

AUDIT REPORT
INDIAN RIVER DISTRICT
SCHOOL BOARD
INTERNAL ACCOUNTS
JUNE 30, 2009

**Audit Report
Indian River District School Board Internal Accounts
June 30, 2009**

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**Audit Report
Indian River District School Board Internal Accounts
June 30, 2009**

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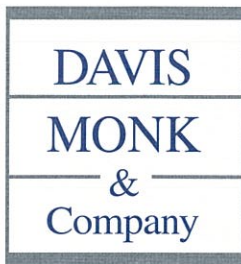
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Independent Auditors' Report

Indian River District School Board
Indian River County, Florida

We have audited the accompanying statement of fiduciary net assets of the Indian River District School Board Internal Accounts (the "Internal Accounts") as of June 30, 2009. This financial statement is the responsibility of the management of the Indian River District School Board (the "District School Board"). Our responsibility is to express an opinion on this financial statement based on our audit.

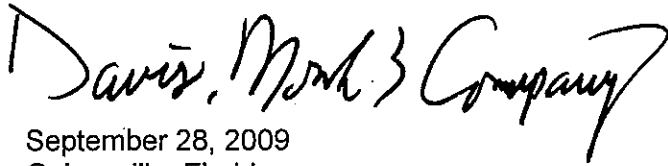
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement includes only the fiduciary net assets of the Internal Accounts, which are included in the financial reporting entity of the District School Board. The financial statement does not include other fiduciary net assets of the School Board and, accordingly, does not purport to, and does not, present the fiduciary net assets of the District School Board in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Internal Accounts as of June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 28, 2009 on our consideration of the Internal Accounts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, 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* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the statement of fiduciary net assets. The supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statement of the Internal Accounts. Such information has been subjected to the auditing procedures applied in the audit of the statement of fiduciary net assets and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.



September 28, 2009
Gainesville, Florida

Statement of Fiduciary Net Assets
June 30, 2009
Indian River District School Board Internal Accounts

ASSETS

Cash and Equivalents	\$ 1,142,785
Inventory	<u>37,798</u>
TOTAL ASSETS	<u>1,180,583</u>

LIABILITIES

Accounts Payable	430
Assets Held for Others	<u>1,180,153</u>
TOTAL LIABILITIES	<u>1,180,583</u>
NET ASSETS	<u><u>\$ -</u></u>

See accompanying notes.

**Notes to Financial Statement
June 30, 2009
Indian River District School Board Internal Accounts**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statement includes the balances relating exclusively to the internal account activities of the public schools within the Indian River County, Florida school system. The financial statement does not include other fiduciary net assets of the Indian River District School Board (the "District School Board"). Therefore, the accompanying financial statement does not purport to, and does not, present the fiduciary net assets of the District School Board in conformity with accounting principles generally accepted in the United States of America.

The financial activities of the Internal Accounts are included, as agency funds, in the financial reporting entity of the District School Board.

Basis of Accounting

The accompanying financial statement is prepared on the accrual basis of accounting.

Inventory

Inventory is reported at cost under the first-in first-out method.

NOTE 2 - CASH AND EQUIVALENTS

Cash and Equivalents consists of:

Deposits with Financial Institutions	\$ 436,988
Invested with State Board of Administration	<u>705,797</u>
	<u>\$ 1,142,785</u>

All deposits are placed in financial institutions that qualify as public depositories. Accordingly, all deposits are insured by Federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

The Schools invest surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. During the year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("LGIP" and "Fund B"). The Schools had all of their investments in the LGIP at June 30, 2009.

Notes to Financial Statement
June 30, 2009
Indian River District School Board Internal Accounts

NOTE 2 – CASH AND EQUIVALENTS

The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Schools' investment in the LGIP is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Schools' investments in the State Pool exposes them to credit risk. The Schools do not have a formal investment policy relating to this risk, which is hereafter described.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The LGIP is rated by Standard and Poors and has a rating at June 30, 2009 of AAAm.

SUPPLEMENTAL INFORMATION

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Sebastian River High School

	<u>Cash Balances 7/1/2008</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Transfers</u>		<u>Balances 6/30/2009</u>
				<u>In</u>	<u>Out</u>	
Athletics	\$ 33,476	\$ 331,293	\$ 272,478	\$ 38,969	\$ 57,461	\$ 73,799
Classes	15,546	60,845	78,931	27,066	6,393	18,133
Clubs	7,232	70,299	41,552	929	1,628	35,280
Departments	24,837	57,792	50,683	2,927	10,240	24,633
Trusts	20,828	85,261	90,155	23,102	21,118	17,918
General	15,662	50,395	55,076	10,468	6,621	14,828
Total Cash	<u>\$ 117,581</u>	<u>\$ 655,885</u>	<u>\$ 588,875</u>	<u>\$ 103,461</u>	<u>\$ 103,461</u>	184,591
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 184,591</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Vero Beach High School

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disburse-	
	7/1/2008		ments			
Athletics	\$ 77,966	\$ 308,059	\$ 276,698	\$ 221,363	\$ 227,115	\$ 103,575
Music	12,684	149,147	96,752	6,500	3,242	68,337
Classes	70,090	194,177	211,484	16,309	4,682	64,410
Clubs	84,207	277,094	280,437	40,971	37,772	84,063
Departments	901	1,328	2,168	230	35	256
Trusts	38,512	85,453	85,358	14,139	15,997	36,749
General	38,169	35,807	49,671	10,745	21,414	13,636
Total Cash	<u>\$ 322,529</u>	<u>\$ 1,051,065</u>	<u>\$ 1,002,568</u>	<u>\$ 310,257</u>	<u>\$ 310,257</u>	371,026
Inventory						13,650
Accounts Payable						-
Assets Held for Others						<u>\$ 384,676</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Gifford Middle School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Athletics	\$ 20,277	\$ 45,298	\$ 46,417	\$ 20	\$ -	\$ 19,178
Music	1,076	2,317	3,094	-	-	299
Classes	2,397	28,211	28,181	33	100	2,360
Clubs	9,153	17,345	17,777	-	-	8,721
Departments	5,417	8,405	8,883	-	-	4,939
Trusts	13,307	1,975	5,033	17	-	10,266
General	<u>58,207</u>	<u>37,244</u>	<u>31,813</u>	<u>9,543</u>	<u>9,513</u>	<u>63,668</u>
Total Cash	<u>\$ 109,834</u>	<u>\$ 140,795</u>	<u>\$ 141,198</u>	<u>\$ 9,613</u>	<u>\$ 9,613</u>	109,431
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 109,431</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Oslo Middle School

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disburse-	
	<u>7/1/2008</u>		<u>ments</u>			
Athletics	\$ 8,072	\$ 33,185	\$ 38,509	\$ 2,183	\$ 1,558	\$ 3,373
Music	3,585	20,230	21,575	3,627	2,006	3,861
Classes	5,002	34,796	33,904	1,263	1,884	5,273
Clubs	482	1,042	1,174	-	-	350
Departments	3,603	10,473	9,708	-	1,956	2,412
Trusts	5,710	13,950	14,711	2,857	2,890	4,916
General	6,807	34,630	36,396	4,064	3,700	5,405
Total Cash	<u><u>\$ 33,261</u></u>	<u><u>\$ 148,306</u></u>	<u><u>\$ 155,977</u></u>	<u><u>\$ 13,994</u></u>	<u><u>\$ 13,994</u></u>	25,590
Inventory						-
Accounts Payable						-
Assets Held for Others						<u><u>\$ 25,590</u></u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Sebastian River Middle School

	Cash	Cash	Cash	Transfers		Balances
	Balances		Disburse-	In	Out	
	7/1/2008	Receipts	ments			
Athletics	\$ 3,702	\$ 2,479	\$ 2,851	\$ -	\$ -	\$ 3,330
Classes	8	14,080	14,087	-	-	1
Clubs	9,129	27,764	30,229	-	25	6,639
Departments	7,992	6,583	8,934	-	-	5,641
Trusts	17,321	12,663	20,379	5	23	9,587
General	36,715	42,674	39,462	43	-	39,970
Total Cash	<u>\$ 74,867</u>	<u>\$ 106,243</u>	<u>\$ 115,942</u>	<u>\$ 48</u>	<u>\$ 48</u>	65,168
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 65,168</u>

Schedule of Assets Held for Others
 June 30, 2009
 Indian River District School Board Internal Accounts

Beachland Elementary School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Classes	\$ 135	\$ 20,749	\$ 19,472	\$ 3,053	\$ 3,870	\$ 595
Clubs	850	3,552	2,465	-	500	1,437
Departments	2,640	3,369	3,205	-	-	2,804
Trusts	24,279	21,868	37,020	-	926	8,201
General	14,457	97,665	99,363	9,200	6,957	15,002
Total Cash	<u>\$ 42,361</u>	<u>\$ 147,203</u>	<u>\$ 161,525</u>	<u>\$ 12,253</u>	<u>\$ 12,253</u>	28,039
Inventory						248
Accounts Payable						-
Assets Held for Others						<u>\$ 28,287</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Citrus Elementary School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Athletics	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ 150
Classes	1,754	16,117	16,334	2,568	1,618	2,487
Clubs	650	5,284	3,726	-	-	2,208
Departments	2,923	1,011	2,865	150	-	1,219
Trusts	8,358	6,334	6,858	-	950	6,884
General	6,514	15,006	16,335	(150)	-	5,035
Total Cash	<u>\$ 20,349</u>	<u>\$ 43,752</u>	<u>\$ 46,118</u>	<u>\$ 2,568</u>	<u>\$ 2,568</u>	17,983
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 17,983</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Dodgertown Elementary School

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disburse-	
	<u>7/1/2008</u>		<u>ments</u>			
Music	\$ -	\$ 605	\$ 865	\$ 446	\$ -	\$ 186
Classes	320	19,486	18,658	885	707	1,326
Clubs	616	-	-	-	-	616
Departments	1,845	3,946	4,701	-	-	1,090
Trusts	3,823	6,008	6,510	47	8	3,360
General	<u>10,329</u>	<u>8,311</u>	<u>12,610</u>	<u>2,226</u>	<u>2,889</u>	<u>5,367</u>
Total Cash	<u><u>\$ 16,933</u></u>	<u><u>\$ 38,356</u></u>	<u><u>\$ 43,344</u></u>	<u><u>\$ 3,604</u></u>	<u><u>\$ 3,604</u></u>	11,945
Inventory						409
Accounts Payable						<u>-</u>
Assets Held for Others						<u><u>\$ 12,354</u></u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Fellsmere Elementary School

	<u>Cash</u> <u>Balances</u> <u>7/1/2008</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Transfers</u>		<u>Balances</u> <u>6/30/2009</u>
				<u>In</u>	<u>Out</u>	
Classes	\$ 1,874	\$ 29,009	\$ 25,477	\$ 5,876	\$ 6,104	\$ 5,178
Clubs	518	4,188	5,010	500	-	196
Departments	667	3,526	3,872	-	-	321
Trusts	13,538	19,320	23,020	550	1,621	8,767
General	3,202	4,288	2,316	4,478	3,679	5,973
Total Cash	<u>\$ 19,799</u>	<u>\$ 60,331</u>	<u>\$ 59,695</u>	<u>\$ 11,404</u>	<u>\$ 11,404</u>	20,435
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 20,435</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Glendale Elementary School

	<u>Cash Balances 7/1/2008</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Transfers</u>		<u>Balances 6/30/2009</u>
				<u>In</u>	<u>Out</u>	
Music	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classes	664	25,969	25,916	416	876	257
Clubs	202	528	465	-	-	265
Departments	3,645	7,637	8,183	-	-	3,099
Trusts	706	453	-	-	-	1,159
General	<u>21,992</u>	<u>8,245</u>	<u>8,730</u>	<u>801</u>	<u>341</u>	<u>21,967</u>
Total Cash	<u><u>\$ 27,209</u></u>	<u><u>\$ 42,832</u></u>	<u><u>\$ 43,294</u></u>	<u><u>\$ 1,217</u></u>	<u><u>\$ 1,217</u></u>	26,747
Inventory						-
Accounts Payable						-
Assets Held for Others						<u><u>\$ 26,747</u></u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Highlands Elementary School

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disburse-	
	<u>7/1/2008</u>		<u>ments</u>			
Classes	\$ 1,549	\$ 23,280	\$ 24,124	\$ 1,291	\$ 1,193	\$ 803
Clubs	3,370	862	1,408	-	-	2,824
Departments	966	2,646	2,261	-	-	1,351
Trusts	2,151	5,042	4,658	-	157	2,378
General	<u>4,677</u>	<u>6,878</u>	<u>7,716</u>	<u>253</u>	<u>194</u>	<u>3,898</u>
Total Cash	<u>\$ 12,713</u>	<u>\$ 38,708</u>	<u>\$ 40,167</u>	<u>\$ 1,544</u>	<u>\$ 1,544</u>	11,254
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 11,254</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Liberty Magnet Elementary School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Music	\$ 753	\$ 912	\$ 997	\$ -	\$ -	\$ 668
Classes	4,163	77,085	79,596	8,152	7,474	2,330
Clubs	2,620	11,549	11,177	603	-	3,595
Departments	4,451	5,332	9,043	4,627	201	5,166
Trusts	9,598	32,924	39,394	2,374	3,456	2,046
General	7,046	16,342	14,296	6,042	10,667	4,467
Total Cash	<u>\$ 28,631</u>	<u>\$ 144,144</u>	<u>\$ 154,503</u>	<u>\$ 21,798</u>	<u>\$ 21,798</u>	18,272
Inventory						-
Accounts Payable						<u>430</u>
Assets Held for Others						<u>\$ 18,702</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Osceola Magnet Elementary School

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disburse-	
	<u>7/1/2008</u>		<u>ments</u>			
Music	\$ 111	\$ 1,353	\$ 1,240	\$ -	\$ -	\$ 224
Classes	4,889	62,467	62,454	11,581	11,849	4,634
Clubs	1,188	-	479	-	-	709
Departments	6,047	7,264	8,983	50	-	4,378
Trusts	13,986	3,026	7,956	783	475	9,364
General	19,789	19,163	8,159	10	100	30,703
Total Cash	<u><u>\$ 46,010</u></u>	<u><u>\$ 93,273</u></u>	<u><u>\$ 89,271</u></u>	<u><u>\$ 12,424</u></u>	<u><u>\$ 12,424</u></u>	50,012
Inventory						-
Accounts Payable						-
Assets Held for Others						<u><u>\$ 50,012</u></u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Pelican Island Elementary School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Athletics	\$ 108	\$ -	\$ 108	\$ -	\$ -	\$ -
Music	53	508	451	-	-	110
Classes	848	20,577	21,401	1,722	1,148	598
Clubs	-	2,266	22	-	1,686	558
Departments	3,492	5,396	5,884	-	-	3,004
Trusts	10,349	33,871	29,292	377	902	14,403
General	3,022	12,522	14,221	2,860	1,223	2,960
Total Cash	<u>\$ 17,872</u>	<u>\$ 75,140</u>	<u>\$ 71,379</u>	<u>\$ 4,959</u>	<u>\$ 4,959</u>	21,633
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 21,633</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Rosewood Magnet School

	<u>Cash Balances 7/1/2008</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Transfers</u>		<u>Balances 6/30/2009</u>
				<u>In</u>	<u>Out</u>	
Athletics	\$ -	\$ -	\$ -	\$ 51	\$ -	\$ 51
Music	223	150	88	-	-	285
Classes	15,595	60,198	50,748	4,918	26,137	3,826
Departments	5,722	10,783	10,374	3,022	-	9,153
Trusts	14,261	21,403	41,314	18,070	1,424	10,996
General	13,615	12,938	12,483	1,769	269	15,570
Total Cash	<u>\$ 49,416</u>	<u>\$ 105,472</u>	<u>\$ 115,007</u>	<u>\$ 27,830</u>	<u>\$ 27,830</u>	39,881
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 39,881</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Sebastian Elementary School

	Cash	Cash	Cash	Transfers		Balances
	Balances		Receipts	Disburse-	In	
	<u>7/1/2008</u>		<u>ments</u>			
Athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Music	28	695	650	-	-	73
Classes	2,677	23,310	23,992	417	419	1,993
Clubs	982	10,991	11,234	6,457	6,457	739
Departments	467	8,428	8,039	2,701	2,571	986
Trusts	16,306	33,725	32,470	-	148	17,413
General	5,797	3,606	5,469	20	-	3,954
Total Cash	<u>\$ 26,257</u>	<u>\$ 80,755</u>	<u>\$ 81,854</u>	<u>\$ 9,595</u>	<u>\$ 9,595</u>	25,158
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 25,158</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Thompson Magnet Elementary School

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disburse-	
	<u>7/1/2008</u>		<u>ments</u>			
Athletics	\$ 43	\$ 359	\$ 184	\$ -	\$ -	\$ 218
Music	57	10,350	9,588	70	70	819
Classes	2,118	5,185	6,827	819	825	470
Clubs	2,277	3,518	3,387	65	65	2,408
Departments	2,455	8,466	8,518	98	16	2,485
Trusts	5,254	4,481	6,918	820	1,756	1,881
General	1,177	6,879	7,189	861	1	1,727
Total Cash	<u>\$ 13,381</u>	<u>\$ 39,238</u>	<u>\$ 42,611</u>	<u>\$ 2,733</u>	<u>\$ 2,733</u>	10,008
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 10,008</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Treasure Coast Elementary School

	<u>Cash</u> <u>Balances</u> <u>7/1/2008</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Transfers</u>		<u>Balances</u> <u>6/30/2009</u>
				<u>In</u>	<u>Out</u>	
Music	\$ 105	\$ 2,030	\$ 1,914	\$ 480	\$ -	\$ 701
Classes	705	24,382	25,033	908	709	253
Clubs	40	-	-	-	40	-
Departments	3,955	15,957	15,353	-	-	4,559
Trusts	2,342	23,110	11,179	46	223	14,096
General	3,346	8,482	9,235	550	1,012	2,131
Total Cash	<u>\$ 10,493</u>	<u>\$ 73,961</u>	<u>\$ 62,714</u>	<u>\$ 1,984</u>	<u>\$ 1,984</u>	21,740
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 21,740</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Vero Beach Elementary School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Classes	\$ 446	\$ 20,541	\$ 18,574	\$ 1,429	\$ 2,916	\$ 926
Clubs	328	2,361	2,553	138	-	274
Departments	1,923	5,753	6,470	61	-	1,267
Trusts	924	13,358	8,115	484	91	6,560
General	<u>7,730</u>	<u>7,870</u>	<u>12,937</u>	<u>3,165</u>	<u>2,270</u>	<u>3,558</u>
Total Cash	<u>\$ 11,351</u>	<u>\$ 49,883</u>	<u>\$ 48,649</u>	<u>\$ 5,277</u>	<u>\$ 5,277</u>	12,585
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 12,585</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Adult and Community Education

	Cash	Cash	Cash	Transfers		Balances
	Balances		Receipts	Disburse-	In	
	<u>7/1/2008</u>		<u>ments</u>			
Music	\$ -	\$ 10,516	\$ 10,516	\$ -	\$ -	\$ -
Classes	-	-	-	-	-	-
Clubs	13,613	60,465	63,616	-	-	10,462
Trusts	121	4,118	5,473	-	-	(1,234)
General	4,683	24,208	25,626	-	-	3,265
Total Cash	<u><u>\$ 18,417</u></u>	<u><u>\$ 99,307</u></u>	<u><u>\$ 105,231</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	12,493
Inventory						23,491
Accounts Payable						-
Assets Held for Others						<u><u>\$ 35,984</u></u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Alternative Education

	<u>Cash</u> <u>Balances</u> <u>7/1/2008</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Transfers</u>		<u>Balances</u> <u>6/30/2009</u>
				<u>In</u>	<u>Out</u>	
Classes	\$ 1,940	\$ 8,290	\$ 8,060	\$ -	\$ -	\$ 2,170
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 2,170</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Wabasso School

	Cash Balances 7/1/2008	Cash Receipts	Cash Disburse- ments	Transfers		Balances 6/30/2009
				In	Out	
Clubs	\$ 17,059	\$ 10,000	\$ 5,402	\$ -	\$ -	\$ 21,657
Trusts	6,699	10,908	4,070	5,306	1,924	16,919
General	11,331	14,841	16,720	6,585	9,967	6,070
Total Cash	\$ 35,089	\$ 35,749	\$ 26,192	\$ 11,891	\$ 11,891	44,646
Inventory						-
Accounts Payable						-
Assets Held for Others						\$ 44,646

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

Transportation

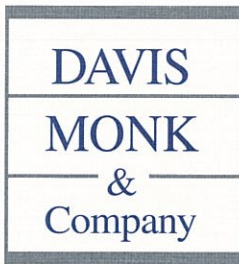
	<u>Cash</u> <u>Balances</u> <u>7/1/2008</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disburse-</u> <u>ments</u>	<u>Transfers</u>		<u>Balances</u> <u>6/30/2009</u>
				<u>In</u>	<u>Out</u>	
General	<u>\$ 677</u>	<u>\$ 1,923</u>	<u>\$ 1,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613</u>
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 613</u>

Schedule of Assets Held for Others
June 30, 2009
Indian River District School Board Internal Accounts

County Office

	<u>Cash Balances 7/1/2008</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Transfers</u>		<u>Balances 6/30/2009</u>
				In	Out	
Trusts	\$ 9,561	\$ 500	\$ 1,048	\$ -	\$ -	\$ 9,013
General	<u>2,960</u>	<u>699</u>	<u>1,307</u>	<u>-</u>	<u>-</u>	<u>2,352</u>
Total Cash	<u>\$ 12,521</u>	<u>\$ 1,199</u>	<u>\$ 2,355</u>	<u>\$ -</u>	<u>\$ -</u>	11,365
Inventory						-
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 11,365</u>

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS/
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**



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& Business Consultants

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Indian River District School Board
Indian River County, Florida

We have audited the statement of fiduciary net assets of the Indian River District School Board Internal Accounts (the "Internal Accounts") as of June 30, 2009, and have issued our report thereon dated September 28, 2009. Our report on the financial statement included a paragraph explaining that the financial statement includes only the fiduciary net assets of the Internal Accounts and does not include other fiduciary net assets of the Indian River District School Board. 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.

**Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters**

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Internal Accounts' internal control over financial reporting as a basis for designing our auditing procedures 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 Internal Accounts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Internal Accounts' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Internal Accounts' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Internal Accounts' financial statements that is more than inconsequential will not be prevented or detected by the Internal Accounts' internal control. We consider the deficiency described in the accompanying Schedule of Findings and Other Matters as item 09-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Internal Accounts' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Internal Accounts' financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Other Matters. We did not audit the District's response and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management in the accompanying Schedule of Findings and Other Matters.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statement prepared by management with your oversight is fairly presented, in all material respects. Our audit of the financial statement does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting it may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statement.

The disclosures in the financial statement are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statement.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statement taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

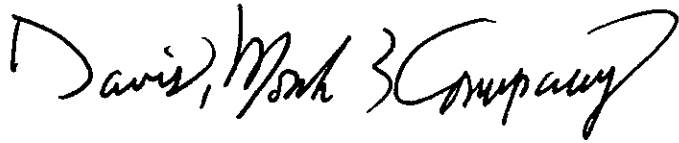
Management Representations

We have requested certain representations from management that are included in the management representation letter.

Indian River District School Board
Indian River County, Florida

Page Four

This report is intended solely for the information and use of the Indian River District School Board and its management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Davis, Mark S Company". The signature is written in a cursive style with a large, sweeping flourish at the end.

September 28, 2009
Gainesville, Florida

**Schedule of Findings and Other Matters
For the Year Ended June 30, 2009
Indian River District School Board Internal Accounts**

SIGNIFICANT DEFICIENCY

09-1 **Finding** - We noted that some school employees who maintain accounting records also handle cash collections, cosign checks, and reconcile bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition. We encourage the principals to continue to require the bank statements be routed to them unopened, examine the cancelled checks (or check copies) for alterations or unusual payees, and review the corresponding bank reconciliations in order to help compensate for the lack of segregation of duties.

District's Response - We acknowledge that incompatible duties cannot always be adequately separated and will do our best to provide compensating controls.

OTHER MATTERS

In addition to the significant deficiency described above, our audit procedures disclosed other conditions involving the internal control over financial reporting and immaterial instances of noncompliance at various schools, which are hereafter presented for your consideration. For schools that are not specifically identified, our audit procedures did not disclose other conditions that we feel should be brought to your attention.

Unless otherwise indicated, all references are to the District's *Policies and Procedures for Internal Accounts, Rule 6GX31-7*.

Adult and Community Education, Rosewood Magnet School, Sebastian River High School, Thompson Magnet Elementary School, Treasure Coast Elementary School and Vero Beach Elementary School

Cash Collections

Rule 5(E) states that funds collected must be deposited within five business days after initial collection of funds. We noted instances at these schools where collections were not deposited within five business days after initial receipt.

Gifford Middle School, Osceola Magnet Elementary School, Oslo Middle School, Rosewood Magnet School, Sebastian River High School, Thompson Magnet Elementary School and Treasure Coast Elementary School

Cash Collections

Rule 5(A)(3)(f) states each day that money is collected it shall be brought to the Bookkeeper and receipted by the Bookkeeper. We noted instances at these schools whereby monies collected outside the school office were not remitted to the bookkeeper within the prescribed time. Internal controls over cash collections would be improved if all collections were turned in for deposit in a timely manner.

**Schedule of Findings and Other Matters
For the Year Ended June 30, 2009
Indian River District School Board Internal Accounts**

Treasure Coast Elementary School

Cash Disbursements

Rule 7(A)(5) states that under no circumstances shall checks be pre-signed. We noted an instance at the school whereby a check was pre-signed to purchase materials.

Alternative Education

Cash Disbursements

Rule 6(A)(2)-(3) requires that purchase orders or check requisitions be used for all purchases of materials in the amount of twenty-five dollars (\$25.00) or greater. However, the Principal or Director may require that purchase orders be completed for all purchases of materials in order to maintain good control over purchasing obligations. Our review noted that general procedures for Alternative Education did not include the use of purchase orders or check requisitions for purchases made.

Oslo Middle School

Cash Disbursements

Rule 4(A)(2)(a)-(b) states that all bank accounts shall have a minimum of two signatures for all transactions and the principal shall designate one or more persons in addition to himself who shall be authorized to sign checks. Our review of one check issued by the school noted a person's signature on the check that was unknown by any school or district personnel. The other signature on the check was an authorized signor on the account.

Highlands Elementary School, Liberty Magnet Elementary School and Vero Beach Elementary School

Sales Tax

Rule 11(A), in accordance with Rule 12A-1.011(3)(c)1.a.-b., Florida Administrative Code, states that all items purchased for resale are subject to Florida sales tax unless specifically exempted. Schools are authorized to pay Florida sales tax based on the purchase price to the vendor when purchasing taxable goods or services. We noted several instances whereby sales tax was not paid to the vendor on the cost of items purchased for resale. Nor was a separate payment made to the Florida Department of Revenue for sales tax collected on the resale of these items. Subsequent to audit inquiry, all of these amounts were remitted to the District for remittance to the State of Florida.

Gifford Middle School, Osceola Magnet Elementary School and Sebastian River High School

Activity Permits

Rule 12(c) states that each fundraising activity must be approved in writing by the organization sponsor and the principal utilizing the district form prior to the activity taking place. Additionally, a financial report for a school sponsored fund-raising activity shall be filed with the principal's office at its close. We noted several instances whereby the schools did not properly complete a fundraising activity permit or financial report for the fundraising activity to be maintained on file for audit review.

**Schedule of Findings and Other Matters
For the Year Ended June 30, 2009
Indian River District School Board Internal Accounts**

Adult and Community Education

Cash Balances

Rule 7(A)(2) states that disbursements shall not exceed the resources of the applicable account. At June 30, 2009, the Trust account for this school held a negative cash balance of \$1,234. While sufficient funds were available in the General account to cover this deficit, disbursements should not be made from an account unless resources are available.