed by the teacher/sponsor wishing to make the expenditure and given to the school principal for approval prior to the issuance of the check for each disbursement.</p>	<p>See management’s response at the end of the report.</p>

**Okaloosa County District School Board
School Internal Funds**

Management Letter Comment – Choctawhatchee Senior High School

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2015-05	IP	<p>Bank deposits</p> <p>The <i>Red Book, Chapter 8, Section III, Paragraph 1.4(d)</i> states, “All deposits must equal the total amount of money taken in and recorded on receipts for the period covered by the deposit.” <i>Paragraph 1.4(e)</i> further states that “the principal or designee shall be notified immediately of any errors in deposits or disbursements and shall take appropriate action to affect correction.” Cash collections per the MCFs should total the amount on the validated deposit slip. Any discrepancies noted on these forms should be investigated to determine the nature of the difference.</p>	<p>During our current audit, we noted 4 instances out of a sample of 25 where the validated deposit slip from the bank related to funds taken directly to the night deposit by a teacher/sponsor or did not agree to the amount verified by that individual on the MCF. The bookkeeper was notified by the bank that these two amounts were not in agreement.</p>	<p>We noted that two of the four items were significant shortages related to football receipts handled by the same person. We understand that this individual is no longer being utilized to collect funds. We recommend that remaining teachers/sponsors/volunteers be reminded of the importance of accuracy when dealing with collection of school internal funds. Any discrepancies should be discussed with the teacher or sponsor collecting the funds. If additional discrepancies persist, the school could again take steps such as: requiring an administrator to be present or requiring a different teacher/sponsor/volunteer to collect the funds.</p>	<p>See management’s response at the end of the report.</p>



BLUEWATER ELEMENTARY SCHOOL

4545 Range Road, Niceville, Florida 32578
Phone (850) 833-4240 - Fax (850) 833-4232
Mrs. Amy Klugh, Principal

9/25/2015

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

To Whom It May Concern,

In an audit on August 31, 2015, two findings were discussed with your accountants.

One of the findings indicated that a check appeared to have been written before the check request was received from the teacher. We feel that this is simply a misdated check requisition form. Our bookkeeper does not write checks before a requisition is received. If you reviewed the form, you would find that the requisition has two different dates written that do not correlate with the field trip function. We have reviewed all policies regarding check requisition forms with the faculty and staff to insure that this does not occur again.

The second finding was related to a missing check request for one of ten field trips completed during the May statement cycle. The form was inadvertently not attached to the check request and transportation statement. We have reviewed all policies and procedures with the grade level chairs concerning field trip transportation charges.

We appreciate your diligent effort in locating these items so that we can continue to pursue 100% compliance in the future.

Best regards,

Amy Klugh

DESTIN ELEMENTARY SCHOOL

"HOME OF THE DESTIN DOLPHINS"

630 Kelly Street ~Destin, FL 32541
Phone (850)833-4360 ~Fax (850)833-4370

Al Gardner
Principal

Scheree Martin
Assistant Principal

September 3, 2015

Carr, Riggs & Ingram, LLC
4460 Legendary Dr. Suite #100
Destin, Florida 32541

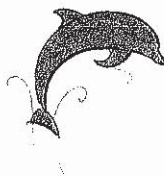
To whom it may concern:

I have read the letter in reference to the findings of the 2014-2015 year audit.

- Finding- 3 check Requisitions/Transfer forms were not appropriately completed and dated.
- Response- In the future, we will make sure we have all check requisitions.
- Finding –1 monies collected was missing the actual day of the date.
1 monies collected was not turned into office on the initial collection date.
- Response- A teacher put the date she signed the monies collected out at the top of the requisition in the monies collected date instead of the day she actually collected the money. She signed the monies collected out on Friday, collected money Monday and dropped into the safe after school on Monday.
The teacher that did not have the day written in the date has now retired.
All teachers have been given verbal directions in a faculty meeting and written directions by the bookkeeper on filling out forms properly to insure we do not have these mistakes in the future.

Sincerely,

Al Gardner
Principal



Destin Middle School at Regatta Bay
4608 Legendary Marina Drive
Destin, FL 32541

Telephone: (850) 833-7655
FAX: (850) 833-7677

Charles Marelo
Principal



Bobbie Griffin
Guidance Counselor

September 8, 2015

Carr, Riggs & Ingram, LLC

500 Grand Boulevard, Suite 210

Miramar Beach, FL 32550

To Whom It May Concern:

In response to your letter in reference to the findings of the audit of our 2014-2015 internal accounts, I submit the following:

- Finding: Check Requisition date was left blank on 2 samples.
- Response: The bookkeeper has taken action to correct this oversight. She will insure that the date is completed by the sponsor upon receipt of the Check Requisition.

Thank you for bringing this observation to our attention. We will continue to strive to do the very best job we can in our accounting practices.

Sincerely,

A handwritten signature in black ink, appearing to be "Charlie Marelo", written over a horizontal line.

Charlie Marelo

Choctawhatchee Senior High School

110 RACETRACK ROAD, N.W.
FORT WALTON BEACH, FLORIDA 32547

CINDY GATES, PRINCIPAL (850) 833-3614
FAX (850) 833-3410

October 13, 2015

Carr, Riggs, and Ingram, LLC
500 Grand Blvd. Suite 210
Miramar Beach, FL 32550

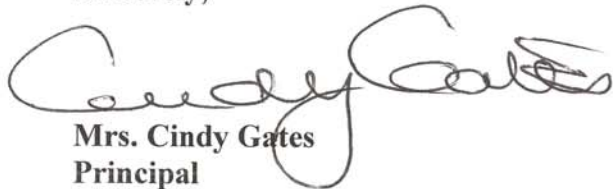
To Whom It May Concern,

In response to Choctawhatchee High School audit on July 23, 2015:

Our policy is that any activity held at night the administrator on duty takes the locked bank bag directly to the night deposit at the bank. The keys are kept with the ticket seller and turned into the bookkeeping office the next business day and the paperwork goes back to the school. The bank opens the bank bag the next morning with two of the bank tellers verifying the deposit. If there is a discrepancy the bank calls the school and changes the deposit for the amount verified by both teller's and initial the change. We also note the change on the ticket report and MCR. We had a ticket seller who had two deposits that were short when we noticed the shortages we removed her from selling tickets. The band had two deposits for concession's one was short and one was over. The band concession supervisor was brought in and advised that they needed to be careful on writing the amounts down.

We made these corrections. We have instructed the faculty, staff to be more aware of completing the paperwork and counting the currency.

Sincerely,



Mrs. Cindy Gates
Principal
Choctawhatchee High School