

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

**June 30, 2011
(With Independent Auditors' Report Thereon)**



THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

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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 School Board of Indian River County, Florida Internal Accounts (the "Internal Accounts") as of June 30, 2011. This financial statement is the responsibility of the management of the Indian River District School Board (the "District"). Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Internal Accounts as of June 30, 2011, 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 12, 2011 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.

Mayer Heffner McCann P.C.

September 12, 2011
Clearwater, Florida

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Statement of Fiduciary Net Assets

June 30, 2011

Assets	<u>2011</u>
Cash and equivalents	\$ 1,171,471
Inventory	40,059
Accounts receivable	<u>30,338</u>
Total assets	1,241,868
Liabilities	
Accounts payable	62,718
Assets Held for Others	<u>1,179,150</u>
Total liabilities	<u>1,241,868</u>
Net Assets	\$ <u><u>-</u></u>

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

Notes to Financial Statements

June 30, 2011

(1) Summary of Significant Accounting Policies

(a) Basis of Presentation

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

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

(b) Basis of Accounting

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

(c) Inventory

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

(2) Cash and Equivalents

Cash and equivalents consists of:

Deposits with financial institutions	\$ 529,989
Invested with State Board of Administration	<u>641,482</u>
	<u>\$ 1,171,471</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, 2011.

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Notes to Financial Statements - Continued

(2) Cash and Equivalents - Continued

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

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

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

The Florida PRIME is rated by Standard and Poors and has a rating at June 30, 2011 of AAAM.

SUPPLEMENTAL INFORMATION

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Sebastian River High School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Athletics	\$ 99,091	271,331	263,894	42,758	50,660	98,626
Classes	25,303	53,787	70,451	15,700	862	23,477
Clubs	7,593	79,102	37,882	3,524	4,751	47,586
Departments	25,418	35,380	34,011	1,036	1,086	26,737
Trusts	19,898	38,151	42,767	7,981	1,712	21,551
General	<u>32,125</u>	<u>94,311</u>	<u>82,148</u>	<u>190</u>	<u>12,118</u>	<u>32,360</u>
Total cash	<u>\$ 209,428</u>	<u>572,062</u>	<u>531,153</u>	<u>71,189</u>	<u>71,189</u>	250,337
Inventory						14,359
Accounts receivable						21,729
Accounts payable						<u>(55,708)</u>
Assets held for others						<u>\$ 230,717</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Vero Beach High School

	<u>Cash</u> <u>Balances</u> <u>June 30, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Transfers</u>		<u>Balances</u> <u>June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Athletics	\$ 15,521	327,135	300,064	138,502	156,592	24,502
Music	49,016	221,903	252,419	26,753	8,388	36,865
Classes	76,192	181,440	217,743	9,789	7,146	42,532
Clubs	69,374	249,915	258,839	103,836	95,310	68,976
Trusts	28,777	148,612	125,967	15,306	29,724	37,004
General	<u>8,488</u>	<u>31,707</u>	<u>29,912</u>	<u>8,991</u>	<u>6,017</u>	<u>13,257</u>
Total cash	<u>\$ 247,368</u>	<u>1,160,712</u>	<u>1,184,944</u>	<u>303,177</u>	<u>303,177</u>	223,136
Inventory						-
Accounts receivable						109
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 223,245</u>

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

Schedule of Assets Held for Others

June 30, 2011

Gifford Middle School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Athletics	\$ 24,423	58,377	59,356	2,189	1,846	23,787
Music	873	13,935	11,288	-	60	3,460
Classes	2,794	38,625	37,252	76	847	3,396
Clubs	8,146	11,692	11,439	-	-	8,399
Departments	2,585	6,111	6,057	20	11	2,648
Trusts	16,903	1,494	7,601	-	263	10,533
General	<u>62,241</u>	<u>17,913</u>	<u>31,106</u>	<u>842</u>	<u>100</u>	<u>49,790</u>
Total cash	\$ <u>117,965</u>	<u>148,147</u>	<u>164,099</u>	<u>3,127</u>	<u>3,127</u>	102,013
Inventory						261
Accounts receivable						99
Accounts payable						<u>-</u>
Assets held for others						\$ <u>102,373</u>

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

Schedule of Assets Held for Others

June 30, 2011

Osto Middle School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Athletics	\$ 10,902	27,066	31,644	1,728	1,029	7,023
Music	5,719	45,025	46,402	103	15	4,430
Classes	4,666	25,202	26,000	3,782	3,659	3,991
Clubs	767	2,594	2,530	-	-	831
Departments	2,769	5,617	5,645	180	270	2,651
Trusts	4,587	6,628	5,415	159	852	5,107
General	<u>7,840</u>	<u>24,160</u>	<u>28,565</u>	<u>2,836</u>	<u>2,963</u>	<u>3,308</u>
Total cash	<u>\$ 37,250</u>	<u>136,292</u>	<u>146,201</u>	<u>8,788</u>	<u>8,788</u>	27,341
Inventory						-
Accounts receivable						137
Accounts payable						<u>(826)</u>
Assets held for others						<u>\$ 26,652</u>

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

Schedule of Assets Held for Others

June 30, 2011

Sebastian River Middle School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				In	Out	
Athletics	\$ 2,693	13,477	11,356	41	41	4,814
Classes	1,537	6,058	7,077	-	-	518
Clubs	5,966	30,281	28,579	1,016	278	8,406
Departments	5,092	4,171	6,208	9	-	3,064
Trusts	15,022	19,449	24,872	-	173	9,426
General	<u>43,415</u>	<u>19,228</u>	<u>29,787</u>	<u>442</u>	<u>1,016</u>	<u>32,282</u>
Total cash	<u>\$ 73,725</u>	<u>92,664</u>	<u>107,879</u>	<u>1,508</u>	<u>1,508</u>	58,510
Inventory						6,964
Accounts receivable						3,864
Accounts payable						<u>(1,163)</u>
Assets held for others						<u>\$ 68,175</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Storm Grove Middle School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Athletics	\$ 26,312	45,424	47,163	732	1,571	23,734
Music	9,161	30,329	31,793	685	685	7,697
Classes	9	43,143	41,956	847	712	1,331
Clubs	1,547	7,216	7,086	230	240	1,667
Departments	1,882	10,029	10,255	797	261	2,192
Trusts	191	2,963	2,778	62	62	376
General	<u>4,292</u>	<u>25,378</u>	<u>17,917</u>	<u>1,560</u>	<u>1,382</u>	<u>11,931</u>
Total cash	\$ <u>43,394</u>	<u>164,482</u>	<u>158,948</u>	<u>4,913</u>	<u>4,913</u>	48,928
Inventory						110
Accounts receivable						-
Accounts payable						<u>(568)</u>
Assets held for others						\$ <u>48,470</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Beachland Elementary School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Classes	\$ 206	9,507	11,533	3,272	1,317	135
Clubs	1,833	3,476	3,047	3	230	2,035
Departments	3,826	2,583	3,194	-	-	3,215
Trusts	15,284	30,311	29,889	230	2,982	12,954
General	<u>19,575</u>	<u>76,734</u>	<u>77,906</u>	<u>4,292</u>	<u>3,268</u>	<u>19,427</u>
Total cash	\$ <u>40,724</u>	<u>122,611</u>	<u>125,569</u>	<u>7,797</u>	<u>7,797</u>	37,766
Inventory						99
Accounts receivable						2,619
Accounts payable						<u>(2,424)</u>
Assets held for others						\$ <u>38,060</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Citrus Elementary School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Athletics	\$ 23	-	-	-	-	23
Classes	2,472	24,079	24,928	458	156	1,925
Clubs	2,571	15,596	15,623	880	-	3,424
Departments	930	740	446	-	-	1,224
Trusts	4,017	7,192	2,251	-	-	8,958
General	<u>6,882</u>	<u>19,166</u>	<u>17,278</u>	<u>177</u>	<u>1,359</u>	<u>7,588</u>
Total cash	<u>\$ 16,895</u>	<u>66,773</u>	<u>60,526</u>	<u>1,515</u>	<u>1,515</u>	23,142
Inventory						348
Accounts receivable						76
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 23,566</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Dodgertown Elementary School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				In	Out	
Music	\$ 186	677	751	-	-	112
Classes	459	20,602	19,617	2,238	2,349	1,333
Clubs	616	-	308	164	472	-
Departments	1,142	1,870	1,938	-	5	1,069
Trusts	2,244	13,129	8,104	5	356	6,918
General	<u>6,435</u>	<u>13,375</u>	<u>13,061</u>	<u>5,959</u>	<u>5,184</u>	<u>7,524</u>
Total cash	<u>\$ 11,082</u>	<u>49,653</u>	<u>43,779</u>	<u>8,366</u>	<u>8,366</u>	16,956
Inventory						1,455
Accounts receivable						147
Accounts payable						<u>(635)</u>
Assets held for others						<u>\$ 17,923</u>

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

Schedule of Assets Held for Others

June 30, 2011

Fellsmere Elementary School

	<u>Cash Balances June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>		<u>Balances June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Classes	\$ 7,901	19,608	21,362	5,854	5,835	6,166
Clubs	932	5,039	6,106	536	-	401
Departments	718	4,709	4,558	-	-	869
Trusts	6,791	28,738	17,334	1,033	1,581	17,647
General	<u>2,019</u>	<u>2,550</u>	<u>2,730</u>	<u>20</u>	<u>27</u>	<u>1,832</u>
Total cash	<u>\$ 18,361</u>	<u>60,644</u>	<u>52,090</u>	<u>7,443</u>	<u>7,443</u>	26,915
Inventory						-
Accounts receivable						-
Accounts payable						<u>(159)</u>
Assets held for others						<u>\$ 26,756</u>

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

Schedule of Assets Held for Others

June 30, 2011

Glendale Elementary School

	Cash Balances <u>June 30, 2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Music	\$ -	75	-	-	-	75
Classes	452	32,974	32,919	1,025	1,025	507
Clubs	320	-	-	-	-	320
Departments	2,930	7,905	6,810	-	-	4,025
Trusts	1,686	10,131	10,196	-	-	1,621
General	<u>22,314</u>	<u>8,927</u>	<u>5,493</u>	<u>-</u>	<u>-</u>	<u>25,748</u>
Total cash	<u>\$ 27,702</u>	<u>60,012</u>	<u>55,418</u>	<u>1,025</u>	<u>1,025</u>	32,296
Inventory						-
Accounts receivable						196
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 32,492</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Highlands Elementary School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Music	\$ 722	-	-	-	-	722
Classes	1,569	18,614	19,071	1,240	1,381	971
Clubs	2,535	-	424	-	-	2,111
Departments	1,843	2,146	1,869	-	-	2,120
Trusts	6,725	9,355	10,539	351	250	5,642
General	<u>3,581</u>	<u>7,590</u>	<u>10,904</u>	<u>241</u>	<u>201</u>	<u>307</u>
Total cash	\$ <u>16,975</u>	<u>37,705</u>	<u>42,807</u>	<u>1,832</u>	<u>1,832</u>	11,873
Inventory						2,586
Accounts receivable						382
Accounts payable						<u>-</u>
Assets held for others						\$ <u>14,841</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Liberty Magnet Elementary School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Music	\$ 135	1,124	1,185	316	316	74
Classes	1,066	66,776	65,710	10,063	10,240	1,955
Clubs	3,427	21,372	20,496	3,159	3,008	4,454
Departments	4,517	12,147	11,401	3,622	3,622	5,263
Trusts	2,647	21,584	20,138	1,549	2,945	2,697
General	<u>2,814</u>	<u>22,445</u>	<u>13,547</u>	<u>8,440</u>	<u>7,018</u>	<u>13,134</u>
Total cash	<u>\$ 14,606</u>	<u>145,448</u>	<u>132,477</u>	<u>27,149</u>	<u>27,149</u>	27,577
Inventory						70
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 27,647</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Osceola Magnet Elementary School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				In	Out	
Athletics	\$ 351	375	146	-	-	580
Music	633	1,246	1,696	-	-	183
Classes	5,651	40,276	40,956	6,714	6,474	5,211
Departments	4,892	7,903	12,367	55	-	483
Trusts	11,409	9,657	12,828	1	47	8,192
General	<u>38,273</u>	<u>24,340</u>	<u>21,663</u>	<u>118</u>	<u>366</u>	<u>40,702</u>
Total cash	<u>\$ 61,209</u>	<u>83,797</u>	<u>89,656</u>	<u>6,888</u>	<u>6,887</u>	55,351
Inventory						-
Accounts receivable						142
Accounts payable						<u>(678)</u>
Assets held for others						<u>\$ 54,815</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Pelican Island Elementary School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Athletics	\$ 347	20	249	-	-	118
Music	4	445	448	-	-	1
Classes	330	21,716	20,760	1,605	1,954	937
Departments	2,868	9,794	9,108	99	100	3,553
Trusts	6,460	9,455	6,984	230	231	8,930
General	<u>7,276</u>	<u>8,543</u>	<u>10,708</u>	<u>351</u>	<u>-</u>	<u>5,462</u>
Total cash	<u>\$ 17,285</u>	<u>49,973</u>	<u>48,257</u>	<u>2,285</u>	<u>2,285</u>	19,001
Inventory						-
Accounts receivable						-
Accounts payable						-
Assets held for others						<u>\$ 19,001</u>

**THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
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Schedule of Assets Held for Others

June 30, 2011

Rosewood Magnet School

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Athletics	\$ 51	-	-	-	-	51
Classes	5,352	50,688	49,051	4,246	4,966	6,269
Departments	8,510	13,334	13,209	-	-	8,635
Trusts	9,401	40,961	41,888	-	-	8,474
General	<u>17,163</u>	<u>14,227</u>	<u>12,943</u>	<u>720</u>	<u>-</u>	<u>19,167</u>
Total cash	<u>\$ 40,477</u>	<u>119,210</u>	<u>117,091</u>	<u>4,966</u>	<u>4,966</u>	42,596
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 42,596</u>

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

Schedule of Assets Held for Others

June 30, 2011

Sebastian Elementary School

	Cash			Transfers		
	Balances	Cash	Cash	In	Out	Balances
	<u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>			<u>June 30, 2011</u>
Music	\$ 73	601	445	-	-	229
Classes	2,133	21,200	20,595	400	649	2,489
Clubs	195	978	822	-	132	219
Departments	307	7,495	7,468	1,390	1,380	344
Trusts	19,726	37,668	38,705	1,120	881	18,928
General	<u>4,698</u>	<u>3,895</u>	<u>2,527</u>	<u>3,072</u>	<u>2,940</u>	<u>6,198</u>
Total cash	<u>\$ 27,132</u>	<u>71,837</u>	<u>70,562</u>	<u>5,982</u>	<u>5,982</u>	28,407
Inventory						-
Accounts receivable						123
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 28,530</u>

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

Schedule of Assets Held for Others

June 30, 2011

Thompson Magnet Elementary School

	<u>Cash Balances June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>		<u>Balances June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Trusts	\$ 2,572	-	2,121	-	451	-
General	<u>1,615</u>	<u>985</u>	<u>3,051</u>	<u>451</u>	<u>-</u>	<u>-</u>
Total cash	<u>\$ 4,187</u>	<u>985</u>	<u>5,172</u>	<u>451</u>	<u>451</u>	-
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ -</u>

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

Schedule of Assets Held for Others

June 30, 2011

Treasure Coast Elementary School

	<u>Cash Balances June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>		<u>Balances June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
Music	\$ 534	332	808	420	-	478
Classes	1,421	25,297	23,784	3,701	4,218	2,417
Departments	2,246	11,774	10,200	-	-	3,820
Trusts	4,302	16,151	14,095	586	156	6,788
General	<u>4,136</u>	<u>8,520</u>	<u>8,679</u>	<u>-</u>	<u>333</u>	<u>3,644</u>
Total cash	<u>\$ 12,639</u>	<u>62,074</u>	<u>57,566</u>	<u>4,707</u>	<u>4,707</u>	17,147
Inventory						-
Accounts receivable						-
Accounts payable						<u>(557)</u>
Assets held for others						<u>\$ 16,590</u>

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

Schedule of Assets Held for Others

June 30, 2011

Vero Beach Elementary School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				In	Out	
Classes	\$ 5,042	29,601	31,891	1,958	2,036	2,674
Clubs	417	1,854	2,212	425	-	484
Departments	1,688	6,586	6,631	-	-	1,643
Trusts	15,051	24,821	25,603	2,120	3,507	12,882
General	<u>3,962</u>	<u>9,613</u>	<u>10,685</u>	<u>1,155</u>	<u>115</u>	<u>3,930</u>
Total cash	<u>\$ 26,160</u>	<u>72,475</u>	<u>77,022</u>	<u>5,658</u>	<u>5,658</u>	21,613
Inventory						-
Accounts receivable						646
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 22,259</u>

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

Schedule of Assets Held for Others

June 30, 2011

Adult and Community Education

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				In	Out	
Music	\$ -	1,741	1,741	-	-	-
Classes	-	53,790	53,790	-	-	-
Clubs	13,582	59,548	45,715	-	-	27,415
Trusts	-	25,525	25,525	-	-	-
General	<u>4,575</u>	<u>28,953</u>	<u>29,225</u>	<u>-</u>	<u>-</u>	<u>4,303</u>
Total cash	<u>\$ 18,157</u>	<u>169,557</u>	<u>155,996</u>	<u>-</u>	<u>-</u>	31,718
Inventory						13,807
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 45,525</u>

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

Schedule of Assets Held for Others

June 30, 2011

Alternative Education

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disbursements	In
	<u>June 30, 2010</u>					
Classes	245	3,659	2,515	-	-	1,389
Trusts	825	1,960	1,715	-	-	1,070
General	<u>549</u>	<u>134</u>	<u>335</u>	<u>-</u>	<u>-</u>	<u>348</u>
Total cash	<u>\$ 1,619</u>	<u>5,753</u>	<u>4,565</u>	<u>-</u>	<u>-</u>	<u>2,807</u>
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 2,807</u>

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2011

Thompson Lifelong Learning Center

	Cash	Cash	Cash	Transfers		Balances
	Balances			Receipts	Disbursements	In
	June 30, 2010					
Classes	\$ -	882	882	-	-	-
Departments	-	3,143	45	-	-	3,098
Trusts	-	3,928	-	-	-	3,928
General	-	825	-	-	-	825
Total cash	\$ -	<u>8,778</u>	<u>927</u>	<u>-</u>	<u>-</u>	7,851
Inventory						-
Accounts receivable						-
Accounts payable						-
Assets held for others						<u>\$ 7,851</u>

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

Schedule of Assets Held for Others

June 30, 2011

Wabasso School

	Cash Balances <u>June 30, 2010</u>	Cash Receipts	Cash Disbursements	<u>Transfers</u>		Balances <u>June 30, 2011</u>
				In	Out	
Clubs	\$ 24,374	6,000	3,198	-	-	27,176
Trusts	19,057	6,706	8,595	2,000	2,000	17,168
General	<u>4,909</u>	<u>5,386</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>10,066</u>
Total cash	<u>\$ 48,340</u>	<u>18,092</u>	<u>12,022</u>	<u>2,000</u>	<u>2,000</u>	54,410
Inventory						-
Accounts receivable						-
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 54,410</u>

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

Schedule of Assets Held for Others

June 30, 2011

Transportation

	<u>Cash Balances June 30, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>		<u>Balances June 30, 2011</u>
				<u>In</u>	<u>Out</u>	
General	\$ 110	1,131	989	-	-	252
Inventory						-
Accounts receivable						-
Accounts payable						-
Assets held for others						<u>\$ 252</u>

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Assets Held for Others

June 30, 2011

County Office

	Cash Balances June 30, 2010	Cash Receipts	Cash Disbursements	Transfers		Balances June 30, 2011
				In	Out	
Trusts	\$ 8,864	-	7,720	-	-	1,144
General	<u>2,608</u>	<u>488</u>	<u>713</u>	<u>-</u>	<u>-</u>	<u>2,383</u>
Total cash	<u>\$ 11,472</u>	<u>488</u>	<u>8,433</u>	<u>-</u>	<u>-</u>	3,527
Inventory						-
Accounts receivable						69
Accounts payable						<u>-</u>
Assets held for others						<u>\$ 3,596</u>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

Indian River District School Board
Indian River County, Florida

We have audited the statement of fiduciary net assets of the School Board of Indian River County, Florida Internal Accounts (the "Internal Accounts") as of June 30, 2011, and have issued our report thereon dated September 12, 2011. Our report on the financial statement included a paragraph explaining that the financial statement includes only the fiduciary net assets of the Internal Accounts and does not include other fiduciary net assets of the Indian River District School Board (the "District"). We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Other Matters as items 11-1 and 11-2, that we consider to be significant deficiencies 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 findings 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 a separate letter dated September 12, 2011.

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

Mayer Hoffman McCann P.C.

September 12, 2011
Clearwater, Florida

THE SCHOOL BOARD OF INDIAN RIVER COUNTY, FLORIDA
INTERNAL ACCOUNTS

Schedule of Findings

For the year ended June 30, 2011

Significant Deficiencies

11-1 Finding – As noted in the prior year finding 10-1, we observed that some school employees who maintain accounting records also handle cash collections, cosign checks, and reconcile bank statement balances to the accounting records. Although nothing came to our attention that indicated there was misappropriation of funds, internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition. We encourage the principals to continue to require the bank statements be routed to them unopened, examine the cancelled checks (or check copies) for alterations or unusual payees, and review the corresponding bank reconciliations in order to help compensate for the lack of segregation of duties.

District's Response – The District recognizes how segregation of duties, internal controls, policy and oversight can safeguard the assets at our schools. We will continue to provide training and communication with principals and bookkeepers through meetings, correspondence and workshops in order to design and implement additional compensating controls for each of the schools / sites. Finance staff will continue to conduct ongoing monitoring of the effectiveness of control-related policies and procedures.

11-2 Finding – During our testing of cash disbursements, we noted several instances where the vendor Form W-9 was not on file at the school or the District purchasing office as required by Chapter 3, Section B(6)(c) and Chapter 7, Section D(2)(a). In order to comply with the District's purchasing policies, each school should have on file the vendor's Form W-9 as evidence that the school is purchasing from a District approved vendor. We recommend that either each school maintain a copy of the Form W-9 on file for each vendor used, or the District publish a list, at least annually, of approved vendors for school purchases while maintaining the originals at the District purchasing office. This would help to ensure that disbursements are being made to legitimate vendors and would prevent the possibility of payment to a fictitious vendor.

District's Response – All vendors that were noted as having missing W-9 forms have been contacted and W-9's have now been obtained. The corrective action to eliminate missing W-9's is to have the clerical staff manually review the entire active vendor file and verify that a hard copy of the W-9 is on file. This manual process will verify that a hard copy of the W-9 exists for "older vendors". Since 2010, it has been a requirement of Purchasing that a W-9 be on file before any new vendors are added. In addition, the Purchasing Department is working with our IT department to have a searchable database of all vendor Form W-9s that will allow the schools to access them from their sites, thus avoiding the duplication of a W-9 at 24 different locations.