

INDIAN RIVER  
DISTRICT SCHOOL BOARD  
INTERNAL ACCOUNTS

AUDIT REPORT

JUNE 30, 2010

**Audit Report  
Indian River District School Board Internal Accounts  
June 30, 2010**

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## Independent Auditors' Report

Indian River District School Board  
Indian River County, Florida

We have audited the accompanying statement of fiduciary net assets of the Indian River District School Board Internal Accounts (the "Internal Accounts") as of June 30, 2010. This financial statement is the responsibility of the management of the Indian River District School Board (the "District School Board"). Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Internal Accounts as of June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 2010 on our consideration of the Internal Accounts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

*Carr, Riggs & Ingram LLC*

September 13, 2010  
Gainesville, Florida

**Statement of Fiduciary Net Assets**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

ASSETS

Cash and Equivalents	\$ 1,144,262
Inventory	<u>32,216</u>
TOTAL ASSETS	1,176,478

LIABILITIES

Assets Held for Others	<u>1,176,478</u>
NET ASSETS	<u><u>\$ -</u></u>

See accompanying notes.

**Notes to Financial Statement**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

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

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

Basis of Accounting

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

Inventory

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

**NOTE 2 – CASH AND EQUIVALENTS**

Cash and Equivalents consists of:

Deposits with Financial Institutions	\$ 498,964
Invested with State Board of Administration	<u>645,298</u>
	<u><u>\$ 1,144,262</u></u>

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

The Schools invest surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. Last year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("Florida PRIME" and "Fund B"). The Schools had all of their investments in the Florida PRIME at June 30, 2010.

**Notes to Financial Statement**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

**NOTE 2 – CASH AND EQUIVALENTS**

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

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

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

The Florida PRIME is rated by Standard and Poors and has a rating at June 30, 2010 of AAAm.



**SUPPLEMENTAL INFORMATION**

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Sebastian River High School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Athletics	\$ 73,799	\$ 335,701	\$ 285,822	\$ 51,948	\$ 76,535	\$ 99,091
Classes	18,133	59,373	74,486	27,980	5,697	25,303
Clubs	35,280	70,205	96,061	1,360	3,191	7,593
Departments	24,633	49,699	43,764	2,659	7,809	25,418
Trusts	17,918	40,343	52,971	19,893	5,285	19,898
General	14,828	87,326	64,706	9,159	14,482	32,125
<b>Total Cash</b>	<b><u>\$ 184,591</u></b>	<b><u>\$ 642,647</u></b>	<b><u>\$ 617,810</u></b>	<b><u>\$ 112,999</u></b>	<b><u>\$ 112,999</u></b>	<b>209,428</b>
Inventory						-
Accounts Payable						-
Assets Held for Others						<b><u>\$ 209,428</u></b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Vero Beach High School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Receipts</b>	<b>Disburse-</b>	<b>In</b>	
	<b>7/1/2009</b>		<b>ments</b>			
Athletics	\$ 103,575	\$ 241,995	\$ 310,879	\$ 270,470	\$ 289,640	\$ 15,521
Music	68,337	148,521	162,826	130	5,146	49,016
Classes	64,410	181,919	177,855	11,060	3,342	76,192
Clubs	84,063	236,198	272,998	71,633	49,522	69,374
Departments	256	-	152	-	104	-
Trusts	36,749	130,276	135,247	31,725	34,726	28,777
General	13,636	28,784	31,394	5,169	7,707	8,488
<b>Total Cash</b>	<b><u>\$ 371,026</u></b>	<b><u>\$ 967,693</u></b>	<b><u>\$ 1,091,351</u></b>	<b><u>\$ 390,187</u></b>	<b><u>\$ 390,187</u></b>	<b>247,368</b>
Inventory						-
Accounts Payable						-
Assets Held for Others						<b><u>\$ 247,368</u></b>

**Schedule of Assets Held for Others  
June 30, 2010  
Indian River District School Board Internal Accounts**

***Gifford Middle School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Athletics	\$ 19,178	\$ 66,189	\$ 61,185	\$ 241	\$ -	\$ 24,423
Music	299	3,133	2,559	-	-	873
Classes	2,360	34,927	34,185	569	877	2,794
Clubs	8,721	10,496	10,941	1,000	1,130	8,146
Departments	4,939	6,525	7,691	-	1,188	2,585
Trusts	10,266	9,022	2,381	-	4	16,903
General	<u>63,668</u>	<u>23,228</u>	<u>26,044</u>	<u>4,960</u>	<u>3,571</u>	<u>62,241</u>
Total Cash	<u>\$ 109,431</u>	<u>\$ 153,520</u>	<u>\$ 144,986</u>	<u>\$ 6,770</u>	<u>\$ 6,770</u>	117,965
Inventory						72
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 118,037</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Oslo Middle School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Receipts</b>	<b>Disburse-</b>	<b>In</b>	<b>Out</b>
	<u>7/1/2009</u>		<u>ments</u>			
Athletics	\$ 3,373	\$ 39,162	\$ 31,708	\$ 250	\$ 175	\$ 10,902
Music	3,861	37,796	36,747	809	-	5,719
Classes	5,273	35,297	35,244	712	1,372	4,666
Clubs	350	1,486	890	-	179	767
Departments	2,412	7,416	7,250	191	-	2,769
Trusts	4,916	4,237	3,691	-	875	4,587
General	<u>5,405</u>	<u>22,225</u>	<u>20,429</u>	<u>684</u>	<u>45</u>	<u>7,840</u>
Total Cash	<u>\$ 25,590</u>	<u>\$ 147,619</u>	<u>\$ 135,959</u>	<u>\$ 2,646</u>	<u>\$ 2,646</u>	37,250
Inventory						-
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 37,250</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Sebastian River Middle School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disburse-</b>	
	<b>7/1/2009</b>		<b>ments</b>			
Athletics	\$ 3,330	\$ 2,558	\$ 3,195	\$ -	\$ -	\$ 2,693
Classes	1	13,026	11,490	-	-	1,537
Clubs	6,639	15,985	16,662	120	116	5,966
Departments	5,641	3,911	4,515	55	-	5,092
Trusts	9,587	18,420	12,865	-	120	15,022
General	39,970	21,300	17,916	116	55	43,415
<b>Total Cash</b>	<b><u>\$ 65,168</u></b>	<b><u>\$ 75,200</u></b>	<b><u>\$ 66,643</u></b>	<b><u>\$ 291</u></b>	<b><u>\$ 291</u></b>	<b>73,725</b>
Inventory						-
Accounts Payable						-
Assets Held for Others						<b><u>\$ 73,725</u></b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Storm Grove Middle School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disburse-</b>	
	<b>7/1/2009</b>		<b>ments</b>			
Athletics	\$ -	\$ 68,749	\$ 42,437	\$ -	\$ -	\$ 26,312
Music	-	32,139	22,978	-	-	9,161
Classes	-	2,038	2,029	-	-	9
Clubs	-	21,193	19,233	-	413	1,547
Departments	-	10,667	8,789	603	599	1,882
Trusts	-	2,301	2,106	-	4	191
General	-	20,993	17,114	2,651	2,238	4,292
<b>Total Cash</b>	<b>\$ -</b>	<b>\$ 158,080</b>	<b>\$ 114,686</b>	<b>\$ 3,254</b>	<b>\$ 3,254</b>	<b>43,394</b>
Inventory						-
Accounts Payable						-
Assets Held for Others						<b>\$ 43,394</b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Beachland Elementary School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Classes	\$ 595	\$ 10,432	\$ 12,432	\$ 2,291	\$ 680	\$ 206
Clubs	1,437	3,377	3,795	1,809	995	1,833
Departments	2,804	2,729	1,707	-	-	3,826
Trusts	8,201	23,622	14,218	68	2,389	15,284
General	15,002	95,368	90,691	2,036	2,140	19,575
Total Cash	<u>\$ 28,039</u>	<u>\$ 135,528</u>	<u>\$ 122,843</u>	<u>\$ 6,204</u>	<u>\$ 6,204</u>	40,724
Inventory						130
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 40,854</u>



**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Citrus Elementary School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Athletics	\$ 150	\$ -	\$ 127	\$ -	\$ -	\$ 23
Classes	2,487	23,961	23,976	1,325	1,325	2,472
Clubs	2,208	11,608	13,370	2,125	-	2,571
Departments	1,219	427	716	-	-	930
Trusts	6,884	7,275	10,142	-	-	4,017
General	5,035	18,411	14,439	(2,119)	6	6,882
<b>Total Cash</b>	<b><u>\$ 17,983</u></b>	<b><u>\$ 61,682</u></b>	<b><u>\$ 62,770</u></b>	<b><u>\$ 1,331</u></b>	<b><u>\$ 1,331</u></b>	<b>16,895</b>
Inventory						-
Accounts Payable						-
Assets Held for Others						<b><u>\$ 16,895</u></b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Dodgertown Elementary School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>			<b>Receipts</b>	<b>Disburse-</b>	
	<u>7/1/2009</u>		<u>ments</u>			
Music	\$ 186	\$ -	\$ -	\$ -	\$ -	\$ 186
Classes	1,326	21,618	23,445	1,518	558	459
Clubs	616	-	65	65	-	616
Departments	1,090	1,836	1,784	-	-	1,142
Trusts	3,360	5,674	6,461	88	417	2,244
General	<u>5,367</u>	<u>10,963</u>	<u>9,199</u>	<u>4,573</u>	<u>5,269</u>	<u>6,435</u>
Total Cash	<u>\$ 11,945</u>	<u>\$ 40,091</u>	<u>\$ 40,954</u>	<u>\$ 6,244</u>	<u>\$ 6,244</u>	11,082
Inventory						558
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 11,640</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Fellsmere Elementary School***

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Cash</b>	<b>Disburse-</b>	<b>In</b>	
	<b>7/1/2009</b>	<b>Receipts</b>	<b>ments</b>			
Classes	\$ 5,178	\$ 22,344	\$ 19,465	\$ 7,519	\$ 7,675	\$ 7,901
Clubs	196	8,719	8,583	600	-	932
Departments	321	5,426	5,029	-	-	718
Trusts	8,767	19,453	20,794	1,950	2,585	6,791
General	5,973	1,619	5,764	228	37	2,019
	<u>5,973</u>	<u>1,619</u>	<u>5,764</u>	<u>228</u>	<u>37</u>	<u>2,019</u>
Total Cash	<u>\$ 20,435</u>	<u>\$ 57,561</u>	<u>\$ 59,635</u>	<u>\$ 10,297</u>	<u>\$ 10,297</u>	18,361
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 18,361</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Glendale Elementary School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Classes	\$ 257	\$ 19,630	\$ 19,839	\$ 855	\$ 451	\$ 452
Clubs	265	80	25	-	-	320
Departments	3,099	8,920	9,089	-	-	2,930
Trusts	1,159	14,938	14,411	-	-	1,686
General	<u>21,967</u>	<u>7,367</u>	<u>6,616</u>	<u>407</u>	<u>811</u>	<u>22,314</u>
Total Cash	<u>\$ 26,747</u>	<u>\$ 50,935</u>	<u>\$ 49,980</u>	<u>\$ 1,262</u>	<u>\$ 1,262</u>	27,702
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 27,702</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Highlands Elementary School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Music	\$ -	\$ -	\$ -	\$ 722	\$ -	\$ 722
Classes	803	19,153	18,387	18	18	1,569
Clubs	2,824	764	1,053	-	-	2,535
Departments	1,351	7,568	2,376	-	4,700	1,843
Trusts	2,378	7,926	7,157	4,700	1,122	6,725
General	3,898	7,942	8,659	2,961	2,561	3,581
<b>Total Cash</b>	<b>\$ 11,254</b>	<b>\$ 43,353</b>	<b>\$ 37,632</b>	<b>\$ 8,401</b>	<b>\$ 8,401</b>	16,975
Inventory						-
Accounts Payable						-
Assets Held for Others						<b>\$ 16,975</b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Liberty Magnet Elementary School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Receipts</b>	<b>Disburse-</b>	<b>In</b>	
	<b>7/1/2009</b>		<b>ments</b>			
Music	\$ 668	\$ 2,013	\$ 2,646	\$ 100	\$ -	\$ 135
Classes	2,330	72,021	75,006	7,956	6,235	1,066
Clubs	3,595	16,417	17,062	477	-	3,427
Departments	5,166	10,799	12,902	2,992	1,538	4,517
Trusts	2,046	14,277	13,168	313	821	2,647
General	4,467	28,643	27,052	3,080	6,324	2,814
	<u>\$ 18,272</u>	<u>\$ 144,170</u>	<u>\$ 147,836</u>	<u>\$ 14,918</u>	<u>\$ 14,918</u>	14,606
Total Cash						
Inventory						55
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 14,661</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Osceola Magnet Elementary School***

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Cash</b>	<b>Disburse-</b>	<b>In</b>	<b>Out</b>
	<b>7/1/2009</b>	<b>Receipts</b>	<b>ments</b>			
Athletics	\$ -	\$ -	\$ -	\$ 351	\$ -	\$ 351
Music	224	3,674	3,268	3	-	633
Classes	4,634	48,063	45,016	5,734	7,764	5,651
Clubs	709	-	-	-	709	-
Departments	4,378	6,441	7,367	1,440	-	4,892
Trusts	9,364	11,812	9,220	123	670	11,409
General	30,703	15,898	9,820	1,984	492	38,273
<b>Total Cash</b>	<b>\$ 50,012</b>	<b>\$ 85,888</b>	<b>\$ 74,691</b>	<b>\$ 9,635</b>	<b>\$ 9,635</b>	<b>61,209</b>
Inventory						-
Accounts Payable						-
Assets Held for Others						<b>\$ 61,209</b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Pelican Island Elementary School***

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Cash</b>	<b>Disburse-</b>	<b>In</b>	
	<b>7/1/2009</b>	<b>Receipts</b>	<b>ments</b>			
Athletics	\$ -	\$ 613	\$ 266	\$ -	\$ -	\$ 347
Music	110	708	814	-	-	4
Classes	598	16,457	16,893	695	527	330
Clubs	558	135	601	257	349	-
Departments	3,004	5,370	5,699	1,544	1,351	2,868
Trusts	14,403	35,587	39,777	4,877	8,630	6,460
General	2,960	12,013	11,181	4,176	692	7,276
<b>Total Cash</b>	<b><u>\$ 21,633</u></b>	<b><u>\$ 70,883</u></b>	<b><u>\$ 75,231</u></b>	<b><u>\$ 11,549</u></b>	<b><u>\$ 11,549</u></b>	17,285
Inventory						-
Accounts Payable						-
Assets Held for Others						<b><u>\$ 17,285</u></b>



**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Rosewood Magnet School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Receipts</b>	<b>Disburse-</b>	<b>In</b>	<b>Out</b>
	<u>7/1/2009</u>	<u>          </u>	<u>ments</u>	<u>          </u>	<u>          </u>	<u>          </u>
Athletics	\$ 51	\$ -	\$ -	\$ -	\$ -	\$ 51
Music	285	100	408	23	-	-
Classes	3,826	54,293	52,815	3,839	3,791	5,352
Departments	9,153	9,745	10,388	-	-	8,510
Trusts	10,996	38,216	39,445	30	396	9,401
General	<u>15,570</u>	<u>12,595</u>	<u>11,297</u>	<u>318</u>	<u>23</u>	<u>17,163</u>
 Total Cash	 <u>\$ 39,881</u>	 <u>\$ 114,949</u>	 <u>\$ 114,353</u>	 <u>\$ 4,210</u>	 <u>\$ 4,210</u>	 40,477
 Inventory						 -
 Accounts Payable						 -
 Assets Held for Others						 <u>\$ 40,477</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Sebastian Elementary School***

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>	
	<b>Balances</b>		<b>Cash</b>	<b>Disburse-</b>	<b>In</b>		<b>Out</b>
	<b>7/1/2009</b>		<b>Receipts</b>	<b>ments</b>			
Music	\$ 73	\$	504	504	-	-	\$ 73
Classes	1,993		23,387	23,199	240	288	2,133
Clubs	739		9,033	9,577	385	385	195
Departments	986		8,231	9,099	2,129	1,940	307
Trusts	17,413		40,498	38,278	282	189	19,726
General	3,954		3,621	2,643	-	234	4,698
<b>Total Cash</b>	<b>\$ 25,158</b>	<b>\$</b>	<b>85,274</b>	<b>83,300</b>	<b>\$ 3,036</b>	<b>\$ 3,036</b>	<b>27,132</b>
Inventory							-
Accounts Payable							-
Assets Held for Others							<b>\$ 27,132</b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Thompson Magnet Elementary School***

	<b>Cash</b>		<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>	<b>Cash</b>	<b>Disburse-</b>	<b>In</b>	<b>Out</b>	<b>6/30/2010</b>
	<b>7/1/2009</b>	<b>Receipts</b>	<b>ments</b>			
Athletics	\$ 218	\$ -	\$ 207	\$ -	\$ 11	\$ -
Music	819	947	1,658	-	108	-
Classes	470	8,925	9,139	136	392	-
Clubs	2,408	1,883	4,214	110	187	-
Departments	2,485	2,551	4,752	68	352	-
Trusts	1,881	14,608	14,066	438	289	2,572
General	1,727	10,053	10,752	1,650	1,063	1,615
	<u>\$ 10,008</u>	<u>\$ 38,967</u>	<u>\$ 44,788</u>	<u>\$ 2,402</u>	<u>\$ 2,402</u>	4,187
Total Cash						
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 4,187</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Treasure Coast Elementary School***

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Receipts</b>	<b>Disburse-</b>	<b>In</b>	<b>Out</b>
	<u>7/1/2009</u>		<u>ments</u>			
Music	\$ 701	\$ 1,355	\$ 1,522	\$ -	\$ -	\$ 534
Classes	253	23,665	22,712	1,558	1,343	1,421
Departments	4,559	11,567	13,880	-	-	2,246
Trusts	14,096	2,863	12,480	712	889	4,302
General	<u>2,131</u>	<u>9,891</u>	<u>7,848</u>	<u>94</u>	<u>132</u>	<u>4,136</u>
<b>Total Cash</b>	<u><u>\$ 21,740</u></u>	<u><u>\$ 49,341</u></u>	<u><u>\$ 58,442</u></u>	<u><u>\$ 2,364</u></u>	<u><u>\$ 2,364</u></u>	12,639
Inventory						-
Accounts Payable						<u>-</u>
Assets Held for Others						<u><u>\$ 12,639</u></u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Vero Beach Elementary School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Classes	\$ 926	\$ 24,716	\$ 22,908	\$ 4,107	\$ 1,799	\$ 5,042
Clubs	274	-	-	143	-	417
Departments	1,267	5,835	5,304	-	110	1,688
Trusts	6,560	26,523	15,691	733	3,074	15,051
General	3,558	9,705	9,301	1,137	1,137	3,962
<b>Total Cash</b>	<b>\$ 12,585</b>	<b>\$ 66,779</b>	<b>\$ 53,204</b>	<b>\$ 6,120</b>	<b>\$ 6,120</b>	26,160
Inventory						-
Accounts Payable						-
Assets Held for Others						<b>\$ 26,160</b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Adult and Community Education***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Music	\$ -	\$ 10,201	\$ 10,201	\$ -	\$ -	\$ -
Classes	-	193,328	193,328	-	-	-
Clubs	10,462	87,677	82,792	-	1,765	13,582
Trusts	(1,234)	52,284	52,815	1,765	-	-
General	3,265	26,891	25,581	-	-	4,575
<b>Total Cash</b>	<b><u>\$ 12,493</u></b>	<b><u>\$ 370,381</u></b>	<b><u>\$ 364,717</u></b>	<b><u>\$ 1,765</u></b>	<b><u>\$ 1,765</u></b>	18,157
Inventory						31,401
Accounts Payable						-
Assets Held for Others						<b><u>\$ 49,558</u></b>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

*Alternative Education*

	<u>Cash Balances 7/1/2009</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Transfers</u>		<u>Balances 6/30/2010</u>
				<u>In</u>	<u>Out</u>	
Classes	\$ 2,170	\$ 7,352	\$ 7,903	\$ 9	\$ 9	\$ 1,619
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 1,619</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

***Wabasso School***

	<b>Cash Balances 7/1/2009</b>	<b>Cash Receipts</b>	<b>Cash Disburse- ments</b>	<b>Transfers</b>		<b>Balances 6/30/2010</b>
				<b>In</b>	<b>Out</b>	
Clubs	\$ 21,657	\$ 7,000	\$ 4,283	\$ -	\$ -	\$ 24,374
Trusts	16,919	7,736	5,598	-	-	19,057
General	6,070	3,706	4,867	9	9	4,909
Total Cash	<u>\$ 44,646</u>	<u>\$ 18,442</u>	<u>\$ 14,748</u>	<u>\$ 9</u>	<u>\$ 9</u>	48,340
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 48,340</u>



**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

*Transportation*

	<u>Cash Balances 7/1/2009</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	<u>Transfers</u>		<u>Balances 6/30/2010</u>
				<u>In</u>	<u>Out</u>	
General	<u>\$ 613</u>	<u>\$ 631</u>	<u>\$ 1,134</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 110
Inventory						-
Accounts Payable						-
Assets Held for Others						<u>\$ 110</u>

**Schedule of Assets Held for Others**  
**June 30, 2010**  
**Indian River District School Board Internal Accounts**

*County Office*

	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Transfers</b>		<b>Balances</b>
	<b>Balances</b>		<b>Receipts</b>	<b>Disburse-</b>	<b>In</b>	
	<u>7/1/2009</u>		<u>ments</u>			
Trusts	\$ 9,013	\$ -	\$ 149	\$ -	\$ -	\$ 8,864
General	<u>2,352</u>	<u>634</u>	<u>378</u>	<u>-</u>	<u>-</u>	<u>2,608</u>
Total Cash	<u>\$ 11,365</u>	<u>\$ 634</u>	<u>\$ 527</u>	<u>\$ -</u>	<u>\$ -</u>	11,472
Inventory						-
Accounts Payable						<u>-</u>
Assets Held for Others						<u>\$ 11,472</u>

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

Indian River District School Board  
Indian River County, Florida

We have audited the statement of fiduciary net assets of the Indian River District School Board Internal Accounts (the "Internal Accounts") as of June 30, 2010, and have issued our report thereon dated September 13, 2010. Our report on the financial statement included a paragraph explaining that the financial statement includes only the fiduciary net assets of the Internal Accounts and does not include other fiduciary net assets of the Indian River District School Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

#### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings as item 10-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

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

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

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

### **Communication with Those Charged with Governance**

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

#### Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

#### Planned Scope and Timing of the Audit

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

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

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

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

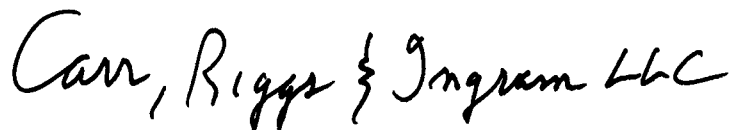
*Disagreements with Management*

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

*Management Representations*

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

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

September 13, 2010  
Gainesville, Florida

**Schedule of Findings and Other Matters  
For the Year Ended June 30, 2010  
Indian River District School Board Internal Accounts**

**SIGNIFICANT DEFICIENCY**

10-1 **Finding** – We noted that some school employees who maintain accounting records also handle cash collections, cosign checks, and reconcile bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition. We encourage the principals to continue to require the bank statements be routed to them unopened, examine the cancelled checks (or check copies) for alterations or unusual payees, and review the corresponding bank reconciliations in order to help compensate for the lack of segregation of duties.

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

**OTHER MATTERS**

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

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

**Treasure Coast Elementary**

*Activity Permits*

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