

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA**

**INTERNAL ACCOUNTS**

**June 30, 2012**

**(With Independent Auditors' Report Thereon)**

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Table of Contents**

	<u><b>Page</b></u>
Independent Auditors' Report	1 - 2
Statement of Fiduciary Net Assets	3
Notes to Financial Statement	4 - 5
Supplemental Information: Schedule of Assets Held for Others:	
<u>High Schools</u>	
Sebastian River High School	6
Vero Beach High School	7
<u>Middle Schools</u>	
Gifford Middle School	8
Oslo Middle School	9
Sebastian River Middle School	10
Storm Grove Middle School	11
<u>Elementary Schools</u>	
Beachland Elementary School	12
Citrus Elementary School	13
Dodgertown Elementary School	14
Fellsmere Elementary School	15
Glendale Elementary School	16
Highlands Elementary School	17
Liberty Magnet Elementary School	18
Osceola Magnet Elementary School	19

Pelican Island Elementary School	20
Rosewood Magnet School	21
Sebastian Elementary School	22
Treasure Coast Elementary School	23
Vero Beach Elementary School	24
<u>Other Centers</u>	
Adult and Community Education	25
Alternative Education	26
Thompson Lifelong Learning Center	27
Wabasso School	28
Transportation	29
County Office	30
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	31 - 32
Schedule of Findings	33



**Mayer Hoffman McCann P.C.**

An Independent CPA Firm

**KRMT Tampa Bay Division**

13577 Feather Sound Drive, Suite 400

Clearwater, FL 33762

Phone: 727.572.1400 ■ 813.879.1400

Fax: 727.571.1933

www.mhm-pc.com

## **Independent Auditors' Report**

Indian River District School Board  
Indian River County, Florida

We have audited the accompanying statement of fiduciary net assets of the School Board of Indian River County, Florida Internal Accounts (the "Internal Accounts") as of June 30, 2012. This financial statement is the responsibility of the management of the Indian River District School Board (the "District"). 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. The financial statement does not include other fiduciary net assets of the District and, accordingly, does not purport to, and does not, present the fiduciary net assets of the District 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, 2012, 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 August 22, 2012 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 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The 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 financial statement as a whole.

*Mayer Hoffman McCann P.C.*

August 22, 2012  
Clearwater, Florida

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Statement of Fiduciary Net Assets**

**June 30, 2012**

<b>Assets</b>	<b>2011</b>
Cash and equivalents	\$ 1,290,376
Inventory	81,498
Accounts receivable	<u>7,716</u>
Total assets	1,379,590
<b>Liabilities</b>	
Accounts payable	\$ 94,133
Assets Held for Others	<u>1,285,457</u>
Total liabilities	<u>1,379,590</u>
<b>Net Assets</b>	<u><u>\$ -</u></u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Notes to Financial Statements**

**June 30, 2012**

**(1) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The accompanying financial statement includes the balances relating exclusively to the internal account activities of the public schools within the School Board of 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"). Therefore, the accompanying financial statement does not purport to, and does not, present the fiduciary net assets of the District 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.

**(b) Basis of Accounting**

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

**(c) Inventory**

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

**(2) Cash and Equivalents**

Cash and equivalents consists of:	
Deposits with financial institutions	\$ 747,159
Invested with State Board of Administration	<u>543,217</u>
	<u>\$ 1,290,376</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 Internal Accounts are authorized to invest in the State Board of Administration (SBA) Investment Pool, where deposits are recorded at cost. Due to the nature of the Internal Account's SBA investment, it is considered a cash equivalent. The SBA is not covered by the FDIC.

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Notes to Financial Statements - Continued**

**(2) Cash and Equivalents - Continued**

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. Last 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 ("Florida PRIME" and "Fund B"). The Schools had all of their investments in the Florida PRIME at June 30, 2012.

The Florida PRIME has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Schools' investment in the Florida PRIME 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 expose 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 Florida PRIME is rated by Standard and Poors and has a rating at June 30, 2012 of AAAm.

**SUPPLEMENTAL INFORMATION**

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Sebastian River High School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Athletics	\$ 98,626	305,120	332,485	66,368	69,929	67,700
Music	-	20,381	18,861	-	-	1,520
Classes	23,477	59,152	80,246	20,744	3,301	19,826
Clubs	47,586	76,462	80,246	1,235	2,520	42,517
Departments	26,737	37,467	38,511	3,933	7,103	22,523
Trusts	21,551	35,932	36,213	510	1,064	20,716
General	32,360	93,073	91,309	832	9,705	25,251
<b>Total cash</b>	<b>\$ 250,337</b>	<b>627,587</b>	<b>677,871</b>	<b>93,622</b>	<b>93,622</b>	<b>200,053</b>
Inventory						15,457
Accounts receivable						-
Accounts payable						(47,800)
Assets held for others						\$ 167,710

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

Vero Beach High School						
	Cash Balances June 30, 2011	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2012
				In	Out	
Athletics	\$ 24,502	352,151	308,462	162,371	183,178	47,384
Music	36,865	203,860	170,658	14,971	13,490	71,548
Classes	42,532	174,807	168,677	13,571	9,107	53,126
Clubs	68,976	258,838	231,620	46,005	33,232	108,967
Departments	-	111,800	110,573	16,968	1,987	16,208
Trusts	37,004	16,974	26,785	3,426	17,897	12,722
General	13,257	24,759	28,618	9,841	8,262	10,977
Total cash	\$ 223,136	1,143,189	1,045,393	267,153	267,153	320,932
Inventory						20,770
Accounts receivable						-
Accounts payable						(15,160)
Assets held for others						\$ 326,542

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Gifford Middle School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Athletics	\$ 23,787	36,195	39,247	-	-	20,735
Music	3,460	5,485	5,321	-	-	3,624
Classes	3,396	40,894	39,667	-	69	4,554
Clubs	8,399	11,417	13,713	-	-	6,103
Departments	2,648	4,787	4,606	6	-	2,835
Trusts	10,533	2,326	1,640	6	6	11,219
General	49,790	15,838	15,100	63	-	50,591
<b>Total cash</b>	<b>\$ 102,013</b>	<b>116,942</b>	<b>119,294</b>	<b>75</b>	<b>75</b>	<b>99,661</b>
Inventory						1,053
Accounts receivable						-
Accounts payable						(16,019)
Assets held for others						\$ 84,695

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Oslo Middle School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Athletics	\$ 7,023	25,857	26,519	148	148	6,361
Music	4,430	46,172	38,764	548	798	11,588
Classes	3,991	18,627	15,447	4,592	5,199	6,564
Clubs	831	810	759	-	140	742
Departments	2,651	5,839	3,389	-	-	5,101
Trusts	5,107	28,848	4,200	-	988	28,767
General	3,308	25,297	26,347	3,699	1,714	4,243
Total cash	\$ 27,341	151,450	115,425	8,987	8,987	63,366
Inventory						414
Accounts receivable						790
Accounts payable						(8,652)
Assets held for others						\$ 55,918

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Sebastian River Middle School**

	Cash		Cash Disbursements	Transfers		Balances June 30, 2012
	Balances June 30, 2011	Cash Receipts		In	Out	
Athletics	\$ 4,814	11,914	13,257	-	-	3,471
Classes	518	6,424	6,423	-	-	519
Clubs	8,406	27,106	28,433	-	5	7,074
Departments	3,064	3,997	4,915	-	-	2,146
Trusts	9,426	19,699	19,066	-	-	10,059
General	32,282	15,699	18,671	5	-	29,315
Total cash	<u>\$ 58,510</u>	<u>84,839</u>	<u>90,765</u>	<u>5</u>	<u>5</u>	52,584
Inventory						11,684
Accounts receivable						1,791
Accounts payable						-
Assets held for others						<u>\$ 66,059</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Storm Grove Middle School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Athletics	\$ 23,734	44,717	32,577	1,113	257	36,730
Music	7,697	24,972	28,525	-	-	4,144
Classes	1,331	46,199	46,691	2,220	2,713	346
Clubs	1,667	8,012	7,331	150	339	2,159
Departments	2,192	8,629	8,033	-	195	2,593
Trusts	376	20,908	20,380	-	162	742
General	11,931	32,824	29,594	2,173	1,990	15,344
Total cash	\$ 48,928	186,261	173,131	5,656	5,656	62,058
Inventory						11,036
Accounts receivable						-
Accounts payable						(4,830)
Assets held for others						\$ 68,264

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Beachland Elementary School**

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disbursements</b>	
	<b>June 30, 2011</b>					
Classes	\$ 135	9,195	7,262	1,787	2,208	1,647
Clubs	2,035	3,150	2,082	-	-	3,103
Departments	3,215	2,722	3,748	75	-	2,264
Trusts	12,954	34,587	19,607	1,500	3,954	25,480
General	<u>19,427</u>	<u>101,147</u>	<u>106,053</u>	<u>6,130</u>	<u>3,330</u>	<u>17,321</u>
Total cash	<u>\$ 37,766</u>	<u>150,801</u>	<u>138,752</u>	<u>9,492</u>	<u>9,492</u>	49,815
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 49,815</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Citrus Elementary School**

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disbursements</b>	
	<b>June 30, 2011</b>					
Athletics	\$ 23	-	-	-	-	23
Classes	1,925	25,325	25,150	340	568	1,872
Clubs	3,424	12,281	13,356	-	-	2,349
Departments	1,224	1,758	803	246	-	2,425
Trusts	8,958	7,543	6,128	-	-	10,373
General	<u>7,588</u>	<u>15,993</u>	<u>15,958</u>	<u>116</u>	<u>134</u>	<u>7,605</u>
Total cash	<u>\$ 23,142</u>	<u>62,900</u>	<u>61,395</u>	<u>702</u>	<u>702</u>	24,647
Inventory						21
Accounts receivable						1,451
Accounts payable						<u>(623)</u>
Assets held for others						<u>\$ 25,496</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

<b>Dodgertown Elementary School</b>						
	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>In</b>	<b>Out</b>	<b>June 30, 2012</b>
	<b>June 30, 2011</b>					
Music	\$ 112	-	-	-	-	112
Classes	1,333	17,522	18,433	1,611	1,600	433
Departments	1,069	2,122	2,945	-	-	246
Trusts	6,918	8,190	10,507	-	-	4,601
General	<u>7,524</u>	<u>15,195</u>	<u>14,072</u>	<u>3,102</u>	<u>3,113</u>	<u>8,636</u>
Total cash	<u>\$ 16,956</u>	<u>43,029</u>	<u>45,957</u>	<u>4,713</u>	<u>4,713</u>	14,028
Inventory						1,600
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 15,628</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Fellsmere Elementary School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Classes	\$ 6,166	35,738	35,030	7,323	7,221	6,976
Clubs	401	993	934	-	-	460
Departments	869	5,085	5,145	-	3	806
Trusts	17,647	11,062	16,887	438	838	11,422
General	1,832	4,546	2,334	301	-	4,345
Total cash	\$ 26,915	57,424	60,330	8,062	8,062	24,009
Inventory						-
Accounts receivable						1,029
Accounts payable						-
Assets held for others						\$ 25,038

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Glendale Elementary School**

	<b>Cash</b>		<b>Cash Disbursements</b>	<b>Transfers</b>		<b>Balances June 30, 2012</b>
	<b>Balances June 30, 2011</b>	<b>Cash Receipts</b>		<b>In</b>	<b>Out</b>	
Music	\$ 75	-	-	-	-	75
Classes	507	23,844	23,175	1,169	1,496	849
Clubs	320	-	-	-	-	320
Departments	4,025	5,000	5,996	-	-	3,029
Trusts	1,621	4,873	4,884	-	-	1,610
General	<u>25,748</u>	<u>21,547</u>	<u>21,495</u>	<u>648</u>	<u>321</u>	<u>26,127</u>
Total cash	\$ <u>32,296</u>	<u>55,264</u>	<u>55,550</u>	<u>1,817</u>	<u>1,817</u>	32,010
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						\$ <u><u>32,010</u></u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Highlands Elementary School**

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disbursements</b>	
	<b>June 30, 2011</b>					
Music	\$ 722	1,077	1,734	-	-	65
Classes	971	17,468	16,140	2,744	2,610	2,433
Clubs	2,111	900	1,144	-	-	1,867
Departments	2,120	2,614	4,590	-	-	144
Trusts	5,642	13,428	11,607	53	374	7,142
General	<u>307</u>	<u>7,710</u>	<u>5,935</u>	<u>240</u>	<u>53</u>	<u>2,269</u>
Total cash	<u>\$ 11,873</u>	<u>43,197</u>	<u>41,150</u>	<u>3,037</u>	<u>3,037</u>	13,920
Inventory						932
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 14,852</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Liberty Magnet Elementary School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Athletics	\$ -	544	468	85	76	85
Music	74	17,658	16,690	521	521	1,042
Classes	1,955	76,313	71,615	11,185	11,246	6,592
Clubs	4,454	14,571	15,795	2,170	2,054	3,346
Departments	5,263	11,894	14,601	3,253	3,369	2,440
Trusts	2,697	29,414	26,555	1,785	13	7,328
General	13,134	16,418	16,616	5,273	6,993	11,216
<b>Total cash</b>	<b>\$ 27,577</b>	<b>166,812</b>	<b>162,340</b>	<b>24,272</b>	<b>24,272</b>	<b>32,049</b>
Inventory						149
Accounts receivable						-
Accounts payable						-
Assets held for others						\$ 32,198

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Osceola Magnet Elementary School**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Athletics	\$ 580	250	594	-	65	171
Music	183	2,485	2,058	101	-	711
Classes	5,211	42,979	42,470	6,169	6,202	5,687
Departments	483	7,904	5,707	117	101	2,696
Trusts	8,192	12,648	10,396	386	-	10,830
General	<u>40,702</u>	<u>15,040</u>	<u>10,816</u>	<u>-</u>	<u>405</u>	<u>44,521</u>
Total cash	\$ <u>55,351</u>	<u>81,306</u>	<u>72,041</u>	<u>6,773</u>	<u>6,773</u>	64,616
Inventory						-
Accounts receivable						-
Accounts payable						<u>(312)</u>
Assets held for others						\$ <u>64,304</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Pelican Island Elementary School**

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disbursements</b>	
	<b>June 30, 2011</b>					
Athletics	\$ 118	100	95	-	-	123
Music	1	683	666	-	-	18
Classes	937	21,068	19,431	1,169	1,440	2,303
Clubs	-	198	30	-	-	168
Departments	3,553	8,731	9,572	-	-	2,712
Trusts	8,930	5,787	7,379	365	85	7,618
General	5,462	14,838	10,290	698	707	10,001
Total cash	<u>\$ 19,001</u>	<u>51,405</u>	<u>47,463</u>	<u>2,232</u>	<u>2,232</u>	22,943
Inventory						7,204
Accounts receivable						-
Accounts payable						-
Assets held for others						<u>\$ 30,147</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Rosewood Magnet School**

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disbursements</b>	
	<b>June 30, 2011</b>					
Athletics	\$ 51	-	-	-	-	51
Classes	6,269	53,380	53,171	4,092	4,648	5,922
Departments	8,635	14,821	13,266	-	-	10,190
Trusts	8,474	50,731	47,596	-	-	11,609
General	<u>19,167</u>	<u>12,803</u>	<u>13,192</u>	<u>556</u>	<u>-</u>	<u>19,334</u>
Total cash	<u>\$ 42,596</u>	<u>131,735</u>	<u>127,225</u>	<u>4,648</u>	<u>4,648</u>	47,106
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 47,106</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Sebastian Elementary School**

	Cash		Cash Disbursements	Transfers		Balances June 30, 2012
	Balances June 30, 2011	Cash Receipts		In	Out	
Music	\$ 229	589	445	-	-	373
Classes	2,489	23,861	24,421	930	2,425	434
Clubs	219	3,646	3,274	-	-	591
Departments	344	6,807	6,368	2,244	2,096	931
Trusts	18,928	35,532	28,744	1,004	1,886	24,834
General	6,198	6,818	6,922	8,271	6,042	8,323
Total cash	\$ 28,407	77,253	70,174	12,449	12,449	35,486
Inventory						877
Accounts receivable						1,060
Accounts payable						(125)
Assets held for others						\$ 37,298

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Treasure Coast Elementary School**

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disbursements</b>	
	<b>June 30, 2011</b>					
Music	\$ 478	652	738	-	-	392
Classes	2,417	23,756	25,101	1,739	1,504	1,307
Departments	3,820	12,107	11,465	-	-	4,462
Trusts	6,788	10,310	13,494	-	192	3,412
General	3,644	7,893	8,736	380	423	2,758
<b>Total cash</b>	<b>\$ 17,147</b>	<b>54,718</b>	<b>59,534</b>	<b>2,119</b>	<b>2,119</b>	<b>12,331</b>
Inventory						-
Accounts receivable						-
Accounts payable						(612)
Assets held for others						<b>\$ 11,719</b>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Vero Beach Elementary School**

	<b>Cash Balances June 30, 2011</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers</b>		<b>Balances June 30, 2012</b>
				<b>In</b>	<b>Out</b>	
Classes	\$ 2,674	32,736	31,516	2,857	4,947	1,804
Clubs	484	983	1,189	70	70	278
Departments	1,643	7,497	7,578	-	-	1,562
Trusts	12,882	16,072	18,679	11,313	8,643	12,945
General	3,930	10,976	10,287	1,111	1,691	4,039
<b>Total cash</b>	<b>\$ 21,613</b>	<b>68,264</b>	<b>69,249</b>	<b>15,351</b>	<b>15,351</b>	<b>20,628</b>
Inventory						406
Accounts receivable						-
Accounts payable						-
Assets held for others						<b>\$ 21,034</b>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

<b>Adult and Community Education</b>						
	<b>Cash Balances June 30, 2011</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers</b>		<b>Balances June 30, 2012</b>
				<b>In</b>	<b>Out</b>	
Clubs	\$ 27,415	63,049	58,117	-	163	32,184
Trusts	-	4,284	4,284	-	-	-
General	<u>4,303</u>	<u>19,479</u>	<u>20,219</u>	<u>163</u>	<u>-</u>	<u>3,726</u>
Total cash	<u>\$ 31,718</u>	<u>86,812</u>	<u>82,620</u>	<u>163</u>	<u>163</u>	35,910
Inventory						9,648
Accounts receivable						1,595
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 47,153</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

<b>Alternative Education</b>						
	<b>Cash Balances June 30, 2011</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers</b>		<b>Balances June 30, 2012</b>
				<b>In</b>	<b>Out</b>	
Classes	1,389	3,384	2,583	-	-	2,190
Trusts	1,070	525	565	-	-	1,030
General	348	106	187	-	-	267
Total cash	\$ 2,807	4,015	3,335	-	-	3,487
Inventory						-
Accounts receivable						-
Accounts payable						-
Assets held for others						\$ 3,487

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

**Thompson Lifelong Learning Center**

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>		<b>Disbursements</b>	<b>In</b>	
	<b>June 30, 2011</b>	<b>Receipts</b>				<b>June 30, 2012</b>
Classes	\$ -	1,566	1,505	270	-	331
Departments	3,098	135	515	-	270	2,448
Trusts	3,928	-	-	-	-	3,928
General	825	38	38	-	-	825
Total cash	<u>\$ 7,851</u>	<u>1,739</u>	<u>2,058</u>	<u>270</u>	<u>270</u>	7,532
Inventory						247
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 7,779</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

Wabasso School						
	Cash Balances <u>June 30, 2011</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2012</u>
				<u>In</u>	<u>Out</u>	
Clubs	\$ 27,176	1	2,200	-	-	24,977
Trusts	17,168	2,730	6,814	-	-	13,084
General	<u>10,066</u>	<u>1,150</u>	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>9,938</u>
Total cash	<u>\$ 54,410</u>	<u>3,881</u>	<u>10,292</u>	<u>-</u>	<u>-</u>	47,999
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 47,999</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

<b>Transportation</b>						
	<b>Cash</b>			<b>Transfers</b>		<b>Balances</b>
	<b>June 30, 2011</b>	<b>Cash</b>	<b>Cash</b>	<b>In</b>	<b>Out</b>	<b>June 30, 2012</b>
		<b>Receipts</b>	<b>Disbursements</b>			
General	\$ 252	120	126	-	-	246
Inventory						-
Accounts receivable						-
Accounts payable						-
Assets held for others						\$ 246

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Assets Held for Others**

**June 30, 2012**

County Office						
	Cash Balances <u>June 30, 2011</u>	Cash Receipts	Cash Disbursements	Transfers		Balances <u>June 30, 2012</u>
				In	Out	
Trusts	\$ 1,144	695	1,022	341	-	1,158
General	<u>2,383</u>	<u>1,105</u>	<u>1,345</u>	<u>-</u>	<u>341</u>	<u>1,802</u>
Total cash	<u>\$ 3,527</u>	<u>1,800</u>	<u>2,367</u>	<u>341</u>	<u>341</u>	2,960
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 2,960</u>

**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***



**Mayer Hoffman McCann P.C.**

An Independent CPA Firm

**KRMT Tampa Bay Division**

13577 Feather Sound Drive, Suite 400

Clearwater, FL 33762

Phone: 727.572.1400 • 813.879.1400

Fax: 727.571.1933

www.mhm-pc.com

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed  
in Accordance With Government Auditing Standards**

Indian River District School Board  
Indian River County, Florida

We have audited the statement of fiduciary net assets of the School Board of Indian River County, Florida Internal Accounts (the “Internal Accounts”) as of June 30, 2012, and have issued our report thereon dated August 22, 2012. 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 (the “District”). 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.

**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.

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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings as item 12-1, which we consider to be a significant deficiency in internal control over financial reporting. 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.

**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. We did not audit the District's response and, accordingly, we express no opinion on it.

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



August 22, 2012  
Clearwater, Florida

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA  
INTERNAL ACCOUNTS**

**Schedule of Findings**

**For the year ended June 30, 2012**

**Significant Deficiencies**

**12-1 Finding** – As noted in prior audits, we observed that some school employees who maintain accounting records also handle cash collections, cosign checks, and reconcile bank statement balances to the accounting records. Although nothing came to our attention that indicated there was misappropriation of funds, 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** – The District recognizes how segregation of duties, internal controls, policy and oversight can safeguard the assets at our schools. We will continue to provide training and communication with principals and bookkeepers through meetings, correspondence and workshops in order to design and implement additional compensating controls for each of the schools / sites. Finance staff will continue to conduct ongoing monitoring of the effectiveness of control-related policies and procedures.