

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

FINANCIAL STATEMENTS

June 30, 2017

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

FINANCIAL STATEMENTS

June 30, 2017

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report | 1-3 |
| Financial Statements | |
| Statement of Fiduciary Net Position | 4 |
| Notes to Financial Statements | 5-7 |
| Independent Auditor's 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> | 8-9 |
| Supplemental Financial Schedules | |
| Schedule of Assets Held for Others: | |
| <u>High Schools</u> | |
| Sebastian River High School | 10 |
| Vero Beach High School | 11 |
| <u>Middle Schools</u> | |
| Gifford Middle School | 12 |
| Oslo Middle School | 13 |
| Sebastian River Middle School | 14 |
| Storm Grove Middle School | 15 |

Elementary Schools

| | |
|---|----|
| Beachland Elementary School | 16 |
| Citrus Elementary School | 17 |
| Dodgertown Elementary School | 18 |
| Fellsmere Elementary School | 19 |
| Glendale Elementary School | 20 |
| Indian River Academy (previously Highlands Elementary) School | 21 |
| Liberty Magnet Elementary School | 22 |
| Osceola Magnet Elementary School | 23 |
| Pelican Island Elementary School | 24 |
| Rosewood Magnet School | 25 |
| Sebastian Elementary School | 26 |
| Treasure Coast Elementary School | 27 |
| Vero Beach Elementary School | 28 |

Other Centers

| | |
|---|-------|
| Technical Center for Career & Adult Education | 29 |
| Alternative Center for Education | 30 |
| Wabasso School | 31 |
| County Office | 32 |
| Management Letter | 33-59 |
| School Responses | 60-86 |



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

Independent Auditors' Report

School Board of Indian River County, Florida
Internal Accounts
Indian River County, Florida

We have audited the accompanying statement of fiduciary net position of the School Board of Indian River County, Florida Internal Accounts (the "Internal Accounts") as of June 30, 2017, and the related notes to financial statements, which collectively comprise the Internal Accounts' financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

Auditors Responsibilities

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 performed the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Fort Pierce/Stuart

School Board of Indian River County, Florida
Internal Accounts

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the School Board of Indian River County, Florida Internal Accounts as of June 30, 2017, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 1 of the Notes to Financial Statements, the accompanying financial statement includes only the fiduciary net position of the Internal Accounts. The financial Statements does not include other financial activities of the District School Board and, accordingly, does not purport to, and does not present the fiduciary net position of the District School Board 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 statement of fiduciary net position. 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 relates 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 record used to prepare the financial statement or the financial statements 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.



School Board of Indian River County, Florida
Internal Accounts

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2017 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 in considering the School Board of Indian River County, Florida Internal Accounts' internal control over financial reporting and compliance.

*Berger, Toombs, Elam,
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

December 19, 2017

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

Statement of Fiduciary Net Position

June 30, 2017

ASSETS

| | |
|----------------------|----------------------------|
| Cash and equivalents | \$ 1,263,541 |
| Accounts receivable | 843 |
| Inventory | <u>37,078</u> |
| Total Assets | <u><u>\$ 1,301,462</u></u> |

LIABILITIES

| | |
|------------------------|----------------------------|
| Accounts payable | \$ 13,620 |
| Assets held for others | <u>1,287,842</u> |
| Total Liabilities | <u><u>\$ 1,301,462</u></u> |

See accompanying independent auditor's report and notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bases 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 position of the School Board of Indian River County, Florida (the "District"). Therefore, the accompanying financial statement does not purport to, and does not present the fiduciary net position 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.

Basis of Accounting

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

Inventory

Inventory is reported at lower of cost or market under the first-in first-out method.

Cash and Investments

School Board of Indian River County, Florida is required to deposit monies with financial institutions classified as qualified public depositories by Section 136.01, Florida Statutes. Chapter 280 Florida Statutes establishes the criteria for qualified public depositories, which provides collateral for public deposits.

Section 218.415 (17), Florida Statutes, establishes the financial instruments, that allows local governments, without a written investment policy, to invest their surplus funds. The authorized investments are as follows:

1. Direct obligations of the United States Treasury.
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969.
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories.
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2 - CASH AND CASH EQUIVALENTS

All deposits are held in qualified public depositories and are included on the accompanying Statement of Fiduciary Net Position as cash and equivalents.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the deposits of the School Board of Indian River County, Florida may not be returned. Although there is not a formal deposit policy for custodial credit risk, the School Board of Indian River County, Florida is governed by Section 136.01, Florida Statutes and Chapter 280, Florida Statutes. All funds are deposited in qualified public depositories, which fully insure or collateralize all monies on deposit. As of June 30, 2017, the bank balance for all schools totaled \$753,743 and the carrying value was \$687,361.

Cash and Investments

| | |
|---|---------------------|
| Deposits with Financial institutions | \$ 687,361 |
| Invested with State Board of Administration Florida Prime | 576,105 |
| Petty cash | 75 |
| | <u>\$ 1,263,541</u> |

Cash and investments as reported in the accompanying Statement of Fiduciary Net Position includes petty cash, cash in demand deposit accounts and Florida Prime Funds. The cash and investments balance of the School Board of Indian River County, Florida Internal Accounts includes \$576,105 at June 30, 2017 in Florida Prime, a Securities and Exchange Commission Rule 2a-7 like external investment pool. Florida Prime is rated AAAM by Standard and Poors and had a weighted average days to maturity of 39 days at June 30, 2017.

The School Board of Indian River County, Florida categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The School Board of Indian River County, Florida uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the School Board of Indian River County, Florida's own data in measuring unobservable inputs.

As of June 30, 2017, the School Board of Indian River County, Florida does not hold any investments subject to the fair value hierarchy.



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

**INDEPENDENT AUDITOR'S 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**

School Board of Indian River County, Florida
Internal Accounts
Indian River County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of fiduciary net position of the School Board of Indian River County, Florida Internal Accounts (the "Internal Accounts") as of June 30, 2017, have issued our report thereon dated December 19, 2017. Our report on the financial statement included a paragraph explaining that the financial statement includes only the fiduciary net position of the Internal Accounts and does not include other fiduciary net position of the Indian River District School Board (the "District").

Internal Control over Financial Reporting

In planning and performing our audit, we considered School Board of Indian River County, Florida Internal Accounts' 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 statements, but not for the purpose of expressing an opinion on the effectiveness of School Board of Indian River County, Florida 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 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 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 that might be deficiencies, significant deficiencies or material weaknesses. 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.

Fort Pierce  Stuart



School Board of Indian River County, Florida
Internal Accounts

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Internal Accounts Net Fiduciary positions are 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*.

Purpose of this 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Berger, Toombs, Elam,
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants, PL
Fort Pierce, Florida

December 19, 2017

SUPPLEMENTAL FINANCIAL STATEMENTS

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2017

Sebastian River High School

| | Cash | | Cash | | Balances June 30, 2017 |
|------------------------|---------------|------------|---------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | Transfers, net | |
| Athletics | \$ 73,508 | \$ 240,842 | \$ 265,858 | \$ 9,914 | \$ 58,406 |
| Music | 5,833 | 24,843 | 29,484 | 330 | 1,522 |
| Classes | 9,033 | 109,563 | 119,850 | 12,798 | 11,544 |
| Clubs | 29,042 | 83,654 | 82,457 | 5,291 | 35,530 |
| Departments | 21,383 | 29,188 | 29,694 | 1,700 | 22,577 |
| Trusts | 28,567 | 15,175 | 22,930 | 15,899 | 36,711 |
| General | 40,438 | 108,111 | 62,337 | (45,932) | 40,280 |
| Total cash | \$ 207,804 | \$ 611,376 | \$ 612,610 | \$ - | 206,570 |
| Inventory | | | | | 8,307 |
| Accounts receivables | | | | | 85 |
| Accounts payable | | | | | (2,709) |
| Assets held for others | | | | | \$ 212,253 |

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

Schedule of Assets Held for Others

June 30, 2017

Vero Beach High School

| | Cash Balances June 30, 2016 | Cash Receipts | Cash Disbursements | Transfers, net | Balances June 30, 2017 |
|------------------------|--|--------------------------|-------------------------------|-----------------------|-----------------------------------|
| Athletics | \$ 55,083 | \$ 414,546 | \$ 377,248 | \$ (2,763) | \$ 89,618 |
| Music | 9,066 | 122,389 | 113,730 | 1,690 | 19,415 |
| Classes | 70,343 | 109,835 | 111,240 | (897) | 68,041 |
| Clubs | 49,997 | 58,784 | 64,543 | (3,831) | 40,407 |
| Departments | 28,422 | 180,408 | 160,318 | (1,600) | 46,912 |
| Trusts | 10,522 | 17,920 | 21,298 | 3,090 | 10,234 |
| General | 8,670 | 41,059 | 27,142 | 4,311 | 26,898 |
| Total cash | \$ 232,103 | \$ 944,941 | \$ 875,519 | \$ - | \$ 301,525 |
| Inventory | | | | | 548 |
| Accounts receivables | | | | | 12 |
| Accounts payable | | | | | <u>(4,851)</u> |
| Assets held for others | | | | | <u>\$ 297,234</u> |

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

Schedule of Assets Held for Others

June 30, 2017

Gifford Middle School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|------------------------|------------------|-------------------|-------------------|---------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | June 30, 2017 | | |
| Athletics | \$ 19,667 | \$ 83,550 | \$ 78,213 | \$ - | \$ 25,004 | |
| Music | 5,618 | 4,248 | 3,630 | - | 6,236 | |
| Classes | 6,638 | 9,303 | 7,394 | 20 | 8,567 | |
| Clubs | 459 | 1,047 | 67 | - | 1,439 | |
| Departments | 2,617 | 5,394 | 4,144 | - | 3,867 | |
| Trusts | 9,501 | 30,348 | 30,734 | (130) | 8,985 | |
| General | 26,394 | 6,214 | 11,273 | 110 | 21,445 | |
| Total cash | \$ 70,894 | \$ 140,104 | \$ 135,455 | \$ - | 75,543 | |
| Inventory | | | | | 1,858 | |
| Accounts receivables | | | | | 250 | |
| Accounts payable | | | | | (3,542) | |
| Assets held for others | | | | | \$ 74,109 | |

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

Schedule of Assets Held for Others

June 30, 2017

Oslo Middle School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|---------------------------|------------------|------------------|-------------|------------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Athletics | \$ 8,444 | \$ 12,164 | \$ 10,530 | \$ 31 | \$ 10,109 | |
| Music | 112 | 6,378 | 4,612 | - | 1,878 | |
| Classes | 3,934 | 25,825 | 24,931 | (3,069) | 1,759 | |
| Clubs | 777 | 1,240 | 1,108 | - | 909 | |
| Departments | 5,249 | 1,946 | 1,069 | 2,971 | 9,097 | |
| Trusts | 3,046 | 1,117 | 1,156 | - | 3,007 | |
| General | 4,416 | 14,402 | 13,392 | 67 | 5,493 | |
| Total cash | \$ 25,978 | \$ 63,072 | \$ 56,798 | \$ - | \$ 32,252 | |
| Inventory | | | | | 725 | |
| Accounts receivables | | | | | - | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 32,977 | |

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

Schedule of Assets Held for Others

June 30, 2017

Sebastian River Middle School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|------------------|-------------------|-------------------|---------------|------------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | June 30, 2017 | | |
| Athletics | \$ 18,168 | \$ 19,430 | \$ 23,847 | \$ - | \$ 13,751 | |
| Music | 11,792 | 32,749 | 28,309 | - | 16,232 | |
| Classes | 1,318 | 3,307 | 2,797 | (132) | 1,696 | |
| Clubs | 5,423 | 9,335 | 11,177 | - | 3,581 | |
| Departments | 3,470 | 10,906 | 4,299 | 20 | 10,097 | |
| Trusts | 10,349 | 23,601 | 24,650 | 497 | 9,797 | |
| General | 20,883 | 15,901 | 19,666 | (385) | 16,733 | |
| Total cash | \$ 71,403 | \$ 115,229 | \$ 114,745 | \$ - | 71,887 | |
| Inventory | | | | | 3,305 | |
| Accounts receivables | | | | | 148 | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 75,340 | |

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

Schedule of Assets Held for Others

June 30, 2017

Storm Grove Middle School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|------------------------|------------------|-------------------|-------------------|---------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | June 30, 2017 | | |
| Athletics | \$ 38,681 | \$ 27,935 | \$ 26,152 | \$ 3,786 | \$ 44,250 | |
| Music | 2,288 | 10,112 | 9,576 | - | 2,824 | |
| Classes | 11,324 | 43,692 | 44,904 | (3,591) | 6,521 | |
| Clubs | 6,759 | 15,253 | 10,221 | (273) | 11,518 | |
| Departments | 3,132 | 4,227 | 3,883 | (933) | 2,543 | |
| Trusts | 1,337 | 8,785 | 8,735 | 150 | 1,537 | |
| General | 24,617 | 22,780 | 23,980 | 861 | 24,278 | |
| Total cash | \$ 88,138 | \$ 132,784 | \$ 127,451 | \$ - | 93,471 | |
| Inventory | | | | | 8,849 | |
| Accounts receivables | | | | | 158 | |
| Accounts payable | | | | | (1,808) | |
| Assets held for others | | | | | \$ 100,670 | |

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

Schedule of Assets Held for Others

June 30, 2017

Beachland Elementary School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|---------------------------|------------------|------------------|-------------|------------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Music | \$ 13 | \$ 454 | \$ 308 | \$ - | \$ 159 | |
| Classes | 491 | 24,726 | 25,031 | 379 | 565 | |
| Clubs | 1,293 | 26,367 | 26,486 | (278) | 896 | |
| Departments | 5,204 | 3,735 | 2,233 | (280) | 6,426 | |
| Trusts | 7,350 | 18,321 | 7,913 | 483 | 18,241 | |
| General | 17,835 | 13,844 | 18,844 | (304) | 12,531 | |
| Total cash | \$ 32,186 | \$ 87,447 | \$ 80,815 | \$ - | 38,818 | |
| Inventory | | | | | - | |
| Accounts receivables | | | | | - | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 38,818 | |

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

Schedule of Assets Held for Others

June 30, 2017

Citrus Elementary School

| | Cash | | Cash | | Balances June 30, 2017 |
|-------------------------------|---------------------------|------------------|------------------|----------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | Transfers, net | |
| Athletics | \$ 23 | \$ - | \$ - | \$ - | \$ 23 |
| Classes | 6,109 | 37,059 | 31,757 | 176 | 11,587 |
| Clubs | 2,418 | 1,511 | 795 | 100 | 3,234 |
| Departments | 4,143 | 2,845 | 1,748 | (100) | 5,140 |
| Trusts | 7,352 | 8,774 | 10,209 | - | 5,917 |
| General | 7,472 | 12,890 | 12,464 | (176) | 7,722 |
| Total cash | \$ 27,517 | \$ 63,079 | \$ 56,973 | \$ - | 33,623 |
| Inventory | | | | | - |
| Accounts receivables | | | | | - |
| Accounts payable | | | | | - |
| Assets held for others | | | | | \$ 33,623 |

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2017

Dodgertown Elementary School

| | Cash | | Cash | | Balances June 30, 2017 |
|------------------------|---------------|-----------|---------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | Transfers, net | |
| Music | \$ 255 | \$ 264 | \$ 174 | \$ - | \$ 345 |
| Classes | 1,998 | 2,299 | 2,404 | 171 | 2,064 |
| Clubs | 253 | - | 33 | 33 | 253 |
| Departments | 1,349 | 13,029 | 8,965 | - | 5,413 |
| Trusts | 3,870 | 3,330 | 6,548 | 1,949 | 2,601 |
| General | 3,995 | 6,452 | 7,094 | (2,153) | 1,200 |
| Total cash | \$ 11,720 | \$ 25,374 | \$ 25,218 | \$ - | \$ 11,876 |
| Inventory | | | | | 1,699 |
| Accounts receivables | | | | | - |
| Accounts payable | | | | | (28) |
| Assets held for others | | | | | \$ 13,547 |

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

Schedule of Assets Held for Others

June 30, 2017

Fellsmere Elementary School

| | Cash | | Cash | | Cash | | Balances | |
|-------------------------------|------------------|------------------|------------------|----------------|------------------|--|----------|--|
| | June 30, 2016 | Receipts | Disbursements | Transfers, net | June 30, 2017 | | | |
| | \$ | \$ | \$ | \$ | \$ | | | |
| Music | 127 | 1,292 | 1,390 | 75 | 104 | | | |
| Classes | 7,287 | 47,918 | 47,531 | (409) | 7,265 | | | |
| Clubs | 86 | - | 138 | 55 | 3 | | | |
| Departments | 1,490 | 6,362 | 5,288 | - | 2,564 | | | |
| Trusts | 4,944 | 8,969 | 7,655 | (75) | 6,183 | | | |
| General | 3,927 | 2,653 | 3,101 | 354 | 3,833 | | | |
| Total cash | \$ 17,861 | \$ 67,194 | \$ 65,103 | \$ - | \$ 19,952 | | | |
| Inventory | | | | | - | | | |
| Accounts receivables | | | | | - | | | |
| Accounts payable | | | | | - | | | |
| Assets held for others | | | | | \$ 19,952 | | | |

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2017

Glendale Elementary School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|------------------------|---------------|-----------|---------------|---------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | June 30, 2017 | | |
| Music | \$ 19 | \$ - | \$ - | \$ - | \$ - | 19 |
| Classes | 6,026 | 45,278 | 44,988 | (1,618) | | 4,698 |
| Clubs | 269 | - | - | - | | 269 |
| Departments | 5,910 | 10,835 | 10,563 | - | | 6,182 |
| Trusts | 1,314 | 3,993 | 3,959 | - | | 1,348 |
| General | 19,324 | 7,837 | 15,527 | 1,618 | | 13,252 |
| Total cash | \$ 32,862 | \$ 67,943 | \$ 75,037 | \$ - | | 25,768 |
| Inventory | | | | | | - |
| Accounts receivables | | | | | | 90 |
| Accounts payable | | | | | | - |
| Assets held for others | | | | | | \$ 25,858 |

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

Schedule of Assets Held for Others

June 30, 2017

Indian River Academy Elementary School

| | Cash | | Cash | | Cash | | Balances | |
|------------------------|------------------|------------------|------------------|----------------|---------------|--|----------|--|
| | June 30, 2016 | Receipts | Disbursements | Transfers, net | June 30, 2017 | | | |
| | \$ | \$ | \$ | \$ | \$ | | | |
| Music | - | 150 | - | - | 150 | | | |
| Classes | 3,879 | 22,435 | 24,816 | 6 | 1,504 | | | |
| Clubs | 1,596 | - | - | (1,596) | - | | | |
| Departments | 9,163 | 3,453 | 9,161 | - | 3,455 | | | |
| Trusts | 1,898 | 11,222 | 9,686 | (118) | 3,316 | | | |
| General | 7,199 | 5,676 | 8,186 | 1,708 | 6,397 | | | |
| Total cash | \$ 23,735 | \$ 42,936 | \$ 51,849 | \$ - | 14,822 | | | |
| Inventory | | | | | 342 | | | |
| Accounts receivables | | | | | - | | | |
| Accounts payable | | | | | - | | | |
| Assets held for others | | | | | \$ 15,164 | | | |

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

Schedule of Assets Held for Others

June 30, 2017

Liberty Magnet Elementary School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|------------------|-------------------|-------------------|---------------|------------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | June 30, 2017 | | |
| Music | \$ 1,569 | \$ 2,312 | \$ 3,040 | \$ - | \$ 841 | |
| Classes | 3,605 | 60,510 | 60,218 | - | 3,897 | |
| Clubs | 1,429 | 27,310 | 27,221 | 40 | 1,558 | |
| Departments | 9,005 | 19,254 | 24,117 | 4,000 | 8,142 | |
| Trusts | 13,804 | 23,831 | 13,770 | (104) | 23,761 | |
| General | 11,998 | 8,103 | 5,862 | (3,936) | 10,303 | |
| Total cash | \$ 41,410 | \$ 141,320 | \$ 134,228 | \$ - | 48,502 | |
| Inventory | | | | | 69 | |
| Accounts receivables | | | | | - | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 48,571 | |

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2017

Osceola Magnet Elementary School

| | Cash | | Cash | | Balances June 30, 2017 |
|-------------------------------|------------------|-------------------|-------------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | Transfers, net | |
| Music | \$ 1,103 | \$ 2,138 | \$ 2,249 | \$ - | \$ 992 |
| Classes | 2,111 | 55,565 | 53,406 | (445) | 3,825 |
| Clubs | 40 | 2,112 | - | - | 2,152 |
| Departments | 8,768 | 11,013 | 9,464 | - | 10,317 |
| Trusts | 10,806 | 18,677 | 14,112 | 4,283 | 19,654 |
| General | 32,048 | 27,309 | 25,645 | (3,838) | 29,874 |
| Total cash | \$ 54,876 | \$ 116,814 | \$ 104,876 | \$ - | 66,814 |
| Inventory | | | | | - |
| Accounts receivables | | | | | - |
| Accounts payable | | | | | - |
| Assets held for others | | | | | \$ 66,814 |

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

Schedule of Assets Held for Others

June 30, 2017

Pelican Island Elementary School

| | Cash | | Cash Receipts | Cash Disbursements | Transfers, net | Balances June 30, 2017 |
|------------------------|---------------------------|------------------|------------------|-----------------------|----------------|---------------------------|
| | Balances June 30, 2016 | | | | | |
| Music | \$ 336 | \$ 415 | \$ 690 | \$ - | \$ 61 | |
| Classes | 2,081 | 28,121 | 26,606 | (984) | 2,612 | |
| Clubs | 230 | - | - | - | 230 | |
| Departments | 1,981 | 934 | 1,226 | - | 1,689 | |
| Trusts | 5,263 | 2,414 | 1,879 | 546 | 6,344 | |
| General | 10,261 | 12,429 | 12,220 | 438 | 10,908 | |
| Total cash | \$ 20,152 | \$ 44,313 | \$ 42,621 | \$ - | 21,844 | |
| Inventory | | | | | 3,905 | |
| Accounts receivables | | | | | 100 | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 25,849 | |

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

Schedule of Assets Held for Others

June 30, 2017

Rosewood Magnet Elementary School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|---------------------------|-------------------|-------------------|-------------|------------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Music | \$ 377 | - | \$ 125 | \$ - | \$ 252 | |
| Classes | 6,857 | 55,992 | 54,133 | (555) | 8,161 | |
| Clubs | 6,215 | 46,266 | 46,508 | - | 5,973 | |
| Departments | 8,198 | 16,919 | 11,213 | - | 13,904 | |
| Trusts | 6,696 | 5,531 | 6,023 | - | 6,204 | |
| General | 14,229 | 14,809 | 16,358 | 555 | 13,235 | |
| Total cash | \$ 42,572 | \$ 139,517 | \$ 134,360 | \$ - | 47,729 | |
| Inventory | | | | | - | |
| Accounts receivables | | | | | - | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 47,729 | |

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

Schedule of Assets Held for Others

June 30, 2017

Sebastian Elementary School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|---------------------------|------------------|------------------|-------------|------------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Music | \$ 249 | \$ 616 | \$ 566 | \$ - | \$ 299 | |
| Classes | 3,067 | 6,943 | 4,721 | (188) | 5,101 | |
| Clubs | 2,502 | 31,262 | 29,355 | (1,104) | 3,305 | |
| Departments | 1,006 | 401 | 1,496 | 695 | 606 | |
| Trusts | 7,807 | 1,976 | 3,473 | 1,104 | 7,414 | |
| General | 12,368 | 10,424 | 10,027 | (507) | 12,258 | |
| Total cash | \$ 26,999 | \$ 51,622 | \$ 49,638 | \$ - | 28,983 | |
| Inventory | | | | | 697 | |
| Accounts receivables | | | | | - | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 29,680 | |

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

Schedule of Assets Held for Others

June 30, 2017

Treasure Coast Elementary School

| | Cash | | Cash | | Cash | | Balances June 30, 2017 |
|-------------------------------|------------------|-------------------|-------------------|----------------|------------------|--|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | Transfers, net | June 30, 2017 | | |
| Music | \$ 684 | \$ 1,332 | \$ 995 | \$ - | \$ 1,021 | | |
| Classes | 5,505 | 60,716 | 60,606 | (1,321) | 4,294 | | |
| Clubs | 4,314 | 18,823 | 20,932 | (21) | 2,184 | | |
| Departments | 7,108 | 12,992 | 12,927 | - | 7,173 | | |
| Trusts | 2,756 | 10,096 | 7,489 | - | 5,363 | | |
| General | 13,535 | 8,958 | 10,912 | 1,342 | 12,923 | | |
| Total cash | \$ 33,902 | \$ 112,917 | \$ 113,861 | \$ - | \$ 32,958 | | |
| Inventory | | | | | - | | |
| Accounts receivables | | | | | - | | |
| Accounts payable | | | | | - | | |
| Assets held for others | | | | | \$ 32,958 | | |

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

Schedule of Assets Held for Others

June 30, 2017

Vero Beach Elementary School

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|-------------------------------|---------------------------|------------------|------------------|-------------|----------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Music | \$ 693 | \$ 370 | \$ 614 | \$ - | \$ - | 449 |
| Classes | 2,361 | 25,250 | 25,890 | 383 | | 2,104 |
| Clubs | 10 | 3,988 | 3,637 | - | | 361 |
| Departments | 1,296 | 1,091 | 899 | (70) | | 1,418 |
| Trusts | 7,485 | 11,926 | 14,721 | (110) | | 4,580 |
| General | 8,329 | 17,054 | 16,371 | (203) | | 8,809 |
| Total cash | \$ 20,174 | \$ 59,679 | \$ 62,132 | \$ - | | 17,721 |
| Inventory | | | | | | 1,067 |
| Accounts receivables | | | | | | - |
| Accounts payable | | | | | | - |
| Assets held for others | | | | | | \$ 18,788 |

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2017

Technical Center for Career & Adult Education

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|------------------------|---------------------------|-----------|---------------|------|----------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Trusts | \$ - | \$ 375 | \$ 375 | \$ - | \$ - | |
| General | 20,914 | 54,200 | 59,097 | - | 16,017 | |
| Total cash | \$ 20,914 | \$ 54,575 | \$ 59,472 | \$ - | 16,017 | |
| Inventory | | | | | | 5,707 |
| Accounts receivables | | | | | | - |
| Accounts payable | | | | | | - |
| Assets held for others | | | | | | \$ 21,724 |

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2017

Alternative Center for Education

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|------------------------|-----------------|-----------------|------------------|---------------|----------------|---------------------------|
| | June 30, 2016 | Receipts | Disbursements | June 30, 2017 | | |
| Classes | \$ 4,898 | \$ 8,643 | \$ 8,520 | \$ (5,021) | \$ - | |
| Trusts | 713 | - | 189 | 890 | 1,414 | |
| General | 448 | 810 | 1,469 | 4,131 | 3,920 | |
| Total cash | \$ 6,059 | \$ 9,453 | \$ 10,178 | \$ - | 5,334 | |
| Inventory | | | | | - | |
| Accounts receivables | | | | | - | |
| Accounts payable | | | | | - | |
| Assets held for others | | | | | \$ 5,334 | |

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

Schedule of Assets Held for Others

June 30, 2017

Wabasso School

| | Cash Balances June 30, 2016 | Cash Receipts | Cash Disbursements | Transfers, net | Balances June 30, 2017 |
|------------------------|--|--------------------------|-------------------------------|-----------------------|-----------------------------------|
| Clubs | \$ 21,630 | - | \$ 331 | - | \$ 21,299 |
| Trusts | 7,803 | 778 | 5,874 | - | 2,707 |
| General | 4,014 | 8,261 | 7,288 | - | 4,987 |
| Total cash | \$ 33,447 | \$ 9,039 | \$ 13,493 | - | 28,993 |
| Inventory | | | | | - |
| Accounts receivables | | | | | - |
| Accounts payable | | | | | - |
| Assets held for others | | | | | <u>\$ 28,993</u> |

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

Schedule of Assets Held for Others

June 30, 2017

County Office

| | Cash | | Cash | | Transfers, net | Balances June 30, 2017 |
|------------------------|---------------------------|-----------|---------------|------|----------------|---------------------------|
| | Balances June 30, 2016 | Receipts | Disbursements | | | |
| Classes | \$ 467 | \$ - | \$ - | \$ - | \$ - | 467 |
| Departments | 5,487 | 23,751 | 23,019 | - | - | 6,219 |
| Trusts | 4,490 | 14,909 | 4,279 | - | - | 15,120 |
| General | 230 | 638 | 135 | - | - | 733 |
| Total cash | \$ 10,674 | \$ 39,298 | \$ 27,433 | \$ - | \$ - | 22,539 |
| Inventory | | | | | | - |
| Accounts receivables | | | | | | - |
| Accounts payable | | | | | | (682) |
| Assets held for others | | | | | | \$ 21,857 |



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

December 19, 2017

School Board of Indian River County, Florida
6500 57th Street
Vero Beach, FL 32967

RE: Audit of Internal Account Funds

Dear Board Members:

We have completed our audit of the internal accounts of the School Board of Indian River County, Florida, as of and for the year ended June 30, 2017 and have issued a report thereon dated December 19, 2017.

Attached to this letter is a summary of our observations and recommendations, by schools, that we believe will enhance record keeping and improve the internal control structure.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various School Board personnel. We will be pleased to discuss any comment or suggestion in greater detail and at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

In conclusion, we would like to thank the District School Board employees who assisted us with our examination.

*Berger, Toombs, Elam,
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

Fort Pierce/Stuart

General Comments - All Schools

The nature of internal accounts, at times, make it impractical to adequately implement controls over cash collections from the moment of collection until the initial recording on the accounting records. This is especially true for cash collections for athletics, in which there may be numerous off-campus activities. To strengthen the control procedures over cash collections, we recommend that the following basic procedures be followed, when practical, between the time cash is collected and the time when cash is recorded in the accounts of the schools' accounting offices:

- ◆ More than one individual, preferably faculty or staff members, should be involved in the accountability of cash as it is collected.
- ◆ Some type of written documentation should be made at the time cash is counted.
- ◆ Receipts should be issued as cash is collected.
- ◆ Cash collections should be deposited as soon as possible (preferably the same day or the next business day).
- ◆ Mechanical devices such as cash registers should be used when possible and internal tapes should be preserved.

Most of the schools utilize a Principal's Discretionary Account. During the course of our audit of the fiscal year ended June 30, 2016, we noted various sources for funds deposited into that account and several disbursements that did not appear to be in compliance with Chapter 8, Section III of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"* or School Board Policy. We recommended that the Board analyze this account and establish a policy to provide guidance for the schools to follow. In May 2017 the Board updated its policies and included guidance for the Principal's Discretionary Account.

The bookkeepers of the schools perform many incompatible functions for the Internal Accounts. The bookkeepers prepare deposits, prepare checks, post to the general ledger and reconcile the bank statement. To strengthen internal controls, we again recommend that the bookkeepers be removed as check signers for the Internal Accounts bank accounts.

We recommended in the prior year audit that the School Board Internal Accounts Procedures Manual be amended to provide that the teacher/sponsor approve disbursements to indicate that the goods or services were received. The updated policies, May 2017, include provisions for teacher/sponsor approvals.

School Board of Indian River County, Florida
June 30, 2017

Beachland Elementary School

Unless noted below, the fiscal year June 30, 2016 findings were corrected.

Our test of disbursements noted the following:

1. None of the items tested included a School Internal Fund Purchase order as required by Chapter 6, Internal Accounts Procedures Manual.
2. In one instance, the prior approval of purchases on the P-card was not included in the documentation provided for post audit verification. The Principal must review and approve all requisitions prior to purchase in accordance with Chapter 6, Section C (3), Internal Accounts Procedures Manual.

School Board of Indian River County, Florida
June 30, 2017

Citrus Elementary School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

Our tests of cash noted the following:

1. During our review of the June 30, 2017 bank reconciliation we noted two outstanding checks that were over a year old. We recommend that the school review these checks and take the appropriate action to remove them from the outstanding checks.
2. We also noted the name of the bank account does not include "The School District of Indian River County, Florida" as required by Chapter 8, Section III, 1.2 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

School Board of Indian River County, Florida
June 30, 2017

Dodgertown Elementary School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

During our test of receipts we noted:

1. In one instance, a teacher held the Monies Collected Form for the entire year. The teacher stated that they were unaware that the Monies Collected Form needed to be turned in daily. We recommend that written instructions concerning receipt process requirements be provided whenever a Monies Collected Form is issued.

Our test of disbursements noted the following:

1. The pre-approval of one reimbursement in excess of \$250 was not provided as required by Chapter 7, Internal Accounts Procedures Manual.
2. The support provided for one disbursement appears to be the order form and not a receipt that supports that the goods or services were received. The order form also indicated tax included, however the District is tax exempt.

Fellsmere Elementary School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

During our test of receipts we noted:

1. In one instance, monies collected by a teacher for Wednesday, Thursday, Friday, and Monday were turned in on Monday. Monies collected outside of the main office must be turned in the next business day as required by Chapter 8, Section III, 1.4 (b) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*". It should also be noted that these funds were kept by the teacher over a weekend.
2. We noted two instances where checks were received and no indication was provided for the date the checks were received. We were, therefore, unable to determine that the checks were deposited within five business days as required by Chapter 8, Section III, 1.4 (c) of "*Financial Program Cost Accounting and Reporting for Florida Schools*".
3. One deposit received indicated "Christmas Gifts". No additional documentation was provided by the donor to indicate how the funds received were to be spent.

We noted the following during our test of disbursements:

1. We again noted several disbursements that appear to be for supplies for curricular or classroom use that, per Chapter 8, Section III, 3.5 (1) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*" is a restricted expenditure unless School Board funds are not available. The documentation provided did not indicate School Board funds were not available.
2. We noted in several instances that the purchase order required by the Internal Accounts Procedures Manual was not included with the support documentation provided.
3. In several instances the documentation provided did not include a signature by the requestor indicating that they had requested/received the items purchased.
4. We also noted several instances where reimbursements to individuals for items purchased in excess of \$250 did not include documentation of pre-approval as required by Chapter 7, Section A (7) of the Internal Accounts Procedures Manual.

School Board of Indian River County, Florida
June 30, 2017

Glendale Elementary School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

Our test of receipts indicated the following:

1. We noted two instances where teachers collected monies over several school days (including holding monies over the weekend) and turned all monies collected in on a Thursday. Monies collected outside of the office are to be turned in the next business day as required by Chapter 8, Section III, 1.4 (b) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*".

School Board of Indian River County, Florida
June 30, 2017

Indian River Academy School

The fiscal year June 30, 2016 findings were corrected.

During the course of our tests, no further observations or recommendations were deemed necessary.

Liberty Magnet Elementary School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

During our test of receipts, we noted the following:

1. We noted several instances where checks were received and documentation was not provided to support the dates checks were received. The dates on the checks were over five days before the date of the deposit slip. We were, therefore, unable to determine that the checks were deposited within five business days as required by Chapter 8, Section III, 1.4 (c) of *“Financial and Program Cost Accounting and Reporting for Florida Schools”*.
2. The Monies Collected Form was not signed by the teacher or the bookkeeper as required by Chapter 5, Section B of the Internal Accounts Procedures Manual. The bookkeeper stated that the form is not signed until the form is completed and submitted to the office for filing. To improve internal controls over cash receipts, we recommend that the Monies Collected Form be signed by the teacher/sponsor and the bookkeeper each time monies are turned in.

We noted the following during our test of disbursements:

1. We noted one instance of a repair and maintenance disbursement for equipment. This type of disbursement is a “restricted” expenditure in accordance with Chapter 8, Section III, 3.5 (1) of *“Financial and Program Cost Accounting and Reporting for Florida Schools”* and shall not be made unless School Board funds are not available. The documentation provided did not indicate School Board funds were not available.
2. Several of the disbursements tested were for items originally purchased on the school’s P-card. The documentation provided did not include proof that the P-card purchase had been pre-approved by the Principal as required by Chapter 6, Purchasing Card Procedures, 11 A (3)(a), Internal Accounts Procedures Manual. The bookkeeper stated that the pre-approval is documented by the use of the card since it is stored in the safe, which can only be opened by the Principal and bookkeeper. We recommend that in the future the school retain written documentation of the pre-approval.

School Board of Indian River County, Florida
June 30, 2017

Osceola Magnet Elementary School

Except as noted below, the June 30, 2016 findings were corrected.

During our test of journal entries we noted the following:

1. We noted the reclassification of certain disbursements for attendance to a F.A.S.A. conference to a trust account (6401.00). We do not believe that this type of activity qualifies as trust account activity as monies were not raised specifically for attendance at the conference. Furthermore, we do not believe that this type of disbursement is an appropriate disbursement from Internal Accounts.
2. We noted that monies received for the sale of S.T.E.A.M. shirts were accounted for in the Principal's discretionary account. We also tested a disbursement for S.T.E.A.M. day activities. We believe that this activity should be accounted for in a trust account.

During our test of disbursements, we noted the following:

1. We noted one instance where a disbursement was made from left over funds from an account that was no longer utilized. In the future, we recommend that leftover funds be transferred to a general account as provided by Chapter 8, Section III, 2 of *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.
2. We noted two instances of purchase of supplies. This type of disbursement is a "restricted" expenditure in accordance with Chapter 8, Section III, 3.5 (1) of *"Financial and Program Cost Accounting and Reporting for Florida Schools"* and shall not be made unless School Board funds are not available. The documentation provided did not indicate that School Board funds were not available.
3. We noted that in one instance the reimbursement to a teacher for class supplies in excess of \$250 did not include documentation that the purchases were pre-approved as required by Chapter 7, Section A of the Internal Accounts Procedures Manual.

School Board of Indian River County, Florida
June 30, 2017

Pelican Island Elementary School

Except as noted below, the June 30, 2016 findings were corrected.

During our test of receipts, we noted the following:

1. In one instance, the only documentation provided was the receipt, and, therefore, we were unable to verify the purpose of the cash received nor compliance with policies and procedures.

Our test of disbursements noted the following:

1. In one instance, the only approval signature was the bookkeeper who requested the disbursement, placed the order and approved the payment. We recommend that a second signature be obtained as the bookkeeper also processes the disbursements for payment and is an authorized check signer.
2. The support documentation did not reflect the approval of the teacher/sponsor in several items tested.
3. The purchase of turkey dinner baskets from the Backpack Buddies trust account did not contain adequate documentation to support the purpose of the disbursement or the use of the Backpack Buddies account.

School Board of Indian River County, Florida
June 30, 2017

Rosewood Magnet School

The June 30, 2016 findings were corrected.

Our test of receipts noted the following:

1. In one instance, monies collected were held over the weekend by the teacher and turned into the bookkeeper on Monday. We recommend that monies not be held over weekends/holidays outside of the school office.
2. We noted that a receipt book assigned for the collection of Firefighters Fair Tickets indicated cash collections from February 28 through March 10, 2017. However, the official receipt was not issued and deposited until March 13, 2017. We recommend that in the future all monies collected be deposited within five business days as required by Chapter 8, Section III, Section 1.4 (c) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*".

We noted the following during our test of disbursements:

1. Two of the items tested did not include the signature of the teacher/sponsor.

School Board of Indian River County, Florida
June 30, 2017

Sebastian Elementary School

The June 30, 2016 findings were corrected.

Our test for receipts noted the following:

1. In one instance, the Monies Collected Form did not reflect the date monies were collected as required by Chapter 5 of the Internal Accounts Procedures Manual.
2. In one instance, the teacher/sponsor lost the Monies Collected Form and was unable to provide support to the bookkeeper for the amounts received.

School Board of Indian River County, Florida
June 30, 2017

Treasure Coast Elementary School

Except as noted below, the June 30, 2016 findings were corrected.

Our test of disbursements noted the following:

1. One of the disbursements tested did not include a purchase order as required by the School Board Internal Accounts Procedures Manual. Although this policy allows for a requisition to be utilized when a purchase order is not feasible, these disbursements did not appear to qualify for that exception.

School Board of Indian River County, Florida
June 30, 2017

Vero Beach Elementary School

There were no June 30, 2016 findings.

During the course of our tests, no further observations or recommendations were deemed necessary.

Gifford Middle School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

During our tests of cash we noted the following:

1. We noted two outstanding checks that were over one year old during our review of the June 30, 2017 bank reconciliation. We recommend that the school review these items and take the appropriate action to remove them from the outstanding checks.

During our tests of receipts we noted the following:

1. The receipt issued by the bookkeeper included receipts turned in by the teacher/sponsor with receipt dates over several days. This is in violation of Chapter 8, Section III, 1.4 (b) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*", that requires monies received be turned into the office the next business day.
2. The documentation provided for three receipts did not include the activity/fundraiser permit required by Chapter 12 of the Internal Accounts Procedures Manual.
3. A check payable from the School Board of Indian River County, Florida dated May 19, 2017 was not receipted until June 14, 2017. This appears to be in violation of Chapter 8, Section III, 1.4 (c) of the "*Financial and Program Cost Accounting and Reporting for Florida Schools*", that requires all monies be deposited within five business days.

During our test of disbursements, we noted the following:

1. We noted one instance where a disbursement for cheerleading supplies was only supported by a reprint of the purchase order and the reprint was not signed by the Principal as required by Chapter 7 of the Internal Accounts Procedures Manual.

School Board of Indian River County, Florida
June 30, 2017

Oslo Middle School

Except as noted below, the June 30, 2016 findings were corrected.

During our test of transfers, we noted the following:

1. We noted that a transfer of an inactive account to the Principal's Discretionary Account was made during the year. According to Chapter 8, Section III, 2.3, f (2) of "*Financial Program Cost Accounting and Reporting for Florida Schools*", remaining balances from inactive accounts shall be considered as belonging to the general miscellaneous account.
2. We noted a transfer of a percentage of a fundraiser to the Principal's Discretionary Account. The documentation provided to us to support the journal entry did not include documentation to support that the fundraiser advertised that a percentage of the proceeds were for the Principal's Discretionary Account.

We noted the following during our test of receipts:

1. Two of the receipts tested were for fundraisers that the monies were deposited into the Principal's Discretionary Account. The flyer promoting the fundraiser stated that it was to support Oslo Middle School and did not indicate that it was for the Principal's Discretionary Account. We recommend that, in the future, monies advertised for the benefit of the school be placed in a general account.

During our test of disbursements, we noted the following:

1. A disbursement for a reimbursement for an amount greater than \$250 did not include the preapproval for the amount as required by Chapter 7, Section A (7) of the Internal Accounts Procedures Manual.
2. The check written for the balance due on the year books order was over twice the amount of the purchase order issued. In the future, we recommend that an amended purchase order be processed.

School Board of Indian River County, Florida
June 30, 2017

Sebastian River Middle School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

Our tests of cash noted the following:

1. We noted several outstanding checks that were over one year old during our review of the June 30, 2017 bank reconciliation. We recommend that the school review these items and take the appropriate action to remove them from the outstanding checks.

Our test of receipts noted the following:

1. One receipt was not deposited within five business days as required by Chapter 8, Section III, 1.4 (c) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*".
2. One receipt included monies received by a teacher/sponsor that were not turned into the school office the next business day as required by Chapter 8, Section III, 1.4 (b) of the above referenced manual.

We understand that both of the above situations were the result of the school bookkeeper taking leave. We recommend that this situation be addressed by developing alternate procedures or an amendment to the Internal Accounts Procedures Manual.

Our test of disbursements noted the following:

1. We noted one instance where school supplies were purchased from the internal accounts. The documentation provided did not include support that School Board funds were not available. Chapter 8, Section III, 3.5 of "*Financial Program Cost Accounting and Reporting for Florida Schools*" states that these type disbursements are "restricted" and shall not be made unless School Board funds are not available.

School Board of Indian River County, Florida
June 30, 2017

Storm Grove Middle School

Except as noted below, the fiscal year June 30, 2016 findings were corrected.

During our test of cash, we noted the following:

1. We noted one outstanding check that was over one year old during our review of the June 30, 2017 bank reconciliation. We recommend that the school review this item and take the appropriate action to remove it from the outstanding checks.

During our test of disbursements, we noted the following:

1. In two instances gift cards were purchased to reward "stellar" staff. Chapter 7 (c) 13 of the Internal Accounts Procedures Manual requires that the funds raised were advertised to benefit staff and that the value of the gift card must be reported to the School Board office and reported on the W-2 for the employee. The documentation provided did not include information for us to verify the compliance with these requirements.

Sebastian River High School

Except as noted below, the June 30, 2016 findings were corrected.

Our review of Journal Entries noted the following:

1. In January 2017 monies were transferred from the Parking/Security/Golf Carts account to Senior Activities. As we noted last year, parking decal sales are recorded in a general activities account and collected from all students who park cars in the school parking lot. In accordance with Chapter 8, Section III, 2.5 (1) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*", these funds are to be used for the general welfare of the student body. We do not believe this transfer is in accordance with the above criteria. Furthermore, the School Board updated the Internal Accounts Procedures Manual in May 2017 and Chapter 3, Section C (h) addresses the use of parking decal proceeds. Under the new rules, parking decal proceeds may be used for related parking lot expenses, for school education purposes to benefit students, or the excess funds may be transferred to the General Activities Account at year-end. The transfer noted above does not comply with these requirements either.
2. At year end monies were transferred from the Rentals-Facilities and Equipment Account to the Pay to Participate account to cover a deficit balance in that account. The following should be noted about this transfer.
 - a. Chapter 8, Section I, 10 of "*Financial and Program Cost Accounting and Reporting for Florida Schools*" states that purchases from internal accounts shall not exceed the applicable resources of that account. As noted above, the Pay to Participate account had a deficit balance prior to the transfer which is in violation of this criteria.
 - b. The Internal Accounts Procedures Manual, Chapter 3, Section C (h) addresses the use of Rentals-Facilities and Equipment account. This account may be used for related maintenance and expenses, school educational purposes to benefit students or excess funds may be transferred to the General Activities Account at year-end. The transfer to the Pay to Participate Account does not comply with these requirements.

During our tests of receipts, we noted the following:

1. Two of the receipts tested did not include a Monies Collected Form. In accordance with Chapter 5, Section B of the Internal Accounts Procedures Manual a Monies Collected Form should be used for all monies collected that is not receipted on a pre-numbered receipt.
2. We again noted checks received without documentation to support the date received. We again recommend that the school document the date checks are received to insure compliance with the deposit requirements of Chapter 8 of "*Financial and Program Cost Accounting and Reporting for Florida Schools*".

Sebastian River High School (Continued)

Tests of Receipts (continued)

3. In one instance, monies were received from a teacher/sponsor for monies left over from the monies provided to purchase blankets for IB students. The documentation provided did not include an accounting of the monies received and spent to verify that the amount returned was the right amount.
4. The documentation provided for one receipt did not include the approved activity form as required by Chapter 30 of the Internal Accounts Procedures Manual.
5. A review of the "Receipts Log" indicated that a receipt book was lost. The teacher/sponsor completed a Lost Receipt Book Form indicating that the book was misplaced and not used. The receipt book was issued at the beginning of the school year and was not reported as missing until year end. We recommend that the use of receipt books be monitored more frequently than yearly to improve internal controls over the receipts process.

We noted the following during our test of disbursements:

1. One disbursement was for the purchase of 250 headsets for testing. Chapter 8, Section III, 3.5 (1) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*", indicates that the purchase of supplies for curricular or classroom use is a "restricted" expenditure and deemed inappropriate unless School Board funds are not available. The documentation provided did not provide support that School Board funds were not available.
2. Several disbursements greater than \$25 did not include a purchase order as required by Chapter 6, Section A (1) of the Internal Accounts Procedures Manual.

School Board of Indian River County, Florida
June 30, 2017

Vero Beach High School

Except as noted below, fiscal year June 30, 2016 findings were corrected.

We noted the following issues during our test of transfers:

1. Again, this year monies raised for athletics were transferred to a Casual for a Cause Account and subsequently disbursed to the District office in support of this District wide fundraiser. In accordance with Chapter 8, Section I, 7 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, all funds collected shall be expended to benefit these students in school unless collected for a specific documented purpose or generated for career education production shops. Although the school completed Activity Form included Casual for a Cause as a potential recipient for the funds, we were not provided any support documentation that this was advertised to the people purchasing football tickets. Furthermore, we do not believe that monies collected primarily to benefit students should be directed to other purposes.
2. A transfer was made from one internal account to another internal account and the journal entry notation indicated that it was a repayment of "starter" funds. We determined that \$2,500 of "starter" funds were advanced in 2014 and \$2,000 has been repaid. The advance of monies from one internal account to another does not comply with Chapter 8, Section II, 6 of *"Financial and Program Cost Accounting and Reporting for Florida Schools"* which states internal funds shall not be used to make any kind of loans.

Our test of receipts noted the following:

1. We again noted several instances where monies received were supported by a Cash Verification Form and a listing of monies received, some of which was greater than \$20. Chapter 5 (1) (a) of the Internal Accounts Procedures Manual requires that a pre-numbered receipt be issued for cash collected in excess of \$20. The receipts tested did not meet one of the exceptions outlined in Chapter 5 (3)a of the Procedures Manual.
2. The monies received for the commission for school pictures was deposited into the staff benefit and yearbook workshop accounts. Although the flyer did contain a caveat that the proceeds may be used for other purposes, we believe that monies collected primarily from students should be spent to benefit students.

During our test of disbursements, we noted the following:

1. Again, this year numerous purchase orders were issued for nominal amounts and then manually altered for significant amounts and approved by the Principal because of the use of open or blanket purchase orders. We recommend, that, in the future, when the disbursement exceeds the blanket purchase order, a new blanket purchase order be completed and approved by the Principal.

Vero Beach High School (Continued)

2. Several disbursements tested did not include support documentation to verify the approval by the teacher/sponsor.
3. The supplements paid to coaches were paid from athletic accounts not affiliated with the sport coached. We recommend that these amounts be paid from the general athletics account in the future.

School Board of Indian River County, Florida
June 30, 2017

Alternative Center for Education

The fiscal year June 30, 2016 findings were corrected.

As a result of our receipts test, we noted the following:

1. We noted several instances where checks were received and documentation was not provided to support the dates the checks were received. We were, therefore, unable to determine if the checks were deposited within five business days as required by Chapter 8, Section III, 1.4 (c) of "*Financial Program Cost Accounting and Reporting for Florida Schools*".

School Board of Indian River County, Florida
June 30, 2017

Technical Center for Career and Adult Education

Except as noted below, fiscal year June 30, 2016 findings were corrected.

Our test of receipts again noted that most of the items tested were textbooks and fees for exams that were subsequently reimbursed by the School Board. We could not determine if these transactions were accommodations for the School Board, which would be a "restricted" expenditure. We recommend that the School Board review this practice to insure compliance with Chapter 8 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

School Board of Indian River County, Florida
June 30, 2017

Wabasso School

The fiscal year June 30, 2016 findings were corrected.

We noticed the following during our test of receipts:

1. We noted two instances where checks were received in the mail and documentation was not provided to support the date the checks were received, and, therefore, we were unable to determine that the checks were deposited within five business days as required by Chapter 8, section III, 1.4 (c) of "*Financial and Program Cost Accounting and Reporting for Florida Schools*".

Our test of disbursements noted the following:

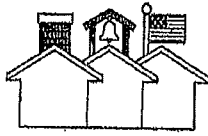
1. In several instances the documentation provided was not adequate to verify that the disbursement was posted to the correct account.
2. In two instances the documentation provided did not include support that the required approvals had been obtained.
3. In one instance, a reimbursement request for an amount in excess of \$250 did not include documentation that the pre-approval required by Chapter 7, Section A (7) of the Internal Accounts Procedures manual had been obtained.

School Board of Indian River County, Florida
June 30, 2017

Internal Account – District Office

There were no findings for the fiscal year June 30, 2016.

During the course of our tests, no further observations or recommendations were deemed necessary.



School District of Indian River County

6600 57th Street • Vero Beach, Florida, 32967 • Telephone: 772-664-3000 • Fax: 772-569-0424

Mark J. Rendell, Ed.D. - Superintendent

Date: November 10, 2017
To: Carter Morrison, Assistant Superintendent, Finance and Employee Services
From: Terry Malone, Staff Accountant
Regarding: *Response to Internal Accounts Audit General Comments*

I have reviewed the findings, observations and recommendations from the 2016/17 Internal Accounts audit performed by Berger, Toombs, Elam, Gaines & Frank. I have also sent copies of each school's observations to the respective principal and bookkeeper for response.

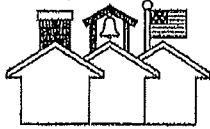
Over the course of last year, the following steps were taken to strengthen controls. The Internal Accounts Procedures Manual was reviewed and amended to incorporate most of the recommendations made by BTEG&F. The manual changes were drafted for review in January 2017. Informal conversations to solicit feedback took place in January and February. The procedural changes were formally presented to bookkeepers at a training held on March 3, 2017. The final version of the Internal Accounts Procedure Manual was published May 10, 2017.

The Manual can be found on the district's School Board Bylaws and Policies webpage under Administrative Procedures, Section 6610, Finance, Internal Accounts.

My response to the general comments follow.

Cash Controls

- An information sheet for teachers regarding School Internal Accounts was published as a draft on March 10, 2017 and in its final form on July 12, 2017, incorporating feedback from the school bookkeepers.
- The procedure concerning mandated deposits prior to weekends and holidays was reviewed. New language was added to the manual emphasizing timely deposits, but acknowledging the need to document any exceptions to this best practice.



School District of Indian River County

6500 57th Street • Vero Beach, Florida, 32967 • Telephone: 772-664-3000 • Fax: 772-669-0424

Mark J. Rendell, Ed.D. - Superintendent

Principal's Discretionary Account

- A review of the current and potential sources and uses of funds was completed and new procedure language was added to clarify the use of this account.
- A new trust account was added in series 6000 to separate any monies collected or used for the benefit of staff recognition.

Internal Accounts Check Signers

BTEG&F again recommended that bookkeepers be removed as check signers for the Internal Accounts bank accounts. The Finance Department reviewed the recommendation and interviewed school personnel regarding this recommendation. While considering the nature of the recommendation, along with the limited resources in school front offices, we concluded that current Internal Accounts Procedures have sufficient compensating controls in place to not implement this recommendation, based on the following:

- Purchasing instruments (purchase orders, p-card purchases, check requisitions) require two signatures, the sponsor and the principal or his/her designee.
- Cash and check receipting and submission requires two signatures, separate from the bookkeeper. Signers are usually the sponsor and another faculty or staff member.
- Deposits require two signatures, the bookkeeper and the principal.
- Checks issued require two signatures. The bookkeepers cannot issue a check without a review and confirming signature.
- Bank Statements and monthly reconciliation reports are reviewed and signed by the principal.
- At VBHS, our busiest office, the school bookkeeper and bookkeeper assistant write approximately 100 checks monthly. As an added control, they have taken the initiative to segregate cash deposit responsibilities from physical bank run responsibilities.



School District of Indian River County

6500 57th Street • Vero Beach, Florida, 32967 • Telephone: 772-564-3000 • Fax: 772-569-0424

Mark J. Rendell, Ed.D. - Superintendent

Disbursements Receiving and Approval

- The Internal Accounts manual was revised to emphasize the importance of Principal Pre-Approval for all purchases over \$25.00 and to emphasize the importance of receiving documentation and disbursement approval by teachers/sponsors.
- Purchase order request forms were amended to indicate and document whether School Board funds are or are not available.

Date Checks Received

BTEG&F noted several instances where checks were received and documentation was not provided to support the dates checks were received at the location. The dates on the checks were over five days before the date on the deposit slip. They were, therefore, unable to determine that the checks were deposited within five business days as required by Chapter 8, Section III, 1.4 (c) of "*Financial Program Cost Accounting and Reporting for Florida Schools*".

- When checks or cash are received directly in the school office, the date of receipt be documented with either a date stamp or notation and signature on backup documentation, or that a written log of checks and cash received be utilized.
- Checks received by teachers/sponsors will continue to be receipted and documented in a numbered receipt book.

Conclusion

The issues addressed in this memorandum, as well as specific issues at individual locations will be reviewed at a workshop style training session for all school bookkeepers within the next 90 days. Any changes made or anticipated in the Internal Accounts Procedure Manual will also be presented to bookkeepers as part of the training session.

Beachland Elementary School

3350 Indian River Drive East
Vero Beach, Florida 32963-1799

Telephone: (772) 564-3300

FAX: (772) 564-3350

Dr. Colleen H. Lord
Principal

Susan Del Tufo
Assistant Principal

November 7, 2017

Beachland Elementary 2017 Audit Response

Item 1:

Disbursement: None of the items tested included a School Internal Fund Purchase order as required by Chapter 6, Internal Accounts procedures Manual.

Response:

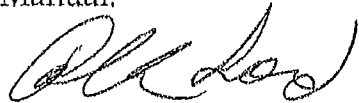
In the future, we will include a signed and approved purchase order that will be attached to all documentation.

Item 2:

Disbursement: Prior approval of purchase on the P-card was not included in the documentation provided for post audit verification.

Response:

The Principal will review and approve all requisitions prior to purchase in the accordance with chapter 6, Section C (3), Internal Accounts Procedures Manual.



Dr. Colleen H. Lord, Principal

School District of Indian River County

"It Takes A Community To Raise A Child!"

PLTW|LAUNCH AMAZING DISCOVERIES START HERE

Citrus Elementary School
2771 Citrus Road * Vero Beach, Florida 32968
Telephone: (772) 978-8350 * Fax: (772) 978-8351

Kimberly Garcia
Principal

Suzanna DiDomenico
Assistant Principal

Corrective Action Plan Response

Fiscal Year Ending June 30, 2017 Internal Accounts Audit Report

1. Finding #1:
During our review of the June 30, 2017 bank reconciliation we noted two outstanding checks were over a year old. We recommend that the school review these checks and take appropriate action to remove them from the outstanding check.

Response to #1:

We contacted the owners of these checks, check # 1846 and check #1871, voided the checks and reissued new checks in the same amount. The new checks have both been cashed as of today, 11/09/2017.

2. Finding #2:
We also noted the name of the bank account does not include "The School District of Indian River County, Florida" as required by Chapter 8, Section III, 1.2 of the "Financial and Program Cost Accounting and Reporting for Florida School".

Response to #2:

Both Citrus Elementary School and the District Finance Department has contacted PNC bank and a name revision is in process.

Kimberly Garcia, Principal

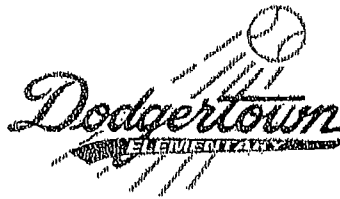
K Garcia Date: 11/9/17

Beth Ann Dunton, Bookkeeper

Beth Ann Dunton Date: 11/9/17

Guiding Today's Children to Become Tomorrow's Leaders
School District of Indian River County

Aretha Vernetto,
Principal



Kristen Racine,
Assistant Principal

4350 43rd Avenue ♦ Vero Beach, Florida 32967
Telephone: (772) 564-4100 ♦ Fax: (772) 564-4093

DATE: Tuesday, November 7, 2017

RE: 2016-17 INTERNAL ACCOUNTS AUDIT

I have reviewed the Internal Account Audit findings regarding the auditor's observations and respond as follows:

"During our test of receipts, we noted:

In one instance, a teacher held the Monies Collected form for the entire year. The teacher stated that they were unaware that the Monies Collected Form needed to be turned in daily. We recommend that written instructions concerning receipt process requirements be provided whenever a Monies Collected Form is issued."

Response

The issue has been addressed in writing to all staff in the Dodger Digest, Volume 1, Issue 4, dated October 9, 2017.

"Our test of disbursements noted the following:

The pre-approval of a reimbursement more than \$250 was not provided as required by Chapter 7, Internal Accounts Procedures Manual.

The support provided for one disbursement appears to be the order form and not a receipt that supports that the goods or services were received. The order form also indicated tax included, however the District is tax exempt."

Response

In the future, we will also ensure that all transactions include the proper documentation which will include prior approval by the principal and receipts.

Thank you,


Aretha Vernetto
Principal

School District of Indian River County



Fellsmere Elementary School

50 North Cypress Street, Fellsmere, FL 32948 - Phone 772-564-5970 Fax 772-564-6020

Home of the Mustangs
Gallop for Success...Nothing Less!

Ramón J. Echeverría
Principal

Memorandum

Lyndsey Matheny
Assistant Principal

To: Terry Malone
From: Ramon Echeverria, Principal at Fellsmere Elementary
Date: November 30, 2017
Subject: Response to the Internal Account Audit on School Year 2016-2017

Receipt #1

The Teacher was corrected and has been retrained on the receipting guidelines.

Receipt #2

The checks in question were receipted the same day that we received the checks. In the future, we will note the date received.

Receipt #3

The donor gave a check to the school to purchase a Christmas Gifts for the students. They did not provide a donation letter with the check. In the future, we will request this information in writing from the donor.

Disbursements #1

As of March 2017, we are using request forms that require this information be provided.

Disbursements #2

We will make sure that all items will have a purchase order from now on.

Disbursements #3

We will have the requestor sign the forms from now on.

Disbursements #4

We will have the purchaser request and obtain pre-approval before making purchases.

WE EXIST TO ACHIEVE HIGH LEVELS OF LEARNING FOR ALL STUDENTS!

GLENDALE ELEMENTARY SCHOOL

4940 8th Street ♦ Vero Beach, Florida 32968

Telephone (772) 978-8050 ♦ Fax (772) 978-8098

Adam Faust
Principal
978-8050

Michelle Banack
Assistant Principal
978-8046

November 9, 2017

Dear Ms. Malone,

This letter is in response to the Internal Accounts Audit for the fiscal year ended June 30, 2017.

The finding stated two instances where teachers collected monies over several days before turning in to the bookkeeper. Both teachers have been spoken to individually regarding this error. In addition, all teachers have been reminded of the training received on the policies and procedures and given a written document regarding all Cash Collections. All monies were locked up in a secure location at all times.

Moving forward we will continue to emphasize to teachers the importance of following procedures regarding cash collections through monthly faculty meetings, weekly Grade Level Chair meetings and individual mentorship by the bookkeeper.

If you have any further questions, please don't hesitate to call me at 978-8056.

Sincerely,



Adam Faust
Principal

School District of Indian River County

LIBERTY MAGNET SCHOOL
"An IBO World School - Primary Years Program"

6880 81st Street • Vero Beach, FL 32967 • (772) 564-5300 • Fax: (772) 564-5309

Takelsha Harris
Principal

Kelly Good
Assistant Principal

November 7, 2017

Theresa Malone
Internal Accountant
School District/IR County

Dear Ms. Malone:

We are in receipt of our internal account audit review for Liberty Magnet Elementary for the school year 2016/2017.

Our school as a whole does an outstanding job with money collections and disbursements through our internal accounts. Mrs. Watson keeps the staff up to date with any and all changes as related to finance procedures and SDIRC rules for internal accounts. Her honesty and integrity is above board and she continues to strive for perfection; however, some daily practices have come to the forefront this year that have not been noted in the past. My response to the audit notes are listed below.

Receipts:

Item 1. We have no control as to when parents write checks and when they are sent to the classroom for collections. All checks and cash received in the classroom is receipted daily and sent to the finance office for verification, receipting, and deposits completed the same day.

Item 2. Monies collected forms have been reused until completed for many years. Total daily receipts were verified and sub totaled in the finance office. Teachers have now been informed to subtotal and initial each daily receipt before bringing to the finance office.

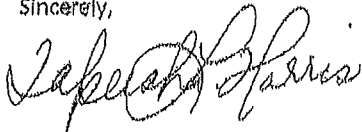
Disbursements:

Item 1. Maintenance contract on our library laminator will no longer be done through internal accounts.

Item 2. All internal pcard transactions will have a pre-approval form on file with the reimbursement backup.

Thank you for your continuing support and consideration.

Sincerely,

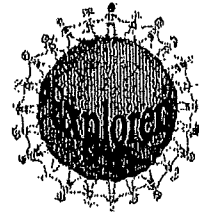


Takelsha Harris
Principal

School District of Indian River County

OSCEOLA MAGNET SCHOOL

A Florida "A" School
School District Of Indian River County
1110 18th Avenue SW
Vero Beach, FL 32962
(772)564-5821



Scott Simpson, Principal

Janice McCord, Assistant Principal

11/17/17

School Board of Indian River County, Florida

In response to the auditor's observations, comments and/or findings related to Osceola Magnet School for the Internal Accounts Audit performed for the fiscal year ending June 30, 2017, please see below.

"We noted that monies received for the sale of S.T.E.A.M. shirts were accounted for in the Principal's discretionary account... We believe that this activity should be accounted for in a trust account."

RESPONSE: A trust account was created, adjustments have been made and future purchases of science t-shirts will utilize the trust account.

During our test of disbursements: *"We noted one instance where a disbursement was made from left over funds from an account that was no longer utilized. In the future, we recommend that leftover funds be transferred to a general account as provided by Chapter 8, Section 111, 2 of "Financial and Program Cost Accounting and Reporting for Florida Schools."*

RESPONSE: In the future, any remaining balances in inactive accounts will be transferred to the General Activity account. An adjusting entry was completed to transfer the Office Supplies balance to the General Activity account.

"We noted two instances of purchase of supplies. This type of disbursement is a "restricted" expenditure in accordance with Chapter 8, Section 111, 3.5 (1) of "Financial and Program Cost Accounting and Reporting for Florida Schools" and shall not be made unless School Board funds are not available. The documentation provided did not indicate that School Board funds were not available."

RESPONSE: In the future, any request or purchase of supplies from Internal Accounts will document whether School Board funds are available.

"We noted that in one instance the reimbursement to a teacher for class supplies in excess of \$250 did not include documentation that the purchases were pre-approved as required by Chapter 7, Section A of the Internal Accounts Procedures Manual."

RESPONSE: In the future, we will document pre-approval for teacher reimbursements using an approval form.

Sincerely,

+Scott Simpson, principal

"A model for the state in the areas of Science and Math exploration with the Integration of the Arts and Literacy in an engaging, positive and collaborative school community"

Pelican Island Elementary School

1355 Schumann Drive • Sebastian, Florida 32958
Telephone: (772) 564-6500 • Fax: (772) 564-6493

Chris Kohlstedt
Principal



Theresa Wagner
Assistant Principal

INTERNAL ACCOUNTS AUDIT RESPONSE:

RECEIPTS

1. The check was from the Rotary Club and it was delivered in person with no letter attached. Moving forward, we will request a letter from the donor. The bookkeeper has received a donation letter for this year's donations.

DISBURSEMENTS

1. Separation of duties will be used to avoid this from happening.
2. Bookkeeper will ensure that proper signatures of persons requesting the purchase are obtained when the order / items are received.
3. The Backpack Buddies account is set up to provide weekly food backpacks to students/families in need of help. The holidays are a time when we use these funds to ensure that those families can also enjoy a turkey dinner. This year, the activity permit documents the uses of these funds.

Chris Kohlstedt
Chris Kohlstedt

School District of Indian River County

Rosewood Magnet School

3850 16th Street ☪ Vero Beach, FL 32960

(772) 564-3840 ☪ Fax (772) 564-3888

"A Rich Tradition, A Bright Future"

An Honor Roll School

November 7, 2017

In response to Rosewood Magnet School's internal audit:

FINDINGS: RECIEPTS

1. In one instance, monies collected were held over the weekend by the teacher and turned into the bookkeeper on Monday.
2. We noted that a receipt book assigned for the collection of Firefighters Fair Tickets indicated cash collections from February 28 through March 10, 2017. However, the official receipt was not issued and deposited until March 13, 2017.

RESPONSE: RECIEPTS

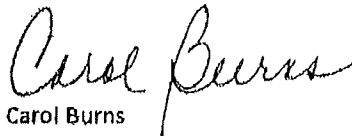
1. Teachers have been informed that money is to be turned in dally. On occasion when money is turned in late on a Friday it will be locked in the safe.
2. Money collection was done by secretary. She is not used to receipting money and this will not happen again.

FINDINGS: DISBURSEMENTS

1. Two of the items tested did not include the signature of the teacher/sponsor.

RESPONSE: DISBURSEMENTS

1. In the future, receiving signatures will be obtained.


Carol Burns

Administrative Assistant


Casandra Flores

Principal

Sebastian Elementary School

400 Sebastian Boulevard ♦ Sebastian, Florida 32958

Telephone: (772) 978-8200

Fax: (772) 978-8205

Letitia Whitfield-Hart
Principal

Dr. Chadwick Bacon
Assistant Principal

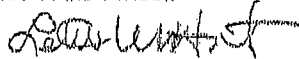
This memo is in response to the Internal Accounts audit for the fiscal year ended June 30, 2017.

Item 1: In one instance, the Monies Collected Form did not reflect the date monies were collected as required by Chapter 5 of the Internal Accounts Procedures Manual.

Response: In the future, teachers will be reminded to complete the form with dates and forms will be reviewed by the bookkeeper.

Item 2: In one instance, the teacher/sponsor lost the Monies Collected Form and was unable to provide support to the bookkeeper for the amounts received.

Response: The teacher submitted a written statement that the form was lost. The statement is on file at the school.



Letitia Whitfield-Hart

Home of the Sebastian Sea Turtles
"Where Every Student and Teacher Experiences
Emotional, Social and Academic Success"
www.indianriverschools.org/SES

Treasure Coast Elementary

8955 85th Street • Sebastian, FL 32958 • (772) 978-8510 • Fax (772) 978-8503

Elizabeth Tetreault
Principal

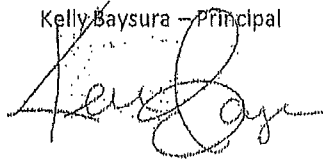
Robyn Bethel
Assistant Principal

This memo is in response to the Internal Accounts Audit for the fiscal year ended June 30, 2017.

Report: One of the disbursements tested did not include a purchase order as required by the School Board Internal Accounts Procedures Manual. Although this policy allows for a requisition to be utilized when a purchase order is not feasible, these disbursements did not appear to qualify for that exception.

Response: In the future, a purchase order or check requisition will be processed prior to issuing the reimbursement.

Kelly Baysura - Principal



"Our Children, Our Treasures"

School District of Indian River County

Gifford Middle School

Ms. Tosha Jones
Principal

Mr. Jeremy Szpaichler
Assistant Principal

Mrs. Felice Heppern
Assistant Principal

4530 28th Court • Vero Beach, Florida 32967
Office Telephone: (772) 564-3550
Attendance Telephone: (772) 564-3551 • FAX: 564-3561

Mrs. Ivonne Ferraro
School Counselor

Mrs. Eathel Hart
School Counselor

Mr. Jason Mistrretta
Resource Specialist

This memo is in response to the Internal Accounts audit for the fiscal year ended June 30, 2017.

Mrs. Jessica Karr
Behavior Interventionist
Specialist

Cash: We noted two outstanding checks that were over one year old during our review of the June 30, 2017 bank reconciliation. We recommend that the school review these items and take the appropriate action to remove them from the outstanding checks.

Response: Outstanding checks have been addressed. In the future, outstanding checks will be reviewed periodically.

Receipts: The receipt issued by the bookkeeper included receipts turned in by the teacher/sponsor with receipt dates over several days. This is in violation of Chapter 8, Section III, 1.4 (b) of "Financial and Program Cost Accounting and Reporting for Florida Schools", that requires monies received be turned into the office the next business day.

Response: A teacher did not turn in checks and receipts in a timely manner. The matter has been addressed with the teacher. He turns them in every day or the following morning now.

Receipts: The documentation provided for three receipts did not include the activity/fundraiser permit required by Chapter 12 of the Internal Accounts Procedures Manual.

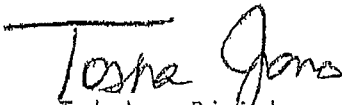
Response: In the future, activity permits will be completed and retained for documentation purposes.

Receipts: A check payable from the School Board of Indian River County, Florida dated May 19, 2017 was not receipted until June 14, 2017. This appears to be in violation of Chapter 8, Section III, 1.4 (c) of the "Financial and Program Cost Accounting and Reporting for Florida Schools", that requires all monies be deposited within five business days.

Response: The check was both received and receipted on June 14th. The district did not send it to us until we called and inquired about it. In the future, we will document the date received.

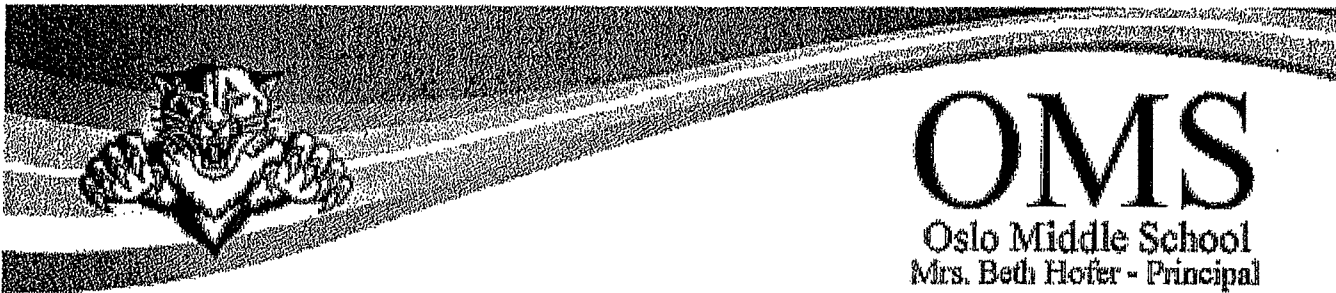
Disbursements: We noted one instance where a disbursement for cheerleading supplies was only supported by a reprint of the purchase order and the reprint was not signed by the Principal as required by Chapter 7 of the Internal Accounts Procedures Manual.

Response: The original purchase order along with all supporting paperwork was misplaced by the former principal. We will make every effort to ensure this does not happen again.


Tosha Jones, Principal



School District of Indian River County



November 9, 2017

To whom it may concern:

This memo is in response to the Internal Accounts audit for the fiscal year ended June 30, 2017.

Test of transfers:

- 1. Monies were transferred to General Activities account.
- 2. Believe in Blue fundraisers are for students and staff. We have since specified which group is receiving funds for each activity.

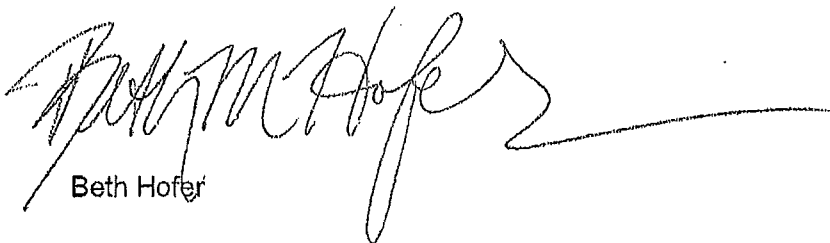
Test of receipts:

- 1. All donations for Oslo Middle School will be placed into general fund account unless otherwise specified.

Test of Disbursements:

- 1. All future disbursements for reimbursements greater than \$250 will be pre-approved and purchased through a P.O. or Internal P-Card.
- 2. In the future, an amended purchase order will be processed.

Roariffically yours,



Beth Hofer

You Can't Hide That Wildcat Pride
 480 20th Avenue S.W. Vero Beach FL 32962 772-564-3980

SEBASTIAN RIVER MIDDLE SCHOOL

9400 County Road 512 ♦ Sebastian, Florida 32958
Telephone: 772.564.5111 ♦ Fax: 772.564.5225
www.indianriverschools.org/arms

Jody Idlette, Principal

Assistant Principals
Jacqueline Contri
James Thimmer

November 17, 2017

SDIRC Finance Department,

This memo is in response to the Internal Accounts audit for the fiscal year ended June 30, 2017.

Finding 1 : Our tests of cash noted the following:

We noted several outstanding checks that were over one year old during our review of the June 30, 2017 bank reconciliation. We recommend that the school review these items and take the appropriate action to remove them from the outstanding checks.

Finding 2 : Our test of receipts noted the following:

1. One receipt was not deposited within five business days as required by Chapter 8, Section III, 1.4 (c) of "Financial and Program Cost Accounting and Reporting for Florida Schools".
2. One receipt included monies received by a teacher/sponsor that were not turned into the school office the next business day as required by Chapter 8, Section III, 1.4 (b) of the above referenced manual.

Finding 3 : Our test of disbursements noted the following:

We noted one instance where school supplies were purchased from the internal accounts. The documentation provided did not include support that School Board funds were not available. Chapter 8, Section III, 3.5 of "Financial Program Cost Accounting and Reporting for Florida Schools" states that these type disbursements are "restricted" and shall not be made unless School Board funds are not available.

Principal Response/ Corrective Action:

Corrective Action 1: In the future, the Bookkeeper will review and audit all accounts periodically, any check(s) found to be outstanding for more than one year will be removed.

Corrective Action 2: Teachers/Staff were provided a revised Handbook with money collection, receipting and submitting procedures to ensure that they are aware of board policies. The Bookkeeper is also responsible for giving updates and reminders to the faculty during faculty meetings and/or by email. Sebastian River Middle School will make every effort to deposit funds within 5 days per procedure.

If needed, an alternate procedure will be developed and detailed notes will be left for the employee providing coverage when the Bookkeeper is out for an extended period of time. (i.e. Family Medical Leave).

Corrective Action 3:

We will make sure that the appropriate district account is used when funds are available, and that we use the new request form to indicate that School Board funds are not available when purchasing with internal funds.

Thank you,

Mrs. Jody Idlette-Brown, Principal
Sebastian River Middle School



world school

School District of Indian River County

STORM GROVE MIDDLE SCHOOL
6400 57th Street • Vero Beach, FL 32967
772-564-6400 • Fax: 772-564-6321
Anne Bieber, Principal

Storm Grove Middle School 2016-2017 Internal Audit Response

Bookkeeper: Angle J. Herman

During our test of cash, we noted the following:

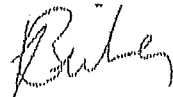
1. We noted one outstanding check that was over one year old during our review of the June 30, 2017 bank reconciliation. We recommend that the school review this item and take the appropriate action to remove it from the outstanding checks.

Communication logs for outstanding check 2863 were supplied after the Internal Accounts Audit draft was sent on October 5, 2017. The outstanding check was voided on October 12, 2017. The recipient responded on November 8, 2017 and a new check was issued. All documentation is attached.

During our test of disbursements, we noted the following:

1. In two instances gift cards were purchased to reward "stellar" staff. Chapter 7 (c) 13 of the Internal Accounts Procedures Manual requires that the funds raised were advertised to benefit staff and that the value of the gift card must be reported to the School Board office and reported on the W-2 for the employee. The documentation provided did not include information for us to verify the compliance with these requirements.

As noted in Chapter 7 (c) 13 of the Internal Accounts Procedures Manual. This policy and procedure has been applied for this 2017-2018 school year and future on.



School District of Indian River County

SEBASTIAN RIVER HIGH SCHOOL

9001 Shark Boulevard • Sebastian, Florida 32958

Telephone: (772) 564-4170 • Fax: (772) 564-4182

1. In January 2017 monies were transferred from the Parking/Security/Golf Carts account to Senior Activities. As we noted last year, parking decal sales are recorded in a general activities account and collected from all students who park cars in the school parking lot, in accordance with Chapter 8, Section II, 2.5 (1) of "Financial and Program Cost Accounting and Reporting for Florida Schools", these funds are to be used for the general welfare of the student body. We do not believe this transfer is in accordance with the above criteria. Furthermore, the School Board updated the Internal Accounts Procedures Manual in May 2017 and Chapter 3, Section C (h) addresses the use of parking decal proceeds. Under the new rules, parking decal proceeds may be used for related parking lot expenses, for school education purposes to benefit students, or the excess funds may be transferred to the General Activities Account at year-end. The transfer noted above does not comply with these requirements either.

Response: A notice was added on the Parking Permit Application for parents and students to know that funds can be used for student related activities. Please note that District Administration is currently investigating options moving forward to avoid this finding in the future.

2. At year end monies were transferred from the Rentals-Facilities and Equipment Account to the Pay to Participate account to cover a deficit balance in that account. The following should be noted about this transfer. a. Chapter 8, Section I, 10 of "Financial and Program Cost Accounting and Reporting for Florida Schools" states that purchases from internal accounts shall not exceed the applicable resources of that account. As noted above, the Pay to Participate account had a deficit balance prior to the transfer which is in violation of this criteria. b. The Internal Accounts Procedures Manual Chapter 3, Section C (h) addresses the use of Rentals-Facilities and Equipment account. This account may be used for related maintenance and expenses, school educational purposes to benefit students or excess funds may be transferred to the General Activities Account at year-end. The transfer to the Pay to Participate Account does not comply with these requirements.

Response: The funds collected does not meet the demand of our pay to participate transportation costs. SRHS will consider increasing the \$65.00 pay to participate fee or fundraise through Athletics, to cover all transportation.

During our tests of receipts, we noted the following:

1. Two of the receipts tested did not include a Monies Collected Form. In accordance with Chapter 5, Section B of the Internal Accounts Procedures Manual a Monies Collected Form should be used for all monies collected that is not receipted on a pre-numbered receipt.

Response: Going forward a Monies Collected Form or a Cash Verification Form will be used for all monies not receipted in a pre-numbered receipt book.

"You Can't Hide That Shark Pride"

Todd Racine
Principal

Darlynn Brown
Assistant Principal

Michelle Holmes
Assistant Principal

Kelly Ward
Assistant Principal

William Wilson III
Assistant Principal

Madison Flory
Guidance Counselor

Kim O'Keefe
Guidance Counselor

Wendy Palmer
Guidance Counselor

Lynn Phillips
Guidance Counselor

Enrique Valencia
Guidance Counselor



School District of Indian River County

SEBASTIAN RIVER HIGH SCHOOL

9001 Shark Boulevard • Sebastian, Florida 32958

Telephone: (772) 564-4170 • Fax: (772) 564-4182

2. We again noted checks received without documentation to support the date received. We again recommend that the school document the date checks are received to insure compliance with the deposit requirements of Chapter 8 of "Financial and Program Cost Accounting and Reporting for Florida Schools".

Response: The date checks are received is documented by the receipt book date or a "date received" stamp by the bookkeeper. In the future, if a check is received by mail, the envelope will be kept with the receipt.

3. In one instance, monies were received from a teacher/sponsor for monies left over from the monies provided to purchase blankets for 18 students. The documentation provided did not include an accounting of the monies received and spent to verify that the amount returned was the right amount.

Response: Receipts were provided to document all monies were accounted for. Going forward a Cash Verification Form will be used to re-deposit any extra funds.

4. The documentation provided for one receipt did not include the approved activity form as required by Chapter 30 of the Internal Accounts Procedures Manual.

Response: This purchase fell under the IB/Student Recognition account. There was an activity form in place for the 2016-2017 IB account.

5. A review of the "Receipts Log" indicated that a receipt book was lost. The teacher/sponsor completed a Lost Receipt Book Form indicating that the book was misplaced and not used. The receipt book was issued at the beginning of the school year and was not reported as missing until year end. We recommend that the use of receipt books be monitored more frequently than yearly to improve internal controls over the receipts process.

Response: The receipt book was subsequently located and turned in to the bookkeeper in August, 2017, and all receipts were accounted for. In the future, there will be a quarterly receipt book check.

"You Can't Hide That Shark Pride"

Tedd Rächne
Principal

Daryall Brown
Assistant Principal

Michele Holmes
Assistant Principal

Kelly Ward
Assistant Principal

William Wilson III
Assistant Principal

Madison Flory
Guidance Counselor

Kim O'Keefe
Guidance Counselor

Wendy Palmer
Guidance Counselor

Lynn Phillips
Guidance Counselor

Enrique Valencia
Guidance Counselor



School District of Indian River County

SEBASTIAN RIVER HIGH SCHOOL

9001 Shark Boulevard • Sebastian, Florida 32958

Telephone: (772) 564-4170 • Fax: (772) 564-4182

We noted the following during our test of disbursements:

1. One disbursement was for the purchase of 250 headsets for testing. Chapter 8, Section III, 3.5 (1) of "Financial and Program Cost Accounting and Reporting for Florida Schools", indicates that the purchase of supplies for curricular or classroom use is a "restricted" expenditure and deemed inappropriate unless School Board funds are not available. The documentation provided did not provide support that School Board funds were not available.

Response: This was a time sensitive purchase that was needed for student testing. In the future, a notation will be made, documentation will be kept and reimbursement will be requested for time sensitive emergency purchases as noted in 7c (2).

2. Several disbursements greater than \$25 did not include a purchase order as required by Chapter 6, Section A (1) of the Internal Accounts Procedures Manual.

Response: There will be additional training and reminders with staff for purchases and reimbursement procedures.



Todd Racine, Principal

"You Can't Hide That Shark Pride"

Todd Racine
Principal

Daryall Brown
Assistant Principal

Michele Holmes
Assistant Principal

Kelly Ward
Assistant Principal

William Wilson III
Assistant Principal

Madison Flory
Guidance Counselor

Kim O'Keefe
Guidance Counselor

Wendy Palmer
Guidance Counselor

Lynn Phillips
Guidance Counselor

Enrique Valencia
Guidance Counselor



School District of Indian River County

VERO BEACH HIGH SCHOOL

1707 16th Street, Vero Beach, Florida 32960

Mr. Shawn O'Keefe, Principal

Except as noted below, fiscal year June 30, 2016 findings were corrected. We noted the following issues during our test of transfers:

1. *Again, this year monies raised for athletics were transferred to a Casual for a Cause Account and subsequently disbursed to the District office in support of this District wide fundraiser. In accordance with Chapter 8, Section 1, 7 of the "Financial and Program Cost Accounting and Reporting for Florida Schools", all funds collected shall be expended to benefit these students in school unless collected for a specific documented purpose or generated for career education production shops. Although the school completed Activity Form Included Casual for a Cause as a potential recipient for the funds, we were not provided any support documentation that this was advertised to the people purchasing football tickets. Furthermore, we do not believe that monies collected primarily to benefit students should be directed to other purposes.*

Response: Monies collected towards the Athletic accounts, are generated from the public community and students who attend these events. The Activity form was submitted and "Casual For A Cause" was included in the description for these fundraisers. We do advertise during the football games through the game announcements. We also make announcements during our morning school announcements over the Intercom.

2. *A transfer was made from one internal account to another internal account and the Journal entry notation indicated that it was a repayment of "starter" funds. We determined that \$2,500 of "starter" funds were advanced in 2014 and \$2,000 has been repaid. The advance of monies from one internal account to another does not comply with Chapter 8, Section 1, 6 of "Financial and Program Cost Accounting and Reporting for Florida Schools" which states internal funds shall not be used to make any kind of loans.*

Response: The transfer, JE #1647 on 11.5.14 was for \$2000.00 from the Performing Arts account for Drama to start up their expenses. The Performing Arts account is the "Parent" account for all performing arts which include Drama, Band, PAC, Chorus and Orchestra.

Our test of receipts noted the following:

1. *We again noted several instances where monies received were supported by a Cash Verification Form and a listing of monies received, some of which was greater than \$20. Chapter 5 (1) (a) of the Internal Accounts Procedures Manual requires that a pre numbered receipt be issued for cash collected in excess of \$20.*

Response: Football tickets for reserved seating for Athletics and the County Fair Receipts for ROTC are accounted for on Cash Verification Forms due to the extremely long lines to purchase these pre-sales. In the future, reconciled ticket numbers / inventory will be more thoroughly documented.

VBHS Main Campus
Telephone: (772) 564-5600
Fax: (772) 564-5553

Freshman Learning Center
Telephone: (772) 564-5800
Fax: (772) 564-5679

" It's Great To Be A Fighting Indian! "

School District of Indian River County

VERO BEACH HIGH SCHOOL

1707 16th Street, Vero Beach, Florida 32960

Mr. Shawn O'Keefe, Principal

2. *The monies received for the commission for school pictures was deposited into the staff benefit and yearbook workshop accounts. We believe these monies were received from students and should be deposited into a general account to be spent for the welfare of the student body as a whole.*

Response: We agree that a portion of the proceeds from school pictures was designated as a fundraiser for yearbook and a portion was designated for staff appreciation. The order form and advertising flyer stated the intent at the bottom of the page, as well as the Activity Form from the Yearbook Sponsor.

During our test of disbursements, we noted the following:

1. *Again, this year numerous purchase orders were issued for nominal amounts and then manually altered for significant amounts and approved by the Principal because of the use of open or blanket purchase orders. We recommend, that, in the future, when the disbursement exceeds the blanket purchase order, a new blanket purchase order be completed and approved by the Principal.*

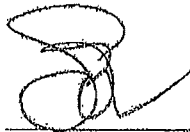
Response: In the future, we will work to ensure that purchase orders be estimated more accurately or adjusted and approved as costs are incurred. The principal will approve the purchase order adjusted total as well as the the check total with his signatures.

2. *Several disbursements tested did not include support documentation to verify the approval by the teacher/sponsor.*

Response: In the future, we will work to ensure that all disbursements have receiving approval.

3. *The supplements paid to coaches were paid from athletic accounts not affiliated with the sport coached. We recommend that these amounts be paid from the general athletics account in the future.*

Response: In the future, we will use the general athletics account.



Shawn O'Keefe (Principal)

VBHS Main Campus
Telephone: (772) 564-5600
Fax: (772) 564-5553

Freshman Learning Center
Telephone: (772) 564-5800
Fax: (772) 564-5679

" It's Great To Be A Fighting Indian! "

School District of Indian River County

Alternative Center for Education

4680 28th Court
Vero Beach, Florida 32967

Office:
(772) 564-6240

"Teaching A.C.E. Eagles To Soar Home"

Fax:
(772) 564-6265

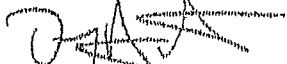
November 7, 2017
Alternative Center for Education
4680 28th Court
Vero Beach Fl. 32967

Ms. T. Malone,

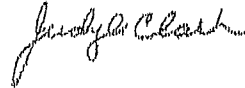
To correct the observation regarding receiving of checks for ACE the following has been implemented:

- 1) The check stub will be dated and signed by the bookkeeper and verified by another employee of the school.
- 2) A log form has been created to log each incoming check and will also be signed by the same employees as above.

Attached is a copy of the log.


Denny Hart
Principal

Judy Clark
Administrative Assistant/Bookkeeper



Denny Hart
Principal

Keondra Eberhardt
Student Support Specialist

Judy Clark
Administrative Assistant

School District of Indian River County



TECHNICAL CENTER FOR CAREER & ADULT EDUCATION

1426 19th Street • Vero Beach, Florida 32960
TELEPHONE: (772) 564-4970 • FAX: (772) 562-8357

November 17, 2017

RE: Audit Finding for Purchasing Textbooks

The Technical Center for Career and Adult Education will no longer be utilizing internal accounts to purchase textbooks. This school year two textbook purchasing transactions have occurred using internal accounts prior to November 1st. Beginning November 1st, the school has an online bookstore for students at <http://www.indianriverbooks.com/>. Students will now be responsible for purchasing their textbooks.

Christi Shields, Principal
Technical Center for Career and Adult Education
772-564-5006

"Building Tomorrow's Dreams TODAY"

WABASSO SCHOOL



Kathrine Pierandozzi, Principal

8895 U.S. Hwy 1, Sebastian, Florida 32958

(772) 978-8000

November 7, 2017

Terry Malone, Accountant
School District of Indian River County
6500 57th Street
Vero Beach, FL 32967

Re: Internal Account Audit Response

Ms. Malone,

Please note the following responses and action plan to the audit findings for Wabasso School Internal Account audit for the fiscal year ending June 30, 2016.

We noticed the following during our test of receipts:

1. We noted two instances where checks were received in the mail and documentation was not provided to support the date the checks were received, and, therefore, we were unable to determine that the checks were deposited within five business days as required by Chapter 8, section III, 1.4 (c) of "Financial and Program Cost Accounting and Reporting for Florida Schools".

Response: We have identified the two checks that do not have the supporting documentation but have noted that they were deposited within the guidelines as they were noted received in SFO and the deposit is dated within the 5 days. There is one check dated in May and deposited in July. This check was from the Lions organization and was not received until July. This check comes from their main office and the local representative did not give it to us until July.

In the future, we will copy each check, date and initial the date of receipt.

Our test of disbursements noted the following:

1. In several instances the documentation provided was not adequate to verify that the disbursement was posted to the correct account.

Response: We apply based on newly established or previously established accounts that we have verified with Finance. Example: Check written to Majestic are posted to the "general enrichment activities" account as this is an enrichment activity for students.

If there are specific error, please advise so we may be aware and correct for all future activities.

Dr. Mark Rendell, Superintendent

School District of Indian River County

WABASSO SCHOOL



Kathrine Pierandozzi, Principal

3835 U.S. Highway 1, Sebastian, Florida 32958

(772) 578-3000

2. In two instances the documentation provided did not include support that the required approvals had been obtained.

Response: The instances noted indicate the Principal's signature is on the check and district required forms. I inadvertently missed signing the attached receipt or invoice. I will ensure all documents are signed in the future.

3. In one instance, a reimbursement request for an amount in excess of \$250 did not include documentation that the pre-approval required by Chapter 7, Section A (7) of the Internal Accounts Procedures manual had been obtained.

Response: The manual states the Principal must approve all reimbursements. The noted checks were reimbursements directly to the Principal.

In the future, we will determine who is responsible for approving the Principal's reimbursement checks and obtain the required prior approval.

Kathrine Pierandozzi, Principal