Okaloosa County District School Board School Internal Funds

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

June 30, 2016



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INDEPENDENT AUDITORS' REPORT

To the Okaloosa County District School Board and Mary Beth Jackson, Superintendent of Schools Fort Walton Beach, Florida Carr, Riggs & Ingram, LLC Certified Public Accountants 500 Grand Boulevard Suite 210 Miramar Beach, Florida 32550

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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, 2016, 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.

Auditors' 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 auditors' 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, 2016, in accordance 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, 2016 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, 2016, 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 November 8, 2016, 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, LLC

Miramar Beach, Florida November 8, 2016

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

June 30,	2016
Assets	
Cash and cash equivalents	\$ 3,767,627
Investments	1,100,583
Total assets	\$ 4,868,210
Liabilities	
Accounts payable Internal accounts payable	\$ 79,642 4,788,568
Thermal accounts payable	7,700,300
Total liabilities	\$ 4,868,210

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, 2016, 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,	2016	1	Credit Risk	Maturities
Certificates of deposit State Board of Administration Florida PRIME	\$ 729, 370,		n/a S&P AAAm	Various through February 2017 39 days
Total investments	\$ 1,100,	583		,

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, 2016, 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.



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 Senior High School

Niceville Senior High School

Other Schools:

Baker School

Okaloosa Technical College & CHOICE High School

Laurel Hill School

Addie R. Lewis School

Lance C. Richbourg School

Okaloosa STEMM Academy

Silver Sands School

Southside Primary School

ANTIOCH ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2015	R	Receipts	bursements	Tr	Net ansfers	Cash and Investments June 30, 2016		
Music	\$	636	\$	2,527	\$	(2,958)	\$	28	\$	233
Classes		7,810		35,884		(49,518)		5,999		175
Departments		22,558		33,301		(23,310)		(3,822)		28,727
Trust Funds		15,792		62,433		(62,149)		2,028		18,104
General		17,076		17,837		(13,091)		(4,233)		17,589
TOTALS	\$	63,872	\$	151,982	\$	(151,026)	\$	-	\$	64,828

BLUEWATER ELEMENTARY SCHOOL

	(Cash and							C	Cash and	
	Inv	estments						Net	Inv	Investments	
	Jul	ly 1, 2015	F	Receipts	Dis	bursements	Tr	ansfers	June 30, 2016		
Music	\$	1,473	\$	3,730	\$	(3,721)	\$	800	\$	2,282	
Classes		1,193		42,434		(43,887)		1,860		1,600	
Departments		25,446		29,793		(45,287)		1,600		11,552	
Trust Funds		60,194		115,670		(105,368)		(3,364)		67,132	
General		44,931		30,852		(41,251)		(896)		33,636	
				•	•		•	•	•		
TOTALS	\$	133,237	\$	222,479	\$	(239,514)	\$	-	\$	116,202	

BOB SIKES ELEMENTARY SCHOOL

	C	ash and							Ca	ash and
	Inve	estments						Net	Inve	estments
	July	y 1, 2015	F	Receipts	Dis	bursements	Transfers		June 30, 2016	
Music	\$	2,690	\$	1,615	\$	(1,630)	\$	(86)	\$	2,589
Classes		11,902		54,037		(57,196)		(1,844)		6,899
Clubs		2,781		5,818		(5,460)		(179)		2,960
Departments		6,441		12,073		(11,940)		(1,267)		5,307
Trust Funds		53,580		76,032		(78,760)		6,654		57,506
General		12,207		16,673		(21,855)		(3,278)		3,747
							•			
TOTALS	\$	89,601	\$	166,248	\$	(176,841)	\$	-	\$	79,008

DESTIN ELEMENTARY SCHOOL

	(Cash and							C	ash and
	Inv	estments						Net	Inv	estments
	Jul	ly 1, 2015	F	Receipts	Dis	Disbursements		ransfers	June 30, 2016	
Music	\$	799	\$	729	\$	(336)	\$	(1,192)	\$	-
Classes		5,589		45,429		(49,246)		277		2,049
Clubs		89		-		-		(89)		-
Departments		32,895		22,406		(19,235)		(4,802)		31,264
Trust Funds		129,422		167,101		(206,283)		6,777		97,017
General		21,467		27,461		(8,465)		(971)		39,492
TOTALS	\$	190,261	\$	263,126	\$	(283,565)	\$	-	\$	169,822

LULA J. EDGE ELEMENTARY SCHOOL

		ash and estments						Net	_	ash and estments
	July	y 1, 2015	Receipts		Disbursements		Transfers		June 30, 2016	
Music	\$	2,291	\$	3,866	\$	(4,721)	\$	90	\$	1,526
Classes	Ψ	10,023	Ψ	16,321	Ψ	(25,151)	Ψ	9,249	Ψ	10,442
Clubs		2,000		8,892		(4,892)		(2,468)		3,532
Departments		13,287		16,313		(14,403)		1,633		16,830
Trust Funds		33,263		46,566		(32,603)		(15,320)		31,906
General		13,282		3,314		(7,532)		6,816		15,880
TOTALS	\$	74,146	\$	95,272	\$	(89,302)	\$	-	\$	80,116

ANNETTE P. EDWINS ELEMENTARY SCHOOL

	_	ash and estments						Net		ash and estments
	July	y 1, 2015	Receipts		Disbursements		Transfers		June 30, 2016	
Music	\$	8,200	\$	8,684	\$	(7,792)	\$	_	\$	9,092
Classes	Y	1,437	Y	12,175	Y	(13,087)	Y	1,500	Y	2,025
Clubs		1,128		4,548		(5,009)		-		667
Departments		1,591		8,974		(8,969)		-		1,596
Trust Funds		19,541		23,004		(21,093)		(1,500)		19,952
General		9,755		3,705		(3,023)		-		10,437
TOTALS	\$	41,652	\$	61,090	\$	(58,973)	\$	-	\$	43,769

EGLIN ELEMENTARY SCHOOL

	_	ash and						Nat		ash and
		estments y 1, 2015	Receipts Disbursements			oursements	Net Transfers		Investments June 30, 2016	
	,	, , , , , , , , , , , , , , , , , , ,		•						<u> </u>
Music	\$	312	\$	856	\$	(555)	\$	-	\$	613
Classes		4,619		24,744		(24,429)		713		5,647
Clubs		106		8,928		(12,170)		3,136		-
Departments		7,643		12,475		(10,342)		(32)		9,744
Trust Funds		12,532		34,230		(31,464)		(721)		14,577
General		28,503		13,772		(13,560)		(3,096)		25,619
TOTALS	\$	53,715	\$	95,005	\$	(92,520)	\$	-	\$	56,200

ELLIOTT POINT ELEMENTARY SCHOOL

	C	ash and							C	ash and
	Inve	estments						Net	Investments	
	July	, 1, 2015	F	Receipts	Disbursements		Transfers		June 30, 2016	
Music	\$	2,494	\$	934	\$	(2,429)	\$	1,507	\$	2,506
Classes		5,068		18,031		(15,500)		(1,621)		5,978
Departments		8,380		41,327		(29,865)		(8,604)		11,238
Trust Funds		4,029		24,652		(32,221)		7,295		3,755
General		9,437		22,155		(20,938)		1,423		12,077
	·									
TOTALS	\$	29,408	\$	107,099	\$	(100,953)	\$	-	\$	35,554

FLOROSA ELEMENTARY SCHOOL

	ash and estments						Net		ash and estments
	 , 1, 2015	Receipts		Disbursements		Transfers		June 30, 2016	
Music	\$ 1,552	\$	800	\$	(2,274)	\$	-	\$	78
Classes	764		8,128		(8,736)		(14)		142
Clubs	2,294		1,807		(2,551)		-		1,550
Departments	2,836		9,463		(7,070)		-		5,229
Trust Funds	3,921		37,914		(32,119)		(5,902)		3,814
General	6,933		22,056		(24,260)		5,916		10,645
TOTALS	\$ 18,300	\$	80,168	\$	(77,010)	\$	-	\$	21,458

KENWOOD ELEMENTARY SCHOOL

	C	ash and							C	ash and
	Inv	estments						Net	Inv	estments
	Jul	y 1, 2015	F	Receipts	Dis	bursements	Tr	ansfers	June	30, 2016
Classes	\$	15,376	\$	20,337	\$	(27,747)	\$	9,061	\$	17,027
Clubs		971		4,759		(4,508)		361		1,583
Departments		28,218		24,257		(18,232)		(905)		33,338
Trust Funds		10,051		70,151		(61,577)		(7,660)		10,965
General		21,357		15,156		(18,414)		(857)		17,242
TOTALS	\$	75,973	\$	134,660	\$	(130,478)	\$	-	\$	80,155

LONGWOOD ELEMENTARY SCHOOL

	C	ash and							C	ash and
	Inv	estments						Net	Inve	estments
	Jul	y 1, 2015	R	eceipts	Disk	oursements	Tr	ansfers	June	30, 2016
Music	\$	114	\$	432	\$	(382)	\$	441	\$	605
Classes		12,855		17,596		(16,593)		4,713		18,571
Departments		17,983		17,820		(10,736)		(6,704)		18,363
Trust Funds		19,225		41,255		(42,575)		(1,099)		16,806
General		12,140		7,278		(12,173)		2,649		9,894
TOTALS	\$	62,317	\$	84,381	\$	(82,459)	\$	-	\$	64,239

MARY ESTHER ELEMENTARY SCHOOL

	_	ash and estments						Net	ash and estments
		y 1, 2015	R	eceipts	Dis	bursements	Tı	ansfers	 30, 2016
Music	\$	-	\$	3	\$	-	\$	(3)	\$ -
Classes		426		12,244		(10,553)		(1,638)	479
Clubs		894		7,283		(1,491)		(2,810)	3,876
Departments		2,999		9,332		(9,040)		(230)	3,061
Trust Funds		26,120		59,683		(70,354)		4,257	19,706
General		1,470		9,359		(8,680)		424	2,573
TOTALS	\$	31,909	\$	97,904	\$	(100,118)	\$	-	\$ 29,695

NORTHWOOD ELEMENTARY SCHOOL

	C	ash and							C	ash and
	Inv	estments						Net	Inve	estments
	July	y 1, 2015	F	Receipts	Dis	bursements	Т	ransfers	June	30, 2016
Music	\$	268	\$	2,455	\$	(2,102)	\$	-	\$	621
Classes		12,013		47,692		(52,531)		4,407		11,581
Departments		7,345		26,036		(14,023)		(11,009)		8,349
Trust Funds		34,389		48,393		(47,271)		(6,363)		29,148
General		20,030		2,659		(16,801)		12,965		18,853
			•		•		•			
TOTALS	\$	74,045	\$	127,235	\$	(132,728)	\$	-	\$	68,552

JAMES E. PLEW ELEMENTARY SCHOOL

		Cash and restments						Net		Cash and restments
		y 1, 2015	F	Receipts	Dis	bursements	Т	ransfers		e 30, 2016
	_	-	_	2 004	_	(4.762)	_	222	_	4.540
Music	\$	90	\$	2,981	\$	(1,763)	\$	232	\$	1,540
Classes		23,046		60,204		(72,968)		9,186		19,468
Clubs		5,347		5,602		(6,024)		-		4,925
Departments		10,323		29,120		(31,257)		2,918		11,104
Trust Funds		10,482		61,943		(47,113)		(12,405)		12,907
General		115,909		13,141		(11,692)		69		117,427
TOTALS	\$	165,197	\$	172,991	\$	(170,817)	\$	-	\$	167,371

RIVERSIDE ELEMENTARY SCHOOL

	Ca	ash and							Ca	ash and
	Inve	estments						Net	Inve	estments
	July	, 1, 2015	F	Receipts	Dis	bursements	Tı	ansfers	June	30, 2016
Music	\$	1,081	\$	797	\$	(132)	\$	(1,043)	\$	703
Classes		3,194		33,153		(29,309)		(5,623)		1,415
Clubs		227		1,952		(15)		(1,262)		902
Departments		9,218		22,654		(27,039)		(1,045)		3,788
Trust Funds		12,449		34,309		(45,054)		7,286		8,990
General		13,698		11,845		(12,511)		1,687		14,719
TOTALS	\$	39,867	\$	104,710	\$	(114,060)	\$	-	\$	30,517

SHALIMAR ELEMENTARY SCHOOL

	C	ash and							Ca	ash and
	Inve	estments						Net	Inve	estments
	July	, 1, 2015	F	Receipts	Dis	bursements	Tr	ansfers	June	30, 2016
Music	\$	438	\$	1,789	\$	(32)	\$	(1,024)	\$	1,171
Classes		1,695		12,620		(13,392)		(284)		639
Clubs		1,284		2,264		(2,217)		(72)		1,259
Departments		8,178		14,873		(16,943)		(1,193)		4,915
Trust Funds		31,547		67,421		(63,065)		2,238		38,141
General		23,314		6,292		(10,022)		335		19,919
					•				•	
TOTALS	\$	66,456	\$	105,259	\$	(105,671)	\$	-	\$	66,044

WALKER ELEMENTARY SCHOOL

	C	ash and							C	ash and
	Inv	estments						Net	Inve	estments
	July	y 1, 2015	F	Receipts	Dis	bursements	Tr	ansfers	June	30, 2016
Music	\$	319	\$	2,835	\$	(3,096)	\$	49	\$	107
Classes		2,594		45,387		(45,581)		(383)		2,017
Clubs		3,990		7,569		(7,275)		25		4,309
Departments		3,519		31,149		(31,765)		(140)		2,763
Trust Funds		14,463		63,007		(62,010)		(3,210)		12,250
General		3,727		5,493		(4,049)		3,659		8,830
TOTALS	\$	28,612	\$	155,440	\$	(153,776)	\$	-	\$	30,276

WRIGHT ELEMENTARY SCHOOL

	_	ash and estments						Net		ash and estments
	Jul	y 1, 2015	R	eceipts	Disk	ursements	Tr	ansfers	June	30, 2016
Music	\$	24	\$	400	\$	(284)	\$	(17)	\$	123
Classes	•	5,429		21,861	•	(27,267)	•	4,842	·	4,865
Clubs		4,975		4,075		(7,348)		(250)		1,452
Departments		11,715		12,809		(13,349)		969		12,144
Trust Funds		23,920		39,852		(34,034)		(3,824)		25,914
General		18,306		9,877		(8,249)		(1,720)		18,214
TOTALS	\$	64,369	\$	88,874	\$	(90,531)	\$	-	\$	62,712

MAX BRUNER, JR. MIDDLE SCHOOL

	Inv	ash and estments y 1, 2015	F	Receipts	Dis	bursements	Tra	Net ansfers	Inve	ash and estments e 30, 2016
Athletics	\$	27,379	\$	83,815	\$	(85,348)	\$	(68)	\$	25,778
Music		20,109		66,713		(60,740)		(48)		26,034
Classes		754		41,013		(41,100)		37		704
Clubs		17,273		39,836		(33,661)		(701)		22,747
Departments		4,616		10,080		(8,910)		543		6,329
Trust Funds		2,332		13,959		(14,606)		572		2,257
General		5,002		18,774		(20,289)		(335)		3,152
TOTALS	\$	77,465	\$	274,190	\$	(264,654)	\$	-	\$	87,001

DAVIDSON MIDDLE SCHOOL

	Inv	Cash and restments ly 1, 2015	F	Receipts	Dis	bursements	Tı	Net ransfers	Inv	ash and estments e 30, 2016
Athletics	\$	32,405	\$	92,353	\$	(90,576)	\$	(179)	\$	34,003
Music	·	26,962		55,711	•	(48,731)	·	(1,591)		32,351
Classes		2,517		115,272		(108,411)		(2,036)		7,342
Clubs		6,417		32,328		(25,992)		51		12,804
Departments		16,834		32,801		(38,069)		(2,151)		9,415
Trust Funds		14,488		38,200		(39,577)		2,635		15,746
General		16,424		5,161		(10,939)		3,271		13,917
									•	•
TOTALS	\$	116,047	\$	371,826	\$	(362,295)	\$	-	\$	125,578

DESTIN MIDDLE SCHOOL AT REGATTA BAY

	Inv	Cash and restments ly 1, 2015	F	Receipts	Dis	bursements	Tr	Net ansfers	Inv	ash and estments e 30, 2016
Athletics	\$	64,675	\$	234,334	\$	(220,433)	\$	198	\$	78,774
Music		27,276		88,815		(80,299)		86		35,878
Classes		17,587		30,284		(28,541)		572		19,902
Clubs		7,556		20,408		(9,654)		(363)		17,947
Departments		12,693		14,748		(11,601)		(2,763)		13,077
Trust Funds		25,908		30,038		(43,534)		1,968		14,380
General		25,854		19,552		(16,531)		302		29,177
TOTALS	\$	181,549	\$	438,179	\$	(410,593)	\$	-	\$	209,135

CLIFFORD MEIGS MIDDLE SCHOOL

	Cash and Investments July 1, 2015			Receipts Disbursemen				Net Transfers		estments 30, 2016
Athletics	\$	14,356	\$	107,734	\$	(104,721)	\$	(1,917)	\$	15,452
Music		22,835		46,061		(50,804)		(200)		17,892
Classes		2,425		1,934		(1,767)		-		2,592
Clubs		3,846		10,589		(8,192)		17		6,260
Departments		3,289		8,319		(9,975)		1,273		2,906
Trust Funds		1,205		10,336		(9,997)		1,239		2,783
General		9,361		19,762		(14,329)		(412)		14,382
TOTALS	\$	57,317	\$	204,735	\$	(199,785)	\$	-	\$	62,267

W. C. PRYOR MIDDLE SCHOOL

		ash and estments						Net		ash and estments	
	July	y 1, 2015	F	Receipts		Disbursements		Transfers		June 30, 2016	
Athletics	\$	47,251	\$	116,940	\$	(100,960)	\$	(7,969)	\$	55,262	
Music		5,512		25,679		(25,156)		(2,095)		3,940	
Classes		6,783		69,031		(70,216)		(326)		5,272	
Clubs		7,469		16,005		(11,815)		(2,012)		9,647	
Departments		4,430		12,986		(8,210)		(2,347)		6,859	
Trust Funds		10,933		23,170		(31,115)		9,282		12,270	
General		3,870		6,189		(9,766)		5,467		5,760	
TOTALS	\$	86,248	\$	270,000	\$	(257,238)	\$	-	\$	99,010	

C. W. RUCKEL MIDDLE SCHOOL

Cash and Investments July 1, 2015			Receipts Disbursements					Net ansfers	Cash and Investments June 30, 2016	
Athletics	\$	92,190	\$	242,256	\$	(236,878)	\$	(2,602)	\$	94,966
Music	,	51,324	•	149,612	,	(144,441)	•	459		56,954
Classes		14,228		12,452		(13,332)		513		13,861
Clubs		19,001		19,246		(11,716)		(566)		25,965
Departments		8,641		100,550		(100,534)		817		9,474
Trust Funds		44,692		123,584		(118,129)		(531)		49,616
General		30,244		17,192		(25,807)		1,910		23,539
TOTALS	\$	260,320	\$	664,892	\$	(650,837)	\$	-	\$	274,375

SHOAL RIVER MIDDLE SCHOOL

	Cash and Investments July 1, 2015			Receipts	bursements	Tr	Net ansfers	Cash and Investments June 30, 2016		
Athletics	\$	31,775	\$	93,420	\$	(96,992)	\$	1,101	\$	29,304
Music		12,063		80,885		(79,798)		(1,642)		11,508
Classes		2,866		38,339		(37,643)		(1,679)		1,883
Clubs		4,787		12,473		(9,415)		(4,281)		3,564
Departments		17,835		22,807		(27,167)		(569)		12,906
Trust Funds		6,304		28,801		(24,903)		2,146		12,348
General		3,327		10,475		(10,828)		4,924		7,898
									•	
TOTALS	\$	78,957	\$	287,200	\$	(286,746)	\$	-	\$	79,411

CHOCTAWHATCHEE SENIOR HIGH SCHOOL

	Inv	Cash and restments y 1, 2015	nents		Disbursements			Net ransfers	Cash and Investments June 30, 2016	
Athletics	\$	57,019	\$	637,304	\$	(641,052)	\$	(15,287)	\$	37,984
Music		49,080		330,290		(290,815)		6,506		95,061
Classes		3,263		30,011		(31,972)		(259)		1,043
Clubs		23,833		138,932		(128,612)		10,382		44,535
Departments		10,827		27,311		(29,238)		257		9,157
Trust Funds		48,240		83,378		(115,686)		7,123		23,055
General		56,613		16,488		(16,790)		(8,722)		47,589
	•								•	
TOTALS	\$	248,875	\$	1,263,714	\$	(1,254,165)	\$	-	\$	258,424

CRESTVIEW SENIOR HIGH SCHOOL

	Inv	Cash and restments ly 1, 2015	F	Receipts	Dis	bursements	Tr	Net ansfers	Inv	ash and estments a 30, 2016
Athletics	\$	41,095	\$	516,686	\$	(454,618)	\$	(4,734)	\$	98,429
Music	7	39,074	τ	459,688	*	(493,666)	*	(704)	*	4,392
Classes		6,906		64,022		(62,064)		352		9,216
Clubs		50,100		101,455		(88,733)		(2,983)		59,839
Departments		25,247		26,254		(23,299)		(591)		27,611
Trust Funds		66,525		75,142		(90,697)		8,459		59,429
General		13,870		17,369		(10,042)		201		21,398
TOTALS	\$	242,817	\$	1,260,616	\$	(1,223,119)	\$	-	\$	280,314

FORT WALTON BEACH SENIOR HIGH SCHOOL

	Inv	Cash and restments by 1, 2015	F	Receipts	Dis	sbursements	Т	Net ransfers	Inv	estments e 30, 2016
		·		•						·
Athletics	\$	133,186	\$	709,218	\$	(648,178)	\$	(26,972)	\$	167,254
Music		16,052		219,895		(205,476)		(12,292)		18,179
Classes		1,262		30,423		(32,174)		763		274
Clubs		37,117		233,520		(232,640)		(1,161)		36,836
Departments		18,840		45,541		(36,597)		(5,688)		22,096
Trust Funds		37,367		35,857		(85,676)		43,234		30,782
General		24,071		29,658		(41,677)		2,116		14,168
TOTALS	\$	267,895	\$	1,304,112	\$	(1,282,418)	\$	-	\$	289,589

NICEVILLE SENIOR HIGH SCHOOL

	Inv	cash and restments	_		D'-	.	_	Net	Inv	estments
	Jui	y 1, 2015	<u> </u>	Receipts	DIS	bursements	<u>'</u>	ransfers	Jun	e 30, 2016
Athletics	\$	328,174	\$	912,920	\$	(895,429)	\$	(19,051)	\$	326,614
Music		137,941		982,714		(905,370)		(21,586)		193,699
Classes		4,346		23,497		(21,880)		(2,672)		3,291
Clubs		74,164		247,722		(225,061)		(22,033)		74,792
Departments		57,537		101,746		(79,758)		3,005		82,530
Trust Funds		120,187		82,132		(108,490)		62,899		156,728
General		22,047		18,386		(26,207)		(562)		13,664
TOTALS	\$	744,396	\$	2,369,117	\$	(2,262,195)	\$	-	\$	851,318

BAKER SCHOOL

	Inv	Cash and estments y 1, 2015	F	Receipts	Dis	bursements	T	Net ransfers	Inv	cash and estments e 30, 2016
Athletics	\$	31,558	\$	261,785	\$	(232,663)	\$	(15,608)	\$	45,072
Music	•	599	•	115,468		(82,584)	•	(23,418)	•	10,065
Classes		16,634		44,256		(32,804)		(8,495)		19,591
Clubs		12,346		46,835		(39,670)		20,282		39,793
Departments		23,910		37,510		(33,113)		(12,158)		16,149
Trust Funds		24,479		77,113		(102,510)		38,371		37,453
General		12,872		14,923		(22,065)		1,026		6,756
TOTALS	\$	122,398	\$	597,890	\$	(545,409)	\$	-	\$	174,879

OKALOOSA TECHNICAL COLLEGE & CHOICE HIGH SCHOOL

		Cash and restments						Net		Cash and restments
	Jul	ly 1, 2015	F	Receipts Disbursements Tran		Transfers		e 30, 2016		
Agriculture Health	\$	-	\$	-	\$	-	\$	-	\$	-
Occupations Industrial		55,481		96,636		(94,031)		699		58,785
Education Business/		202,911		221,550		(228,913)		(6,663)		188,885
Office		8,854		15,366		(15,019)		-		9,201
Culinary Arts		116		5,315		(2,266)		(26)		3,139
Misc. Classes		3,270		5,185		(5,141)		-		3,314
Trust Funds		1,543		76,994		(71,803)		(834)		5,900
General		4,702		16,346		(16,261)		6,824		11,611
TOTALS	\$	276,877	\$	437,392	\$	(433,434)	\$	-	\$	280,835

LAUREL HILL SCHOOL

	Inve	ash and estments y 1, 2015	F	Receipts	Dis	bursements	Tra	Net ansfers	Inv	ash and estments e 30, 2016
Athletics	\$	6,850	\$	74,139	\$	(73,543)	\$	160	\$	7,606
Music	•	1,117	•	1,831	•	(2,368)	•	56	•	636
Classes		7,242		33,052		(28,838)		(36)		11,420
Clubs		11,741		26,359		(23,086)		(100)		14,914
Departments		9,902		6,821		(6,905)		50		9,868
Trust Funds		6,351		11,384		(11,916)		(81)		5,738
General		5,054		7,091		(7,049)		(49)		5,047
TOTALS	\$	48,257	\$	160,677	\$	(153,705)	\$	-	\$	55,229

ADDIE R. LEWIS SCHOOL

	Inv	Cash and restments y 1, 2015	F	Receipts	Dis	bursements	Tı	Net ransfers	Inv	estments e 30, 2016
Athletics	\$	39,366	\$	76,958	\$	(82,050)	\$	(2,639)	\$	31,635
Music		6,666		22,948		(25,400)		70		4,284
Classes		2,506		14,841		(14,040)		43		3,350
Clubs		5,963		10,082		(10,215)		(1,219)		4,611
Departments		10,060		16,845		(12,174)		(1,348)		13,383
Trust Funds		31,381		20,960		(31,118)		5,144		26,367
General		8,449		8,758		(6,190)		(51)		10,966
TOTALS	\$	104,391	\$	171,392	\$	(181,187)	\$	-	\$	94,596

LANCE C. RICHBOURG SCHOOL

	C	ash and							C	ash and
	Inve	estments					N	et	Inv	estments
	July	, 1, 2015	R	eceipts	Disk	oursements	Tran	sfers	Jun	e 30, 201 6
Classes	\$	3,463	\$	8,152	\$	(3,894)	\$	-	\$	7,721
Departments		1,586		6,884		(5,311)		-		3,159
Trust Funds		80,613		46,257		(6,449)		-		120,421
General		1,736		2,120		(1,619)		-		2,237
TOTALS	\$	87,398	\$	63,413	\$	(17,273)	\$	-	\$	133,538

OKALOOSA STEMM ACADEMY

	C	ash and							Ca	ash and
	Inv	estments						Net	Inve	estments
	July	y 1, 2015	R	eceipts	Disk	oursements	Tr	ansfers	June	30, 2016
Classes	\$	315	\$	651	\$	(661)	\$	-	\$	305
Clubs		1,025		3,476		(3,374)		-		1,127
Departments		31		-		-		-		31
Trust Funds		10,413		49,642		(38,977)		(1,624)		19,454
Field Trips		-		4,995		(5,103)		129		21
General		1,710		4,029		(5,126)		1,495		2,108
		-		-				-		
TOTALS	\$	13,494	\$	62,793	\$	(53,241)	\$	-	\$	23,046

SILVER SANDS SCHOOL

	Inv	Cash and vestments ly 1, 2015	R	eceipts	Disk	oursements	1	Net Transfers	Inv	Cash and restments e 30, 2016
Athletics	\$	912	\$	1,768	\$	(741)	\$	(81)	\$	1,858
Music		18		-	-	-	-	-	-	18
Classes		13,844		8,277		(4,232)		(2,292)		15,597
Clubs		735		999		(1,089)		-		645
Departments		1,373		100		(365)		(386)		722
Trust Funds		17,187		23,705		(27,635)		132,930		146,187
General		133,898		60,738		(21,389)		(130,171)		43,076
			•		•				•	
TOTALS	\$	167,967	\$	95,587	\$	(55,451)	\$	-	\$	208,103

SOUTHSIDE PRIMARY SCHOOL

	C	ash and							C	ash and
	Inv	estments						Net	Inve	estments
	Jul	y 1, 2015	R	eceipts	Disk	oursements	Tr	ansfers	June	30, 2016
Music	\$	-	\$	794	\$	(1,271)	\$	638	\$	161
Classes		3,511		19,824		(14,924)		(3,884)		4,527
Departments		866		11,917		(12,059)		1,029		1,753
Trust Funds		714		7,040		(14,567)		7,934		1,121
General		8,066		33,799		(28,666)		(5,717)		7,482
TOTALS	\$	13,157	\$	73,374	\$	(71,487)	\$	-	\$	15,044



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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, 2016, and the related notes to the financial statement, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2016.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Management Letter as items MLC 2016-01 through MLC 2016-04.

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, LLC

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

Miramar Beach, Florida November 8, 2016



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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, 2016, and have issued our report thereon dated November 8, 2016.

Auditors' 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 Auditors' 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* and our Independent Accountant's Report in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in that report which is dated November 8, 2016, 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 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.

Pursuant to sections 10.804(1)(f)5.a. and 10.805(7), Rules of the Auditor General, we applied financial condition assessment procedures for the 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 shall prominently post on their Web site 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, Florida Statutes.

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 2016-01 through MLC 2016-04 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, LLC

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

Miramar Beach, Florida November 8, 2016

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

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

CONTROL RATI	ING AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2016-01 IF	Transactions The Red Book Chapter 8, Section In Paragraph 1. States, "All adequate system of internal control shall be maintained in order to safeguard the assets of the school internal funds." It recent years, all schools have beguint to use District Visic cards for many of their purchases. The District finance office covered proper procedure relating to credic card transactions. These were established as part of TAM 2015-021. That TAM include the process of reconciling the Casl Transmittal Form, a copy of the Visic statement, the appropriate invoices, and the related check requisition form for each month Visa purchases.	procedures, we selected a sample of 25 disbursements on which we tested compliance with State and District policies. This sample included 5 disbursements for charges on the District Visa card. A majority of those disbursements (4 out of 5) could not easily be tied from the District Visa statement to copies of pertinent invoices and ultimately to the applicable check requisitions authorized by the appropriate sponsor. We were able to determine that most of the charges on each statement could be matched with invoices and requisitions, but for some of the items, we were unable to match the charges and invoices with the underlying check requisitions.	We recommend the bookkeeper, as part of her monthly reconciliation of District Visa card charges, identify and document any discrepancies between the charges on the statement, the underlying invoices, and the check requisition forms completed by the appropriate teacher/sponsor. This would ensure that the authorization and appropriateness of the credit card transactions are more easily identifiable. Charges paid through the credit card should have the same level of controls as those paid with a check. Any differences between the invoice amounts and check requisition amounts should be noted, so that the accounting trail is easier to follow.	See management's response at the end of the report.

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

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2016-02	IP	Bank Deposits The Red Book, Chapter 8, Section III, Paragraph 1.4(d) states, "All deposits must equal the total amount of money taken in and recorded on receipts for the period covered by the deposit." Paragraph 1.4(e) 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.	During our current audit, we noted 2 instances out of a sample of 15 where the validated deposit slip from the bank did not agree to the amounts verified on the accompanying MCFs. The bookkeeper was notified by the bank that these two amounts were not in agreement.	We recommend the money be counted by the teacher/sponsor or other witness and bookkeeper and any discrepancies should be discussed with the teacher or sponsor collecting the funds. We also recommend being more diligent in counting funds with the teacher/sponsor or other witness, so that additional errors are not identified by the bank.	See management's response at the end of the report.

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

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2016-03	IP	Improper Completion of Check Requisition/ Transfer Form (MIS 4003) The Okaloosa County School District Internal Accounting Manual (Internal Accounting Manual), Section 1.142 Check Requisition/ Transfer Form (MIS 4003) states, "Any expenditure that a teacher or sponsor wishes to make must be requested on this form. The form is initiated by the teacher or sponsor desiring to make 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 current audit, we noted a total of 3 instances out of a sample of 15 where the Check Requisition/ Transfer Form was not appropriately completed. In one of these instances, the check requisition was not present. In the second instance, the check amount did not agree to the amount on the check requisition. In the final instance, the check requisition form was dated subsequent to the issuance of the check.	We recommend the Check Requisition/ Transfer Form (MIS 4003) be completed by the teacher/ sponsor wishing to make the expenditure and given to the school principal for approval prior to the check being issued for every disbursement. In the event there is a change in the dollar amount of the invoice, the teacher/ sponsor should update the check requisition form and initial noting the authorization of additional funds to be transferred from the account.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Shoal River Middle School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2016-04	IP	Athletic Tickets The Okaloosa County School District Internal Account Manual, Section 1.130 Admission Tickets states "Pre-numbered admission tickets are to be used as a means of cash control for all events to which admission is charged, including season tickets. All tickets used for an event must be noted on the 'Ticket Inventory Ledger' (MIS 3400). Stocks of unused tickets must be stored in a secure location."	During our audit, we noted the ticket inventory ledger for ticket roll number 700001 – 701000 (white) was not properly completed. The ticket inventory ledger showed no activity, while the first ticket number on the roll identified as part of our audit procedures was 700354. We were able to trace the sale of 43 of the tickets to an unreported activity event ticket seller's report for a girls' basketball game. The school could not locate any other ticket seller's reports or any other supporting documentation for the remaining 310 tickets.	We recommend that all tickets used for an event be noted on the "Ticket Inventory Ledger" and the unused tickets reconciled to this ledger on a monthly basis.	See management's response at the end of the report.



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 ACCOUNTANTS' REPORT

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

We have examined Okaloosa County District School Board's School Internal Funds' compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended June 30, 2016. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2016.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

CARR, RIGGS & INGRAM, LLC

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

Miramar Beach, Florida November 8, 2016

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

November 8, 2016

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

In response to Destin Elementary's 2015-2016 year audit.

- Finding- disbursements for the District Visa card could not be easily tied to the invoices and District Visa Statement.
- Response- All Visa receipts/invoices are kept in the Visa notebook as a complete packet. Since our last audit, copies of invoices have been added to the Visa statement, check stub and check requisitions in the internal folder as well as the Visa notebook. There will no longer be any confusion in the future concerning the Visa charges.

Sincerely.

Al Gardner Principal



Shalimar Elementary School



1350 Joe Martin Circle Shalimar, FL 32579

Phone (850) 833-4339 Fax (850) 833-4357

Mrs. Kim McSparren, Principal

Mrs. K Armstrong, Assistant Principal

11/8/2016

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

To Whom It May Concern:

In response to the findings from the 2015-2016 internal audit:

Finding:

2 instances of validated deposit slips did not agree to the amounts verified on the MCFs

Response:

- 1st instance the bank counted monies over the MCF of \$100. The money had been verified by multiple sources at the school level. In the future, if possible, the bookkeeper or her backup will sit at the bank for large quantities of cash to ensure counting of the monies is correct.
- 2nd instance .40¢ was inadvertently left off a deposit slip from a check. The bank caught the error and
 the amount was adjusted. The bookkeeper will be more diligent in cross checking checks with recorded
 amounts on MCFs.

Finding:

3 instances of check requisition/transfer forms were not appropriately completed.

Response:

- 1st instance check requisition was not present. This is was a new policy change and was inadvertently overlooked. We have reviewed all policies and procedures in regard to requisition forms to insure this does not happen again.
- 2. 2nd instance check amount was different than the check on the check requisition. This was a program where Yo-yos were sold for a special program the NED show. All monies collected went directly to the NED program. Additional monies came in after the check requisition was completed. The correct amount was sent to the company so that 100% of monies were sent. We will be more diligent in the future with monies all being on a monies collected form, even when monies go directly to an organization.
- 3rd instance check requisition form was dated after the date of the check. This was a clerical error on the part of the bookkeeper. We will be more diligent in cross referencing dates on all documents.

We appreciate you diligent effort in locating these items so that we can continue to pursue 100% compliance in the future. We have made corrections and the bookkeeper is now using the "Manual Deposit Slip" program recommending by Okaloosa County Finance.

Sincerely,

Mrs. Kim McSparren

SHOAL RIVER MIDDLE SCHOOL

3200 Redstone Avenue East, Crestview, FL 32539 850-689-7229

Gary Massey Principal

Dr. Cheryl SealsAssistant Principal

Dr. Belinda Small Assistant Principal



Candace Boldin School Counselor

Lisa Tucker School Counselor

July 20, 2016

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

Dear Ms. Pollock,

Due to the findings of our audit of Internal Funds on July 19, 2016, it was noted that the ticket inventory ledger showed no activity for one of our rolls of tickets. There were two activities that used this roll of tickets.

- 1. Forty three tickets were reported on a Ticket Seller's Report, but were not recorded on the Ticket Inventory Report in error.
- 2. The remaining three hundred and ten tickets on the roll were not recorded on the Ticket Seller's Report or the Ticket Inventory Report. These tickets were used for a "Pie in the Face" fundraiser that took place over several weeks. The tickets were sold and the funds deposited in a timely manner.

To correct these findings, the Bookkeeper will keep duplicate copies of every Ticket Seller's Report issued to the sponsor/teacher and follow up accordingly. In addition, the Ticket Inventory Report and unused tickets will be reconciled monthly.

Sincerely,

Debbie Brown, Bookkeeper

Gary Massey, Principal