Okaloosa County District School Board School Internal Funds

FINANCIAL STATEMENTS (AND SUPPLEMENTARY INFORMATION)

June 30, 2020



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INDEPENDENT AUDITORS' REPORT

To the Okaloosa County District School Board and Marcus Chambers, Superintendent of Schools Fort Walton Beach, Florida

Report on the Financial Statement

We have audited the accompanying Statement of Fiduciary Net Position of the Okaloosa County District School Board School Internal Funds as of June 30, 2020, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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 the financial statement 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 statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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, 2020, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, 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, 2020 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, 2020, 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 October 12, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Okaloosa County District School Board School Internal Funds 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

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

Miramar Beach, Florida October 12, 2020

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

June 30,	2020
Assets	
Cash and cash equivalents Investments	\$ 3,163,957 1,730,793
Total assets	\$ 4,894,750
Liabilities	
Accounts payable Credit cards payable Internal accounts payable	\$ 47,798 38,324 4,808,628
Total liabilities	\$ 4,894,750

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Fund Financial Statements

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's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in Section I50: Investments to qualify to elect to measure their investments at amortized cost. Accordingly, the fair value of the City's position in the pool is equal to the value of the pooled shares.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 12, 2020 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

As of June 30, 2020, a portion of the District's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes.

The investment program is established in accordance with the District's investment policy and Section 218.45, Florida Statutes, which allows the District to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds and accounts of state qualified public depositories.

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

June 30,	2020	Credit Risk	Maturities
Certificates of deposit State Board of Administration Florida PRIME	\$ 757,213 973,580	n/a S&P AAAm	Various through February 2024 53 days
Total investments	\$ 1,730,793	_	

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

The District holds funds in the Florida PRIME investment pool managed by the Florida State Board of Administration. As a participant in this pool, the District follows GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in the statement. Florida PRIME indicates that it meets the qualifications the standard requires. Accordingly, the investment in Florida PRIME is reported at amortized cost.

There are no limitations or restrictions on withdrawals from Florida PRIME, although, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the fund's executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

The District also holds funds in various certificates of deposit. These investments are considered nonparticipating interest-earning investment contracts and are reported at amortized cost.

Interest rate risk — Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. 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.

Credit risk — Section I50: Investments of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. The District's investment policy does not specifically address credit risk.

Concentration risk — Section 150: Investments of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The District's investment policy does not address concentration risk.

NOTE 3: CONTINGENCY

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Foundation. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



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 Applied Technical College and 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	Cash and vestments ly 1, 2019	R	Receipts	Disl	oursements	Т	Net ransfers	lnv	estments e 30, 2020
Music	Ļ	245	۲	4 220	Ļ	/701\	¢	(2 172)	Ļ	711
Music	\$	345	\$	4,320	\$	(781)	\$	(3,173)	\$	711
Classes		1,309		20,973		(17,833)		(2,725)		1,724
Clubs		3,955		-		-		-		3,955
Departments		68,358		95,749		(61,118)		(15,339)		87,650
Trust Funds		27,130		66,629		(83,062)		16,127		26,824
General		17,911		10,580		(8,627)		5,110		24,974
TOTALS	\$	119,008	\$	198,251	\$	(171,421)	\$	-	\$	145,838

BLUEWATER ELEMENTARY SCHOOL

	_	ash and restments						Net	_	ash and restments
	Jul	y 1, 2019	R	Receipts	Disl	Disbursements		ransfers	June 30, 2020	
Music	\$	13,904	\$	1,644	\$	(1,268)	\$	(948)	\$	13,332
Classes		1,519		26,024		(21,846)		(1,558)		4,139
Departments		9,285		23,958		(19,171)		(6,157)		7,915
Trust Funds		62,271		170,243		(173,538)		13,988		72,964
General		30,186		25,504		(27,313)		(5,325)		23,052
TOTALS	\$	117,165	\$	247,373	\$	(243,136)	\$	-	\$	121,402

BOB SIKES ELEMENTARY SCHOOL

	Inv	eash and restments by 1, 2019	R	Receipts	Disk	oursements	Tr	Net ansfers	Inv	estments e 30, 2020
Music	\$	831	\$	746	\$	-	\$	(1,458)	\$	119
Classes		12,548		43,317		(40,496)		4,050		19,419
Clubs		12,599		36,925		(30,590)		(7,982)		10,952
Departments		3,996		12,544		(9,507)		8,846		15,879
Trust Funds		92,590		50,903		(49,926)		2,820		96,387
General		10,299		20,551		(9,586)		(6,276)		14,988
TOTALS	\$	132,863	\$	164,986	\$	(140,105)	\$	-	\$	157,744

DESTIN ELEMENTARY SCHOOL

	_	ash and restments						Net	_	ash and estments
	Jul	ly 1, 2019	R	eceipts	Disl	oursements	Т	ransfers	Jun	e 30, 2020
Music	\$	1,618	\$	620	\$	(294)	\$	(42)	\$	1,902
Classes		25,358		55,139		(53,910)		8,960		35,547
Departments		58,979		13,723		(23,713)		12,559		61,548
Trust Funds		134,287		197,739		(158,062)		(14,882)		159,082
General		61,123		17,810		(18,233)		(6,595)		54,105
TOTALS	\$	281,365	\$	285,031	\$	(254,212)	\$	-	\$	312,184

LULA J. EDGE ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2019	R	Receipts	Disk	oursements	Tı	Net ransfers	Inv	ash and estments e 30, 2020
Music	\$	1,285	\$	305	\$	-	\$	(314)	\$	1,276
Classes		11,179		16,198		(12,470)		1,153		16,060
Clubs		6,804		3,390		(1,433)		-		8,761
Departments		18,756		18,769		(14,382)		(1,160)		21,983
Trust Funds		25,360		60,368		(70,234)		5,300		20,794
General		19,998		3,136		(6,585)		(4,979)		11,570
TOTALS	\$	83,382	\$	102,166	\$	(105,104)	\$	-	\$	80,444

ANNETTE P. EDWINS ELEMENTARY SCHOOL

	Inve	esh and estments y 1, 2019	R	eceipts	Disb	oursements	Tr	Net ansfers	Inv	ash and estments e 30, 2020
Music	\$	11,933	\$	8,370	\$	(5,113)	\$	(7,105)	\$	8,085
Classes	Ą	743	۲	1,445	Ą	(1,093)	Ą	(320)	۲	775
Clubs		975		4,439		(1,630)		(1,518)		2,266
				•		. , ,				•
Departments		2,666		4,484		(2,149)		614		5,615
Trust Funds		11,848		14,353		(27,675)		12,089		10,615
General		18,203		12,032		(6,821)		(3,760)		19,654
TOTALS	\$	46,368	\$	45,123	\$	(44,481)	\$	-	\$	47,010

EGLIN ELEMENTARY SCHOOL

		ash and estments						Net	_	ash and estments
	July	y 1, 2019	R	eceipts	Disb	ursements	Transfers		June 30, 2020	
Music	\$	304	\$	610	\$	_	\$	(343)	\$	571
Classes	Ş	5,127	Ş	26,032	Ş	- (17,110)	Ą	(3,972)	Ş	10,077
Departments		15,636		7,380		(6,834)		(1,532)		14,650
Trust Funds		12,094		32,895		(40,331)		10,412		15,070
General		10,972		9,232		(10,294)		(4,565)		5,345
		•	•	•			•		•	
TOTALS	\$	44,133	\$	76,149	\$	(74,569)	\$	-	\$	45,713

ELLIOTT POINT ELEMENTARY SCHOOL

	Inve	estments y 1, 2019	D	eceipts	Dich	oursements	т,	Net ansfers	Inv	estments as 30, 2020
	July	y 1, 2019	N	eceipts	ואוט	Juisements		alisieis	Julie	30, 2020
Music	\$	1,713	\$	932	\$	(992)	\$	717	\$	2,370
Classes		6,177		15,782		(12,305)		(4,078)		5,576
Departments		13,021		35,527		(22,380)		(9,271)		16,897
Trust Funds		4,940		36,070		(38,913)		13,599		15,696
General		9,861		3,578		(7,118)		(967)		5,354
TOTALS	\$	35,712	\$	91,889	\$	(81,708)	\$	-	\$	45,893

FLOROSA ELEMENTARY SCHOOL

	Inve	estments 1, 2019	R	eceipts	Disb	oursements	Tı	Net ansfers	Inv	estments as 30, 2020
			_		_	(10.1)	_		_	
Music	\$	-	\$	687	\$	(124)	\$	-	\$	563
Classes		1,542		8,000		(7,683)		(968)		891
Clubs		1,909		2,848		(2,598)		(886)		1,273
Departments		3,962		5,661		(5,966)		(1,604)		2,053
Trust Funds		3,461		44,620		(38,980)		(3,720)		5,381
General		5,158		8,318		(12,670)		7,178		7,984
			•							
TOTALS	\$	16,032	\$	70,134	\$	(68,021)	\$	-	\$	18,145

KENWOOD ELEMENTARY SCHOOL

	Inv	Cash and vestments by 1, 2019	F	Receipts	Disb	oursements	Tr	Net ansfers	Inv	ash and restments e 30, 2020
		4.46								4.46
Music	\$	146	\$	-	\$	-	\$	-	\$	146
Classes		13,768		9,870		(9,230)		3,001		17,409
Clubs		2,955		5,025		(3,850)		(653)		3,477
Departments		25,608		15,737		(11,581)		(5,333)		24,431
Trust Funds		30,945		68,958		(61,218)		2,401		41,086
General		29,035		9,089		(9,203)		584		29,505
						<u> </u>				
TOTALS	\$	102,457	\$	108,679	\$	(95,082)	\$	-	\$	116,054

LONGWOOD ELEMENTARY SCHOOL

		ash and estments						Net		ash and estments
	July	y 1, 2019	R	eceipts	Disb	ursements	Tı	ransfers	June	30, 2020
Music	\$	553	\$	436	\$	(151)	\$	(413)	\$	425
Classes		17,306	•	9,383	,	(3,934)	•	(9,666)	•	13,089
Departments		4,544		4,318		(3,102)		(1,683)		4,077
Trust Funds		6,865		34,821		(42,425)		14,343		13,604
General		5,989		6,969		(6,313)		(2,581)		4,064
					•			•		
TOTALS	\$	35,257	\$	55,927	\$	(55,925)	\$	-	\$	35,259

MARY ESTHER ELEMENTARY SCHOOL

	Inve	estments 1, 2019	R	eceipts	Dish	oursements	Tı	Net ansfers	Inv	ash and estments e 30, 2020
	July	1, 2013		cccipts	D130	, arsements		unsicis	Jan	30, 2020
Classes	\$	506	\$	6,127	\$	(3,139)	\$	(2,757)	\$	737
Clubs		1,120		1,523		(1,022)		21		1,642
Departments		3,670		5,778		(5 <i>,</i> 757)		(371)		3,320
Trust Funds		21,630		40,094		(43,564)		5,188		23,348
General		1,999		6,079		(5,229)		(2,081)		768
TOTALS	\$	28,925	\$	59,601	\$	(58,711)	\$	-	\$	29,815

NORTHWOOD ELEMENTARY SCHOOL

	Inve	estments 1, 2019	R	eceipts	Disk	oursements	Tı	Net ransfers	Inv	estments a 30, 2020
Classes	\$	5,793	\$	32,306	\$	(28,386)	\$	(2,002)	\$	7,711
Departments	Ą	6,417	۲	23,341	۲	(16,502)	۲	(4,109)	Ą	9,147
Trust Funds		20,987		31,083		(39,522)		5,116		17,664
General		10,528		7,797		(6,817)		995		12,503
										<u> </u>
TOTALS	\$	43,725	\$	94,527	\$	(91,227)	\$	-	\$	47,025

JAMES E. PLEW ELEMENTARY SCHOOL

	Inv	ash and estments y 1, 2019	F	Receipts	Dis	bursements	Tı	Net ransfers	Inv	e 30, 2020
Music	\$	676	\$	180	\$	(369)	\$	(215)	\$	272
Classes		15,645		54,086		(47,999)		(7,421)		14,311
Clubs		3,905		-		-		(3,905)		-
Departments		15,483		17,168		(16,551)		(3,035)		13,065
Trust Funds		21,364		55,865		(71,198)		1,309		7,340
General		61,530		8,015		(4,382)		13,267		78,430
TOTALS	\$	118,603	\$	135,314	\$	(140,499)	\$	-	\$	113,418

RIVERSIDE ELEMENTARY SCHOOL

	Inve	esh and estments y 1, 2019	R	eceipts	Disb	oursements	Tı	Net ransfers	Inv	ash and estments e 30, 2020
Music	\$	955	\$	692	\$	_	\$	(930)	\$	717
Classes	т	2,904	,	17,449	•	(13,519)	7	(4,863)	т	1,971
Clubs		1,769		1,013		(406)		(139)		2,237
Departments		7,729		38,134		(25,760)		(1,542)		18,561
Trust Funds		12,764		33,203		(41,130)		12,186		17,023
General		17,053		4,331		(8,932)		(4,712)		7,740
TOTALS	\$	43,174	\$	94,822	\$	(89,747)	\$	-	\$	48,249

SHALIMAR ELEMENTARY SCHOOL

	Inve	esh and estments y 1, 2019	F	Receipts	Disl	oursements	Tr	Net ansfers	Inv	estments e 30, 2020
Music	\$	68	\$	465	\$	-	\$	(256)	\$	277
Classes	•	2,098	•	13,330	•	(13,621)	•	(504)	•	1,303
Clubs		232		1,339		(820)		(66)		685
Departments		5,499		17,974		(11,377)		(8,400)		3,696
Trust Funds		49,821		65,401		(70,208)		12,624		57,638
General		16,939		19,934		(10,278)		(3,398)		23,197
TOTALS	\$	74,657	\$	118,443	\$	(106,304)	\$	-	\$	86,796

WALKER ELEMENTARY SCHOOL

	Inve	estments 1, 2019	R	Receipts	Disb	ursements	Tı	Net ansfers	Inv	estments ash 2020
Music	\$	269	\$	917	\$	-	\$	(586)	\$	600
Classes		4,690		5,952		(5,388)		4,245		9,499
Clubs		614		3,645		(2,693)		(1,506)		60
Departments		3,845		19,809		(17,346)		(940)		5,368
Trust Funds		15,842		75,344		(60,107)		(44)		31,035
General		19,365		1,332		(7,955)		(1,169)		11,573
TOTALS	\$	44,625	\$	106,999	\$	(93,489)	\$	-	\$	58,135

WRIGHT ELEMENTARY SCHOOL

	Inve	estments 1, 2019	R	eceipts	Disl	oursements	T	Net ransfers	Inv	ash and estments e 30, 2020
		200	_		_	(20)	_			250
Music	\$	288	\$	-	\$	(30)	\$	-	\$	258
Classes		6,691		31,015		(31,094)		(177)		6,435
Clubs		1,864		-		-		164		2,028
Departments		11,021		14,987		(9,411)		(2,176)		14,421
Trust Funds		27,833		29,329		(34,454)		3,565		26,273
General		3,570		5,192		(3,097)		(1,376)		4,289
	•	•	•						•	
TOTALS	\$	51,267	\$	80,523	\$	(78,086)	\$	-	\$	53,704

MAX BRUNER, JR. MIDDLE SCHOOL

	Inv	estments y 1, 2019	F	Receipts	Disl	oursements	Т	Net ransfers	Inv	ash and estments e 30, 2020
Athletics	\$	12,158	\$	89,147	\$	(77,144)	\$	(15,163)	\$	8,998
Music		26,083		34,483		(25,856)		(12,343)		22,367
Classes		1,060		75,376		(73,840)		(2,086)		510
Clubs		17,086		38,134		(31,039)		(13,604)		10,577
Departments		7,134		9,222		(5,600)		(8,186)		2,570
Trust Funds		1,482		15,954		(66,453)		50,845		1,828
General		2,919		6,324		(8,863)		537		917
TOTALS	\$	67,922	\$	268,640	\$	(288,795)	\$	-	\$	47,767

DAVIDSON MIDDLE SCHOOL

	lnv	estments yestments y 1, 2019	F	Receipts	Disl	bursements	Tr	Net ansfers	Inv	ash and estments e 30, 2020
Athletics Music Classes Clubs Departments Trust Funds	\$	42,716 41,571 2,257 14,257 17,114 9,785 15,299	\$	124,138 52,286 43,557 40,490 27,665 46,370 4,716	\$	(119,988) (49,503) (39,820) (28,639) (23,616) (61,515)	\$	(6,933) (1,802) (2,579) (8,564) (4,592) 23,083	\$	39,933 42,552 3,415 17,544 16,571 17,723
General TOTALS	\$	142,999	\$	339,222	\$	(7,182)	\$	<u>1,387</u> -	\$	14,220 151,958

DESTIN MIDDLE SCHOOL AT REGATTA BAY

	Inv	ash and restments by 1, 2019	F	Receipts	Dis	bursements	Tr	Net ansfers	Inv	ash and estments e 30, 2020
Athletics	\$	97,181	\$	228,164	\$	(211,291)	\$	(2,901)	\$	111,153
Music	•	40,270	·	27,557	•	(21,566)	•	(4,463)	•	41,798
Classes		20,672		16,805		(9,046)		(6,391)		22,040
Clubs		21,099		8,648		(9,147)		(7,025)		13,575
Departments		4,920		16,768		(8,718)		(7,808)		5,162
Trust Funds		15,318		62,638		(98,093)		28,655		8,518
General		10,210		3,924		(9,847)		(67)		4,220
									•	
TOTALS	\$	209,670	\$	364,504	\$	(367,708)	\$	-	\$	206,466

CLIFFORD MEIGS MIDDLE SCHOOL

	Cash and Investments July 1, 2019		R	Receipts	Disbursements		Net Transfers		Cash and Investments June 30, 2020	
Athletics	\$	38,959	\$	123,076	\$	(90,612)	\$	(28,720)	\$	42,703
Music	•	4,964	·	25,623	•	(11,074)	•	(7,659)	•	11,854
Classes		3,492		2,557		(2,352)		(2,036)		1,661
Clubs		9,386		5,649		(3,100)		(7,511)		4,424
Departments		1,559		14,643		(11,714)		1,966		6,454
Trust Funds		2,964		18,490		(65,038)		46,494		2,910
General		1,087		7,255		(4,126)		(2,534)		1,682
TOTALS	\$	62,411	\$	197,293	\$	(188,016)	\$	-	\$	71,688

W. C. PRYOR MIDDLE SCHOOL

	Cash and Investments July 1, 2019		Receipts Disb			oursements	Net Transfers		Cash and Investments June 30, 2020	
Athletics	\$	43,663	\$	75,171	\$	(61,114)	\$	(20,198)	\$	37,522
Music	·	707	•	24,696	·	(17,862)	·	(6,241)	·	1,300
Classes		4,453		111,797		(77,079)		(7,392)		31,779
Clubs		6,730		3,999		(3,858)		(1,003)		5,868
Departments		4,200		3,896		(3,181)		(1,607)		3,308
Trust Funds		10,273		72,366		(109,337)		39,112		12,414
General		4,299		11,928		(8,797)		(2,671)		4,759
TOTALS	\$	74,325	\$	303,853	\$	(281,228)	\$	-	\$	96,950

C. W. RUCKEL MIDDLE SCHOOL

	Cash and Investments July 1, 2019		F	Receipts	Disl	bursements	Net Transfers		Cash and Investments June 30, 2020	
Athletics	\$	147,722	\$	201,766	\$	(212,644)	\$	(7,149)	\$	129,695
Music		52,780		162,445		(154,565)		(6,456)		54,204
Classes		14,742		17,000		(18,982)		(1,201)		11,559
Clubs		29,548		9,404		(1,759)		(33)		37,160
Departments		39,052		115,859		(79,723)		(5,457)		69,731
Trust Funds		42,336		64,661		(80,048)		16,602		43,551
General		11,596		10,850		(14,146)		3,694		11,994
TOTALS	\$	337,776	\$	581,985	\$	(561,867)	\$	-	\$	357,894

SHOAL RIVER MIDDLE SCHOOL

	Cash and Investments July 1, 2019		R	Receipts	Disbursements		Net Transfers		Cash and Investments June 30, 2020	
Athletics	\$	37,722	\$	76,654	\$	(71,448)	\$	(2,687)	\$	40,241
Music	•	12,159	·	102,163	•	(104,847)	•	(3,878)	·	5,597
Classes		5,304		15,655		(13,919)		363		7,403
Clubs		2,616		14,905		(11,162)		(2,502)		3,857
Departments		8,508		8,381		(5,878)		(2,711)		8,300
Trust Funds		1,805		23,442		(30,655)		11,502		6,094
General		1,680		6,242		(6,453)		(87)		1,382
					•		•			
TOTALS	\$	69,794	\$	247,442	\$	(244,362)	\$	-	\$	72,874

CHOCTAWHATCHEE SENIOR HIGH SCHOOL

	Inv	estments y 1, 2019	F	Receipts	Disl	bursements	Т	Net ransfers	Inve	estments 2 30, 2020
Athletics	\$	32,055	\$	370,732	\$	(366,164)	\$	(35,697)	\$	926
Music	•	218	•	257,149	•	(191,553)	•	(61,627)	•	4,187
Classes		3,523		17,649		(11,968)		(8,304)		900
Clubs		18,355		101,578		(74,938)		(36,688)		8,307
Departments		7,711		24,236		(12,005)		(15,630)		4,312
Trust Funds		9,057		61,913		(241,562)		174,682		4,090
General		3,824		26,221		(6,898)		(16,736)		6,411
TOTALS	\$	74,743	\$	859,478	\$	(905,088)	\$	-	\$	29,133

CRESTVIEW SENIOR HIGH SCHOOL

	Inv	Cash and vestments ly 1, 2019	F	Receipts	Dis	bursements	Т	Net ransfers	Inv	ash and estments e 30, 2020
Athletics	\$	93,582	\$	379,871	\$	(414,793)	\$	(32,571)	\$	26,089
Music	*	18,803	τ	184,644	*	(172,384)	Τ.	(28,192)	*	2,871
Classes		7,565		79,048		(77,442)		822		9,993
Clubs		77,249		135,075		(99,568)		(11,556)		101,200
Departments		30,623		26,031		(21,348)		(6,019)		29,287
Trust Funds		45,706		63,767		(146,760)		82,596		45,309
General		18,087		15,321		(15,206)		(5,080)		13,122
	•				•					
TOTALS	\$	291,615	\$	883,757	\$	(947,501)	\$	-	\$	227,871

FORT WALTON BEACH SENIOR HIGH SCHOOL

	Inv	estments y 1, 2019	F	Receipts	Disbursements			Net Transfers	Cash and Investments June 30, 2020		
Athletics	\$	192,560	\$	645,976	\$	(585,379)	\$	(112,275)	\$	140,882	
Music		26,336		226,286		(228,335)		(23,127)		1,160	
Classes		3,529		5,825		(6,526)	(860)			1,968	
Clubs		57,071		121,604		(109,933)		(9,604)		59,138	
Departments		30,439		119,803		(113,317)		(11,129)		25,796	
Trust Funds		48,290		53,425		(209,938)		155,453		47,230	
General		10,943		29,950		(30,227)		1,542		12,208	
TOTALS	\$	369,168	\$	1,202,869	\$	(1,283,655)	\$	-	\$	288,382	

NICEVILLE SENIOR HIGH SCHOOL

	Inv	ash and estments y 1, 2019	F	Receipts	Di	sbursements	1	Net Fransfers	Inv	ash and estments e 30, 2020
Athletics	\$	374,772	\$	917,186	\$	(883,637)	\$	(125,881)	\$	282,440
Music		121,937	•	370,942	•	(365,376)	•	(10,135)	•	117,368
Classes		3,895		12,819		(11,793)		(1,578)		3,343
Clubs		90,647		98,368		(64,844)		(50,759)		73,412
Departments		84,894		95,763		(40,999)		(29,687)		109,971
Trust Funds		198,242		80,919		(310,965)		217,358		185,554
General		11,962		16,327		(18,567)		682		10,404
									•	
TOTALS	\$	886,349	\$	1,592,324	\$	(1,696,181)	\$	-	\$	782,492

BAKER SCHOOL

	Inv	ash and estments y 1, 2019	F	Receipts	Disl	bursements	Т	Net ransfers	Inv	ash and estments e 30, 2020
Athletics	¢	F0 040	۲	254 720	۲	(174.205)	Ļ	(50.550)	۲	00.054
Athletics	\$	59,049	\$	254,728	\$	(174,365)	\$	(58,558)	\$	80,854
Music		35,740		93,555		(59,104)		(29,175)		41,016
Classes		29,522		54,158		(39,188)		(12,473)		32,019
Clubs		35,098		27,376		(26,802)		(6,642)		29,030
Departments		25,810		34,189		(19,617)		(25,591)		14,791
Trust Funds		29,158		34,856		(166,474)		133,369		30,909
General		16,843		12,542		(14,507)		(930)		13,948
			•						•	
TOTALS	\$	231,220	\$	511,404	\$	(500,057)	\$	-	\$	242,567

OKALOOSA APPLIED TECHNICAL COLLEGE and CHOICE HIGH SCHOOL

	Inv	Cash and vestments by 1, 2019	Receipts			sbursements	т	Net ransfers	Cash and Investments June 30, 2020		
Health											
Occupations Industrial	\$	35,389	\$	132,955	\$	(106,567)	\$	(6,448)	\$	55,329	
Education		115,627		422,376		(175,604)		(76,525)	285,874		
Business/											
Office		2,287		24,718		(2,273)		(13,124)		11,608	
Culinary Arts		6,290		26,927		(10,750)		(8,771)		13,696	
Misc. Classes		12,677		5,983		(118,523)	110,768			10,905	
Trust Funds		21,894		581,731		(573,723)		2,950		32,852	
General		10,052	36,742			(23,550)		(8,850)		14,394	
TOTALS	\$	204,216	\$	1,231,432	\$	(1,010,990)	\$	-	\$	424,658	

LAUREL HILL SCHOOL

	Inv	ash and estments y 1, 2019	R	Receipts	Disl	oursements	Т	Net ransfers	Inv	estments as 30, 2020
Athletics	\$	21,952	\$	103,169	\$	(77,910)	\$	(20,872)	\$	26,339
Music	•	878	•	1,074	•	(470)	•	(1,461)	•	21
Classes		10,671		42,254		(29,160)		(4,772)		18,993
Clubs		6,047		14,448		(9,916)		(2,441)		8,138
Departments		4,695		13,298		(9,389)		(1,799)		6,805
Trust Funds		8,413		11,462		(48,094)		34,444		6,225
General		2,959		5,961		(2,668)		(3,099)		3,153
TOTALS	\$	55,615	\$	191,666	\$	(177,607)	\$	-	\$	69,674

ADDIE R. LEWIS SCHOOL

	Inv	eash and restments by 1, 2019	F	Receipts	Disl	bursements	Tı	Net ansfers	Inv	ash and estments e 30, 2020
Athletics	\$	43,993	\$	35,235	\$	(35,654)	\$	(7,977)	\$	35,597
Music	•	1,002	•	23,964	·	(20,457)	•	(1,938)	·	2,571
Classes		2,392		9,885		(8,535)		(1,181)		2,561
Clubs		9,160		9,583		(6,387)		(3,783)		8,573
Departments		12,752		13,863		(10,672)		(2,771)		13,172
Trust Funds		17,909		55,744		(74,403)		19,393		18,643
General		18,242		8,211		(9,701)		(1,743)		15,009
TOTALS	\$	105,450	\$	156,485	\$	(165,809)	\$	-	\$	96,126

LANCE C. RICHBOURG SCHOOL

	Inve	estments 1, 2019	R	eceipts	Disk	oursements	Т	Net ransfers	Inv	ash and estments e 30, 2020
Classes	\$	2,334	\$	705	\$	(121)	\$	(334)	\$	2,584
Departments	Ą	5,465	Ţ	3,356	Ţ	(2,128)	Ţ	(1,020)	Ų	5,673
Trust Funds		9,243		5,830		(11,297)		2,489		6,265
General		2,640		2,017		(592)		(1,135)		2,930
TOTALS	\$	19,682	\$	11,908	\$	(14,138)	\$	-	\$	17,452

OKALOOSA STEMM ACADEMY

		ash and estments						Net		ash and estments
-	July	y 1, 2019	R	Receipts Disbursements		Transfers		June 30, 2020		
Classes Clubs	\$	5,250 1,482	\$	5,895 3,765	\$	(773) (3,441)	\$	(7,781)	\$	2,591 1,806
Departments Trust Funds		160 27,393		2,145 31,681		(619) (48,968)		(976) 9,141		710 19,247
General		1,320		2,316		(1,166)		(384)		2,086
TOTALS	\$	35,605	\$	45,802	\$	(54,967)	\$	-	\$	26,440

SILVER SANDS SCHOOL

	Inv	ash and restments by 1, 2019	R	eceipts	Disk	oursements	Tı	Net ansfers	Inv	estments 2 30, 2020
Athletics	\$	1,322	\$	834	\$	(266)	\$	(1,018)	\$	872
Music	,	250	•	-	,	(222)	,	(9)	•	19
Classes		11,941		3,087		(3,116)		(3,134)		8,778
Clubs		568		675		(636)		-		607
Departments		437		721		(92)		(281)		785
Trust Funds		93,197		18,153		(38,088)		7,341		80,603
General		3,198		7,051		(4,819)		(2,899)		2,531
_										
TOTALS	\$	110,913	\$	30,521	\$	(47,239)	\$	-	\$	94,195

SOUTHSIDE PRIMARY SCHOOL

	Inve	estments 1, 2019	R	eceipts	Disk	oursements	Tı	Net ransfers	Inv	ash and estments e 30, 2020
Classes	,	6.062	,	42.245	۸.	(0.040)	<u>,</u>	(2.046)	,	6 224
Classes	\$	6,862	\$	12,315	\$	(9,910)	\$	(3,046)	\$	6,221
Departments		1,939		14,668		(10,661)		(1,172)		4,774
Trust Funds		3,971		21,436		(24,154)		10,834		12,087
General		5,680		11,973		(6,784)		(6,616)		4,253
TOTALS	\$	18,452	\$	60,392	\$	(51,509)	\$	-	\$	27,335



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INDEPENDENT AUDITORS' 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 Marcus Chambers, 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, 2020, and the related notes to the financial statement, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2020.

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 2020-01 through MLC 2020-11.

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 October 12, 2020



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MANAGEMENT LETTER

To the Okaloosa County District School Board and Marcus Chambers, Superintendent of Schools Fort Walton Beach, Florida

Report on the Financial Statements

We have audited the Statement of Fiduciary Net Position of the Okaloosa County District School Board's School Internal Funds ("District") as of June 30, 2020, and have issued our report thereon dated October 12, 2020.

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 Requirements

We have issued our Independent Auditors' 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* and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.800, Rules of the Auditor General. Disclosures in those reports which are dated October 12, 2020, 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 annual financial audit report.

Financial Condition and Management

Section 10.804(1)(f)2., Rules of the Auditor General, requires us to communicate whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to

identify 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.

Section 10.804(1)(f)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we identified certain matters which are described as items MLC 2020-01 through MLC 2020-11 starting on page 50 following this letter.

Transparency

Section 10.804(1)(f)6., Rules of the Auditor General, requires that we communicate the results of our determination as to whether the District maintains on its web site the information specified in Section 1011.035, Florida Statutes. In connection with our audit, we determined that the District maintained on its web site the information specified in Section 1011.035, Florida Statutes.

Additional Matters

Section 10.804(1)(f)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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 October 12, 2020

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

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-01	IΡ	Disbursement Documentation The Okaloosa County School District Internal Account Manual, Section 1.026(3) provides guidance on the process for disbursements. Any expenditure that a teacher or sponsor wishes to make must include the required backup documentation. The section states that it requires the "invoices will be marked "PAID" immediately upon making remittance."	During our audit, we noted 2 instances out of a sample of 15 where the invoices were not stamped "PAID".	We recommend the school ensure all expenditures include the corresponding invoice stamped "PAID" with the Check Requisition/Transfer Form. This will document compliance with Section 1.026(3) of the policy manual and indicate the expenditures have proper backup documentation.	See management's response at the end of the report.

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

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-02	IP	Disbursement Documentation The Okaloosa County School District Internal Account Manual, Section 1.026(5) provides guidance on the process for disbursements. The section requires that "disbursements must be made from original invoice only." In addition, Chapter 8 of the Red Book, Section I, 1.8 states that sound business practices should be observed in expending all transactions.	During our audit, we noted 1 instance out of a sample of 20 disbursements in which no backup documentation was found to substantiate the payment and 1 instance in which the check and requisition amounts did not match the total amount of the invoice.	We recommend the school ensure all expenditures include the corresponding invoice with the Check Requisition/Transfer Form. Additionally, the total amount of the check should reconcile to the requisition and invoice(s). If the amount differs, and explanation for the difference must be included on the invoice(s) and reconcile to the total amount of the check. This will document compliance with Section 1.026(5) of the policy manual and indicate the expenditures have proper backup documentation.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Max Bruner, Jr. Middle School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-03	IP	Disbursement	During our audit,	We recommend the	See
		Documentation	we noted 2	school ensure all	management's
			instances out of	expenditures include	response at the
		The Okaloosa County	a sample of 15 in	the corresponding	end of the report.
		School District Internal	which the	invoice with the	
		Account Manual,	supporting	Check	
		Section 1.026(5)	documentation	Requisition/Transfer	
		provides guidance on	for the	Form. Additionally,	
		the process for	expenditure did	the total amount of	
		disbursements. The	not agree in total	the check should	
		section requires that	with the amount	reconcile to the	
		"disbursements must	paid or the	requisition and	
		be made from original	amount on the	invoice(s). If the	
		invoice only."	check requisition	amount differs, and	
		Additionally, Section	form. In	explanation for the	
		1.142(1) states "Any	addition, we	difference must be	
		expenditure that a	noted 2 separate	included on the	
		teacher or sponsor	instances out	invoice(s) and	
		wishes to make must	that same	reconcile to the total	
		be requested on this	sample in which	amount of the check.	
		form (check	the	The teacher or	
		requisition form). The	teacher/sponsor	sponsor must sign	
		form is initiated by the	did not date the	and date the check	
		teacher or sponsor	check requisition	requisition form and	
		desiring to make an	form.	get principal	
		expenditure. The		approval before a	
		teacher or sponsor		payment is made.	
		must sign this form.		These will document	
		The completed form is		compliance with	
		forwarded to the		Section 1.026(5) and	
		school principal, who		Section 1.142(1) of	
		must approved the		the policy manual	
		request before any		and indicate the	
		expenditure of School		expenditures have	
		Activity Funds may be		proper backup	
		made."		documentation and	
				approvals.	

Okaloosa County District School Board School Internal Funds Management Letter Comment – Max Bruner, Jr. Middle School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-04	IP	Receipt Documentation The Okaloosa County School District Internal Account Manual, Section 1.009(2) provides guidance on the process for cash collections and deposits. Any "money collected must be deposited intact in the bank at a minimum any time more than \$500 is received." In addition, the Red Book Chapter 8, Section III(1.4)(b) states "collections made outside of the school office must be turned in to the school office no later than the next business day."	During our audit, we noted a total of 2 instances out of a sample of 15 where monies collected in excess of \$500 were not deposited until several days after the date collected as noted on the monies collected form.	We recommend the school sponsor turn in all monies collected the same day of the sponsored event or the next business day if the event ends after school hours. Additionally, we recommend the monies collected are deposited as soon as the total monies received reaches \$500, and if the bookkeeper is not able to make it to the bank for a deposit the drop safe is used and "DROP SAFE" is marked on the monies collected form. This will document compliance with Section 1.009(2) of the policy manual and Section III(1.4)(b) of the Red book and will indicate the receipts are correctly accounted for.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Max Bruner, Jr. Middle School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-05	D	Activity Event Ticket Seller's Report The Okaloosa County School District Internal Account Manual, Section 1.130(5) states "the ticket seller will record the last ticket number sold of each series and record the value to tickets sold on the Activity Event Ticket Seller's Report."	During our audit, we noted 3 instances out of a sample of 10 where the ticket total did not reconcile correctly and/or was not recorded correctly on the Activity Event Ticket Seller's Report.	We recommend the ticket seller and the bookkeeper recalculate the amount of tickets sold and reconcile the calculation against the beginning ticket number and ending ticket number to ensure correctness. This will document compliance with Section 1.130(5) of the policy manual and indicate the accuracy of the calculation.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Clifford Meigs Middle School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-06	D	Activity Event Ticket Seller's Report The Okaloosa County School District Internal Account Manual, Section 1.130(1) states "ticket sellers will be accompanied, at a minimum, by one ticket taker per seller." The current Activity Event Ticket Seller's Report has places for both the ticket seller and a ticket taker/witness to sign the report certifying it is true and accurate in every detail. In addition, Section 1.130(3) states "the ticket seller will sign acknowledging receipt of the change fund and tickets." The Seller's Report has a place for the ticket seller to sign acknowledging receipt.	During our audit, we noted 2 instances out of a sample of 13 where the Ticket Seller's Report did not include separate signatures for both the ticket seller and ticket taker/witness. One of those instances was a ticketed event (football game) where a Ticket Seller's Report could not be located at all. Additionally, we noted 2 instances out of a sample of 10 where there was no signature in the "Tickets Received By" column.	We recommend the school assign at least one ticket taker for each ticket seller at an event. The Ticket Seller's Report should be signed by the appropriate ticket taker/witness at the event. This signature will document compliance with Section 1.130(1) of the policy manual and indicate dual control over the assets has been maintained. In addition, we recommend the ticket seller appropriately sign or initial the Ticket Seller's Report verifying the total amount of change and beginning ticket numbers upon receipt. This will document compliance with Section 1.130(3) of the policy manual.	See management's response at the end of the report.

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

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-07	D	Activity Event Ticket Seller's Report The Okaloosa County School District Internal Account Manual, Section 1.130(5) states "the ticket seller will record the last ticket number sold of each series and record the value to tickets sold on the Activity Event Ticket Seller's Report."	During our audit, we noted 2 instances out of a sample of 10 where the ticket total did not reconcile correctly and/or was not recorded correctly on the Activity Event Ticket Seller's Report. The reports were off by a minor number of tickets.	We recommend the ticket seller and the bookkeeper recalculate the amount of tickets sold and reconcile the calculation against the beginning ticket number and ending ticket number to ensure correctness. This will document compliance with Section 1.130(5) of the policy manual and indicate the accuracy of the calculation.	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 2020-08	IP	Disbursement Documentation The Okaloosa County School District Internal Account Manual, Section 1.026(3) provides guidance on the process for disbursements. Any expenditure that a teacher or sponsor wishes to make must include the required backup documentation. The section states that it requires the "invoices will be marked "PAID" immediately upon making remittance."	During our audit, we noted a total of 3 instances out of a sample of 15 where the invoices were not stamped "PAID".	We recommend the school ensure all expenditures include the corresponding invoice stamped "PAID" with the Check Requisition/Transfer Form. This will document compliance with Section 1.026(3) of the policy manual and indicate the expenditures have proper backup documentation.	See management's response at the end of the report.

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

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-09	D	Activity Event Ticket Seller's Report The Okaloosa County School District Internal Account Manual, Section 1.130(3) states "the ticket seller will sign acknowledging receipt of the change fund and tickets." The Seller's Report has a place for the ticket seller to sign acknowledging receipt.	During our audit, we noted a total of 2 instances out of a sample of 18 where there was no signature in the "Tickets Received By" column.	We recommend the ticket seller appropriately sign or initial the Ticket Seller's Report verifying the total amount of change and beginning ticket numbers upon receipt. This will document compliance with Section 1.130(3) of the policy manual.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Lance C. Richbourg School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-10	IP	Disbursement Documentation The Okaloosa County School District Internal Account Manual, Section 1.142(1) states "Any expenditure that a teacher or sponsor wishes to make must be requested on this form (check requisition form). 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 approved the request before any expenditure of School Activity Funds may be made."	During our audit, we noted 5 instances out of a sample of 25 in which a check requisition could not be provided and 4 additional instances out of that same sample in which there was no principal signature of approval.	We recommend the school ensure all expenditures include the Check Requisition/Transfer Form with the corresponding invoice. The teacher or sponsor must sign and date the check requisition form and get principal approval before a payment is made. These will document compliance with Section 1.142(1) of the policy manual and indicate the expenditures have proper backup documentation and approvals.	See management's response at the end of the report.

Okaloosa County District School Board School Internal Funds Management Letter Comment – Lance C. Richbourg School

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

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
ML 2020-11	IP	Receipt Documentation The Okaloosa County School District Internal Account Manual, Section 1.009 states that "all money collected from any source must be substantiated bypre- numbered Reports of Monies Collected" In addition, Section 1.009(1) and the Red Book Chapter 8, Section III(1.4)(b) states "collections made outside of the school office must be turned in to the school office no later than the next business day."	During our audit, we noted a total of 2 instances out of a sample of 25 where a monies collected form (MCF) could not be provided. In addition, we identified a third instance where the MCF was not appropriately dated by the collecting teacher/sponsor.	We recommend the school sponsor turn in all monies collected the same day of the sponsored event or the next business day if the event ends after school hours. This information should include an appropriately filled out MCF. This will document compliance with Section 1.009 of the policy manual and Section III(1.4)(b) of the Red book and will indicate the receipts are correctly accounted for.	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 Marcus Chambers, Superintendent of Schools Fort Walton Beach, Florida

We have examined Okaloosa County District School Board School Internal Funds' compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended June 30, 2020. Management of Okaloosa County District School Board School Internal Funds is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 during the year ended June 30, 2020.

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 October 12, 2020

Antioch Elementary School

4700 Whitehurst Lane Crestview, Florida 32536-9268 (850) 683-7540 FAX: (850) 683-7561

September 3, 2020

"The Okaloosa County School District Internal Account Manual, Section 1.026(3) provides guidance on the process for disbursements. Any expenditure that a teacher or sponsor wishes to make must include the required backup documentation. The section states that it requires the "invoices will be marked "PAID" immediately upon making remittance."

During our audit, we noted a total of 2 instances out of a sample of 15 where the invoices were not stamped "PAID".

We recommend the school ensure all expenditures include the corresponding invoice stamped "PAID" with the Check Requisition/Transfer Form. This will document compliance with Section 1.026(3) of the policy manual and indicate the expenditures have proper backup documentation."

In response to the findings in our recent audit where invoices were not stamped "PAID," our bookkeeper will re-verify invoices are stamped at the end of every month. Our backup bookkeeper will also confirm that receipts/invoices are stamped "PAID."

Thank you for bringing this to our attention.

Sincerely,

Kelli Sanders Principal

...Navigating Beyond Our Horizon

100 Years of Gcademic Excellence with GPersonal Touch

BAKER SCHOOL

Home of the Fightin' Gators

Okaloosa County's First Accredited School-1923

Jennifer Stewart Assistant Principal

Polly Brunson Guidance Counselor Michael J. Martello Principal

Shannon Boone Guidance Counselor Angila Walker Guidance Counselor Victoria Hurley Assistant Principal

Victor Mann Dean of Students

August 28, 2020

Carr, Riggs & Ingram, LLC 189 Eglin Parkway Fort Walton Beach, FL 32548

This is in response to the finding on July 31, 2020.

Upon conclusion of the Baker School internal audit we received a report stating that our institution had one finding. We are aware of the finding and have made adjustments to ensure these do not occur in the future.

We have a yearly workshop with the Coaches and explain the procedure for completing the
paperwork for the games. The finding was for Soccer and the Volunteers did not follow the
Instructions attached to the ticket report. We have called in the Coaches and explained the
procedures to ensure all future forms are in compliance.

Respectfully,

Michael Martell

Principal

www.okaloosaschools.coms/baker

Bruner Middle School

322 Holmes Blvd. NW, Fort Walton Beach, FL 32548; 850-833-3266

Mr. Gary Massey
Principal

Mr. Gary Taylor Assistant Principal

Ms. Rosia Cahn
Assistant Principal



Ms. Candace Boldin
School Counselor

Ms. Danielle Effre School Counselor

September 4, 2020

Nicole Nabors, CPA Carr, Riggs & Ingram, LLC 189 Eglin Parkway NE, 2nd Floor Fort Walton Beach, FL 32548

In response to Bruner Middle School's 2019-2020 year audit:

- **Finding**-2 instances where supporting documentation for the expenditure did not agree in total with the amount paid or the amount on the check requisition form
- Response-The procedure of collecting receipts for Internal Visa purchases has been modified to the extent that a check requisition form must be completed for each individual receipt, unless multiple receipts are turned in all at the same time along with the accompanying check requistion form. Once received by the Bookkeeper, she/he will verify the requisiton form is filled out in its entirety (which includes Date, Amount, Description and Sponsor/Teacher signatures), if the requisiton is missing items or the receipts do not match the amount requested the Bookkeeper will return the items to be completed in its entirety and request an explanation for the amount differential, as well as, proper documentation to show the difference.
- **Finding**-2 instances where monies collected in excess of \$500 were not deposited until several days after the date collected as noted on the monies collected form
- Response-Club/Coach Sponsors have been instructed to sign-out several monies collected forms at the start of the school year so that they will have them on hand when monies are turned in to them and that if they collect money it should be turned in to the Bookkeeper the same day that collection is made. If the Bookkeeper is not available to receive their monies collected then they must utilize the Drop Safe. The Bookkeeper, under dual control, will check the Drop Safe in the morning and the afternoon to ensure any monies dropped during the school day while she/he is out of the office will be collected the day in which it was dropped in the safe.
- **Finding**-3 instances where the ticket total did not reconcile correctly and/or was not recorded correctly on the Activity Event Ticket Seller's Report
- Response-The Bookkeeper will thoroughly go over the Activity Event Ticket Seller's Report at the time the ticket seller comes to sign out tickets for their event. Ticket sellers will now be instructed to enter the number of the next corresponding ticket roll if they sell all tickets that have been signed out to them for their specific event instead of putting zero(0) or a dash(-) to indicate all tickets in their possession were sold. By doing this it should help eleviate miscalculations. In addition to that, the Bookkeeper and ticket seller will verify the accuracy of the calculation together the day following the event.

Sincerely,

Gary Massey, Principal

Never Give In

Longwood Elementary School

Home of the Leopards
Title I School

50 HOLLY AVENUE SHALIMAR, FLORIDA 32579 (850) 833-4329 FAX (850) 833-4336 Yvonne Michna Principal

Lisa Jones Assistant Principal

August 31, 2020

Never Give Up.

RE: Internal Audit Findings Detail

To Whom It May Concern:

Upon conclusion of the Longwood Elementary internal audit we received a report stating that our institution had two findings. This letter is evidence that we are aware of the findings and have made adjustments to ensure these do not occur in the future.

- 1. Checks will not be cut unless there is an invoice and backup documentation to substantiate the payment.
- 2. We will pay closer attention to amounts when checks are being written. If we happen to find an instance where a mistake has been made and the amounts do not reconcile, we will include an explanation for the difference and correct the mistake immediately.

The policy manual indicates that expenditures must have proper documentation. We will make sure to have proper documentation so that we will not have any further issues on future audits.

Sincerely,

Yvonne Michna

Principal

Tracey Lamb
Principal

Robert McElroy
Assistant Principal

MEIGS MIDDLE SCHOOL Celebrating Community

Sarah Smith Assistant Principal

Jennifer Barrow School Counselor

September 4, 2020

To Whom It May Concern:

In October of 2019, there were two game situations in which the Ticket Seller's Report did not include the ticket taker's signature. The missing signature was an oversight at the end of the event by the administrator on duty. For the same two games, the signature in "Tickets Received By" column was also missing. This was an oversight of the back-up bookkeeper at the time of money boxes distribution. Although the signatures were missing, I can confirm there was at least one ticket seller and one ticket taker at both events.

The administrative team and the back-up bookkeeper have been reminded the importance of ensuring all game paperwork has the required signatures. I do not anticipate this being a problem in future audits.

Sincerely,

Tracey Lamb Principal

W. C. Pryor Middle School





September 3, 2020

The Okaloosa County School District Internal Account Manual, Section 1.130(5) states "the ticket seller will record the last ticket number sold of each series and record the value to tickets sold on the Activity Event Ticket Seller's Report."

During our audit, we noted 2 instances out of a sample of 10 where the ticket total did not reconcile correctly and/or was not recorded correctly on the Activity Event Ticket Seller's Report. The reports were off by a minor number of tickets.

We recommend the ticket seller and the bookkeeper recalculate the amount of tickets sold and reconcile the calculation against the beginning ticket number and ending ticket number to ensure correctness. This will document compliance with Section 1.130(5) of the policy manual and indicate the accuracy of the calculation.

W.C. Pryor Middle School's Response:

To fix the above issue, we will have both the Athletic Director and the bookkeeper double checking the count of the tickets after each event.

Brooke Barron Principal



Lance C. Richbourg School
500 Alabama Street
Crestview, Florida 32536
Amy Anderson, Principal
Vaneesa Harrington, Assistant Principal
Phone: 850-689-5089



To Whom it May Concern:

In order to address the audit finding concerning check requisition and principal signatures, no check will be written without a check requisition form accompanying it. Principal will sign all requisition forms.

In order to address the finding concerning monies collected forms, we included a refresher/reminder instructional session for our teachers during our first day of meetings this school year. Sponsor will be reminded to record on the form all monies collected each day of collection, and to date and turn in forms daily.

Thank you,

Amy W. Anderson

Principal

Richbourg School/Fast Track North

andersona1@okaloosaschools.com

850.689.5089

850.226.4725

SHOAL RIVER MIDDLE SCHOOL

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

Mr. Craig Miller Principal

Dr. Cheryl SealsAssistant Principal

Ms. Ashley Miller Assistant Principal



Ms. Michelle Adams School Counselor

Ms. Ulaunda Nunn School Counselor

September 10, 2020

Nicole Nabors, CPA, CAM Carr, Riggs & Ingram, LLC 189 Eglin Parkway NE, 2nd Floor Fort Walton Beach, Florida 32548

Dear Ms. Nabors,

Due to the findings noted by your audit of the Internal Funds on July 30, 2020, it was noted that there were 3 instances where invoices were not marked "PAID." These omissions were not intentional and were overlooked by the Bookkeeper.

To correct this error in the future, the Bookkeeper will ensure that all invoices are stamped "PAID" in processing checks. The Administrators will check all invoices for the stamp when signing the checks.

Sincerely,

Debbie Brown, Bookkeeper

Craig Miller, Principal