

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

**FINANCIAL STATEMENTS**

**June 30, 2016**

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

**FINANCIAL STATEMENTS**

**June 30, 2016**

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## 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, 2016, 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

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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, 2016, 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 October 17, 2016 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

October 17, 2016

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

**Statement of Fiduciary Net Position**

**June 30, 2016**

**ASSETS**

Cash and equivalents	\$ 1,153,380
Accounts receivable	39
Inventory	48,659
Total Assets	<u>\$ 1,202,078</u>

**LIABILITIES**

Accounts payable	\$ 2,605
Assets held for others	1,199,473
Total Liabilities	<u>\$ 1,202,078</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, 2016**

**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.

**NOTE 2 - CASH AND CASH EQUIVALENT**

Cash and Investments

Deposits with Financial institutions	\$ 575,103
Invested with State Board of Administration	<u>578,277</u>
	<u>\$ 1,153,380</u>

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.



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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2016**

**NOTE 2 - CASH AND CASH EQUIVALENT (CONTINUED)**

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.

Cash as reported in the accompanying Statement of Fiduciary Position includes cash in demand and Florida Prime Funds. The cash balance of the School Board of Indian River County, Florida Internal Accounts includes \$578,277 at June 30, 2016 in Florida Prime, a Securities and Exchange Commission Rule 2a-7 like external investment pool, similar to money market funds. Florida Prime is rated AAAM by Standard and Poors and had a weighted average days to maturity of 28 days at June 30, 2016.

**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, 2016, the bank balance for all schools totaled \$631,826 and the carrying value was \$575,103.

**Interest Rate Risk**

Currently, the School Board of Indian River County, Florida has internal account monies in time deposit accounts. The time deposit account has no exposure to fair value adjustments.



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## 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, 2016, have issued our report thereon dated October 17, 2016. 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

October 17, 2016

**SUPPLEMENTAL FINANCIAL STATEMENTS**

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Sebastian River High School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 39,008	\$ 290,187	\$ 264,597	\$ 8,910	\$ 73,508
Music	5,935	27,518	27,800	180	5,833
Classes	9,653	88,444	87,696	(1,368)	9,033
Clubs	30,657	58,268	62,468	2,585	29,042
Departments	22,423	26,292	23,254	(4,078)	21,383
Trusts	29,024	17,107	27,349	9,785	28,567
General	71,906	103,873	119,327	(16,014)	40,438
<b>Total cash</b>	<b>\$ 208,606</b>	<b>\$ 611,689</b>	<b>\$ 612,491</b>	<b>\$ -</b>	<b>207,804</b>
Inventory					9,908
Accounts receivables					-
Accounts payable					(2,500)
Assets held for others					<u>\$ 215,212</u>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Vero Beach High School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers,net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 32,185	\$ 388,365	\$ 363,924	\$ (1,543)	\$ 55,083
Music	21,142	62,262	76,883	2,545	9,066
Classes	67,226	136,731	135,335	1,721	70,343
Clubs	92,399	103,397	142,579	(3,220)	49,997
Departments	52,961	137,502	158,263	(3,778)	28,422
Trusts	12,040	11,427	15,635	2,690	10,522
General	9,100	48,927	50,942	1,585	8,670
<b>Total cash</b>	<b>\$ 287,053</b>	<b>\$ 888,611</b>	<b>\$ 943,561</b>	<b>\$ -</b>	<b>232,103</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
Assets held for others					<b>\$ 232,103</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Gifford Middle School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 26,914	\$ 84,012	\$ 91,259	\$ -	\$ 19,667
Music	5,996	4,520	4,998	100	5,618
Classes	7,446	33,301	34,092	(17)	6,638
Clubs	334	909	782	(2)	459
Departments	2,742	5,567	5,667	(25)	2,617
Trusts	10,135	8,067	7,356	(1,345)	9,501
General	26,625	10,595	12,115	1,289	26,394
<b>Total cash</b>	<b>\$ 80,192</b>	<b>\$ 146,971</b>	<b>\$ 156,269</b>	<b>\$ -</b>	<b>70,894</b>
Inventory					1,988
Accounts receivables					-
Accounts payable					(105)
<b>Assets held for others</b>					<b>\$ 72,777</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Oslo Middle School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 5,608	\$ 15,910	\$ 13,074	\$ -	\$ 8,444
Music	12	100	-	-	112
Classes	5,096	22,252	23,461	47	3,934
Clubs	815	627	645	(20)	777
Departments	4,470	5,630	4,851	-	5,249
Trusts	4,263	2,382	3,462	(137)	3,046
General	9,600	8,296	13,590	110	4,416
<b>Total cash</b>	<b>\$ 29,864</b>	<b>\$ 55,197</b>	<b>\$ 59,083</b>	<b>\$ -</b>	<b>25,978</b>
 Inventory					 227
Accounts receivables					-
Accounts payable					-
Assets held for others					<u>\$ 26,205</u>



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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Sebastian River Middle School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 20,448	\$ 29,582	\$ 31,736	\$ (126)	\$ 18,168
Music	15,478	50,198	53,884	-	11,792
Classes	1,966	2,056	2,120	(584)	1,318
Clubs	5,673	6,177	6,189	(238)	5,423
Departments	5,997	11,781	14,346	38	3,470
Trusts	12,507	30,423	32,536	(45)	10,349
General	28,391	17,282	25,745	955	20,883
<b>Total cash</b>	<b>\$ 90,460</b>	<b>\$ 147,499</b>	<b>\$ 166,556</b>	<b>\$ -</b>	<b>71,403</b>
Inventory					8,565
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 79,968</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Storm Grove Middle School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 39,907	\$ 32,423	\$ 33,649	\$ -	\$ 38,681
Music	1,704	13,892	13,439	131	2,288
Classes	14,183	37,318	39,054	(1,123)	11,324
Clubs	5,685	15,302	13,347	(881)	6,759
Departments	3,300	4,508	5,872	1,196	3,132
Trusts	2,264	9,580	10,507	-	1,337
General	24,328	28,297	28,685	677	24,617
<b>Total cash</b>	<b>\$ 91,371</b>	<b>\$ 141,320</b>	<b>\$ 144,553</b>	<b>\$ -</b>	<b>88,138</b>
Inventory					7,626
Accounts receivables					-
Accounts payable					-
Assets held for others					<b>\$ 95,764</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Beachland Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 13	\$ 524	\$ 524	\$ -	\$ 13
Classes	900	31,199	31,303	(305)	491
Clubs	2,537	30,434	31,571	(107)	1,293
Departments	5,078	3,342	3,384	168	5,204
Trusts	6,757	16,209	15,832	216	7,350
General	16,212	22,546	20,951	28	17,835
<b>Total cash</b>	<b>\$ 31,497</b>	<b>\$ 104,254</b>	<b>\$ 103,565</b>	<b>\$ -</b>	<b>32,186</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
Assets held for others					<b>\$ 32,186</b>

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

**Schedule of Assets Held for Others**

June 30, 2016

**Citrus Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Athletics	\$ 23	\$ -	\$ -	\$ -	\$ 23
Classes	8,529	31,800	32,337	(1,883)	6,109
Clubs	961	3,378	3,934	2,013	2,418
Departments	3,339	3,425	2,621	-	4,143
Trusts	6,749	8,838	8,982	747	7,352
General	6,276	15,550	13,477	(877)	7,472
<b>Total cash</b>	<b>\$ 25,877</b>	<b>\$ 62,991</b>	<b>\$ 61,351</b>	<b>\$ -</b>	<b>27,517</b>
Inventory					67
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 27,584</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Dodgertown Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 112	\$ 930	\$ 787	\$ -	\$ 255
Classes	1,199	5,126	4,640	313	1,998
Clubs	-	500	435	188	253
Departments	1,024	4,506	4,194	13	1,349
Trusts	573	5,829	2,532	-	3,870
General	7,277	9,615	12,383	(514)	3,995
 Total cash	 \$ 10,185	 \$ 26,506	 \$ 24,971	 \$ -	 11,720
 Inventory					 1,180
 Accounts receivables					 -
 Accounts payable					 -
 Assets held for others					 \$ 12,900

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Fellsmere Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ -	\$ 6,568	\$ 6,441	\$ -	\$ 127
Classes	8,290	48,076	49,325	246	7,287
Clubs	846	-	322	(438)	86
Departments	1,643	7,694	7,826	(21)	1,490
Trusts	7,085	8,777	9,253	(1,665)	4,944
General	3,113	4,095	5,159	1,878	3,927
<b>Total cash</b>	<b>\$ 20,977</b>	<b>\$ 75,210</b>	<b>\$ 78,326</b>	<b>\$ -</b>	<b>17,861</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 17,861</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Glendale Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 94	\$ -	\$ 180	\$ 105	\$ 19
Classes	3,959	40,895	39,802	974	6,026
Clubs	269	-	-	-	269
Departments	5,241	9,673	9,004	-	5,910
Trusts	1,514	2,750	2,882	(68)	1,314
General	27,786	8,302	15,753	(1,011)	19,324
<b>Total cash</b>	<b>\$ 38,863</b>	<b>\$ 61,620</b>	<b>\$ 67,621</b>	<b>\$ -</b>	<b>32,862</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
Assets held for others					<b>\$ 32,862</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Indian River Academy Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Classes	\$ 1,961	\$ 19,859	\$ 23,059	\$ 5,118	\$ 3,879
Clubs	1,596	-	-	-	1,596
Departments	1,640	13,375	5,852	-	9,163
Trusts	4,427	16,556	13,681	(5,404)	1,898
General	2,374	13,183	8,644	286	7,199
<b>Total cash</b>	<b>\$ 11,998</b>	<b>\$ 62,973</b>	<b>\$ 51,236</b>	<b>\$ -</b>	<b>23,735</b>
Inventory					1,553
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 25,288</b>



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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Liberty Magnet Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers,net</b>	<b>Balances June 30, 2016</b>
Music	\$ 1,619	\$ 1,615	\$ 1,665	\$ -	\$ 1,569
Classes	3,290	60,197	59,691	(191)	3,605
Clubs	754	26,977	25,604	(698)	1,429
Departments	10,819	19,332	21,146	-	9,005
Trusts	12,963	12,160	12,017	698	13,804
General	10,726	7,016	5,935	191	11,998
<b>Total cash</b>	<b>\$ 40,171</b>	<b>\$ 127,297</b>	<b>\$ 126,058</b>	<b>\$ -</b>	<b>41,410</b>
Inventory					31
Accounts receivables					39
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 41,480</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Osceola Magnet Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers,net</b>	<b>Balances June 30, 2016</b>
Music	\$ 838	\$ 1,627	\$ 1,362	\$ -	\$ 1,103
Classes	4,457	50,151	53,162	665	2,111
Clubs	40	-	-	-	40
Departments	8,730	13,808	13,770	-	8,768
Trusts	11,753	7,423	7,705	(665)	10,806
General	33,490	44,077	45,519	-	32,048
<b>Total cash</b>	<b>\$ 59,308</b>	<b>\$ 117,086</b>	<b>\$ 121,518</b>	<b>\$ -</b>	<b>54,876</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
Assets held for others					<b>\$ 54,876</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Pelican Island Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 621	\$ 260	\$ 545	\$ -	\$ 336
Classes	1,327	19,760	19,154	148	2,081
Clubs	168	62	-	-	230
Departments	1,774	829	798	176	1,981
Trusts	6,937	2,418	4,386	294	5,263
General	11,813	12,696	13,630	(618)	10,261
<b>Total cash</b>	<b>\$ 22,640</b>	<b>\$ 36,025</b>	<b>\$ 38,513</b>	<b>\$ -</b>	<b>20,152</b>
Inventory					8,813
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 28,965</b>

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

**Schedule of Assets Held for Others**

June 30, 2016

**Rosewood Magnet Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 255	\$ 250	\$ 128	\$ -	\$ 377
Classes	7,016	60,555	58,453	(2,261)	6,857
Clubs	2,169	41,299	38,930	1,677	6,215
Departments	8,715	12,453	13,976	1,006	8,198
Trusts	8,006	6,362	3,966	(3,706)	6,696
General	10,061	12,599	11,715	3,284	14,229
<b>Total cash</b>	<b>\$ 36,222</b>	<b>\$ 133,518</b>	<b>\$ 127,168</b>	<b>\$ -</b>	<b>42,572</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
Assets held for others					<b>\$ 42,572</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Sebastian Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 298	\$ 665	\$ 714	\$ -	\$ 249
Classes	3,264	8,307	8,217	(287)	3,067
Clubs	2,674	23,926	24,644	546	2,502
Departments	318	218	1,593	2,063	1,006
Trusts	8,014	1,730	1,513	(424)	7,807
General	13,061	16,631	15,426	(1,898)	12,368
<b>Total cash</b>	<b>\$ 27,629</b>	<b>\$ 51,477</b>	<b>\$ 52,107</b>	<b>\$ -</b>	<b>26,999</b>
Inventory					1,581
Accounts receivables					-
Accounts payable					-
Assets held for others					<u>\$ 28,580</u>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Treasure Coast Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ 43	\$ 1,576	\$ 935	\$ -	\$ 684
Classes	4,675	59,279	56,789	(1,660)	5,505
Clubs	937	20,410	19,373	2,340	4,314
Departments	5,248	11,744	8,884	(1,000)	7,108
Trusts	1,458	15,593	14,170	(125)	2,756
General	13,549	13,397	13,856	445	13,535
<b>Total cash</b>	<b>\$ 25,910</b>	<b>\$ 121,999</b>	<b>\$ 114,007</b>	<b>\$ -</b>	<b>33,902</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 33,902</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Vero Beach Elementary School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Music	\$ -	\$ 1,053	\$ 675	\$ 315	\$ 693
Classes	2,362	18,837	18,996	158	2,361
Clubs	236	-	104	(122)	10
Departments	2,263	1,351	1,964	(354)	1,296
Trusts	12,093	3,693	7,263	(1,038)	7,485
General	10,792	19,523	23,027	1,041	8,329
<b>Total cash</b>	<b>\$ 27,746</b>	<b>\$ 44,457</b>	<b>\$ 52,029</b>	<b>\$ -</b>	<b>20,174</b>
Inventory					430
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 20,604</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Technical Center for Career & Adult Education**

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	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
General	<u>\$ 26,004</u>	<u>\$ 40,938</u>	<u>\$ 46,028</u>	<u>\$ -</u>	<u>\$ 20,914</u>
Total cash	<u>\$ 26,004</u>	<u>\$ 40,938</u>	<u>\$ 46,028</u>	<u>\$ -</u>	20,914
Inventory					6,690
Accounts receivables					-
Accounts payable					<u>-</u>
Assets held for others					<u>\$ 27,604</u>



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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Alternative Center for Education**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers,net</b>	<b>Balances June 30, 2016</b>
Classes	\$ 5,655	\$ 4,190	\$ 4,947	\$ -	\$ 4,898
Trusts	1,012	-	299	-	713
General	440	1,116	1,108	-	448
<b>Total cash</b>	<b>\$ 7,107</b>	<b>\$ 5,306</b>	<b>\$ 6,354</b>	<b>\$ -</b>	<b>6,059</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 6,059</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**Wabasso School**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Clubs	\$ 21,630	\$ -	\$ -	\$ -	\$ 21,630
Trusts	11,379	318	3,894	-	7,803
General	4,864	2,011	2,861	-	4,014
<b>Total cash</b>	<b>\$ 37,873</b>	<b>\$ 2,329</b>	<b>\$ 6,755</b>	<b>\$ -</b>	<b>33,447</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 33,447</b>

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

**Schedule of Assets Held for Others**

**June 30, 2016**

**County Office**

	<b>Cash Balances June 30, 2015</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Transfers, net</b>	<b>Balances June 30, 2016</b>
Classes	\$ 467	\$ -	\$ -	\$ -	\$ 467
Departments	2,709	20,029	17,251	-	5,487
Trusts	5,629	1,632	2,771	-	4,490
General	270	394	434	-	230
<b>Total cash</b>	<b>\$ 9,075</b>	<b>\$ 22,055</b>	<b>\$ 20,456</b>	<b>\$ -</b>	<b>10,674</b>
Inventory					-
Accounts receivables					-
Accounts payable					-
<b>Assets held for others</b>					<b>\$ 10,674</b>



Berger, Toombs, Elam,  
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October 17, 2016

School Board of Indian River County, Florida  
6500 57<sup>th</sup> 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, 2016 and have issued a report thereon dated October 17, 2016.

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

October 17, 2016

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, 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 recommend that the Board analyze this account and establish a policy to provide guidance for the schools to follow.

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 recommend that the bookkeepers be removed as check signers for the Internal Accounts bank accounts.

We recommend 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.

School Board of Indian River County, Florida  
June 30, 2016

Beachland Elementary School

Our test of disbursements noted the following:

1. In one disbursement tested, the invoice date was prior to the date of approval by the principal which is in violation of Chapter 7, Section II, 2 of the *"Financial and Program Accounting and Reporting for Florida Schools"*.

Our test of receipts noted the following:

1. In one instance, monies collected were held over the weekend in violation of the School Board Internal Accounts Procedures Manual.
2. In one instance, monies collected were not turned in to the bookkeeper the next business day as required by Chapter 8, Section III, 1.4 (b) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

Citrus Elementary School

Our tests of receipts and disbursements noted the following:

1. Several of the receipts tested did not have documentation to support the date monies were received.
2. A staff breakfast was paid for out of the Principal's Discretionary Account. Chapter 8, Section III, 2.5 (a) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"* requires that general activities funds be used for the general welfare of the student body.
3. Several disbursements were to individuals for the reimbursement for purchases made by them for Internal Account purposes. The documentation provided did not include support to indicate prior approval by the Principal as required by Chapter 8, Section II, 2 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

Dodgertown Elementary School

We noted that one Monthly Principal's Report and one monthly bank reconciliation were not prepared and reviewed within the time frame established by the District.

During our test of receipts we noted:

1. In one instance, monies collected were held over the weekend in violation of School Board Policy.
2. In two instances, monies were received from regular School Board accounts for reimbursements. Documentation included with the receipt was not adequate to determine the purpose of the reimbursement.
3. In two instances, monies receipted did not include a monies collected form or a listing of pre-numbered receipts to support the amounts receipted.

Our test of disbursements noted the following:

1. We noted several purchases of equipment/supplies for classes and the documentation did not include any indication that School Board funds were not available. In accordance with Chapter 8, Section III, 3.5 (1) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, the purchase of equipment supplies from internal accounts for curricular or classroom use is deemed inappropriate and should not be made if School Board funds are available. We were, therefore, unable to determine if these purchases were inappropriate.



School Board of Indian River County, Florida  
June 30, 2016

Fellsmere Elementary School

We noted one receipt where the date on the check was three months prior to the date of deposit. We recommend that the school document the day that the check was received by the school in the future to document compliance with deposit requirements.

We 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. Furthermore, in one instance, the Internal Accounts were reimbursed by the School Board for the amount of the monies disbursed one month later.

Glendale Elementary School

Our test of receipts indicated the following:

1. We noted one instance where monies collected on Thursday and Friday were kept over the weekend and not deposited until the following Monday. The School Board Internal Accounts Manual requires that all monies be deposited before the weekend.
2. We noted one instance where the School Board operating account reimbursed the Internal Accounts for Title I Family Night. This indicates that the Internal Accounts had made a restricted expenditure per Chapter 8, Section III, 3.5 of *"Financial and Program Cost Accounting and Reporting for Florida Schools"* in that a check was written as an accommodation when School Board funds were available.
3. In one instance, the pre-numbered receipts issued to students were dated 22 days before the date of the receipt prepared by the bookkeeper. Monies received are to be turned into the office the next business day as required by Chapter 8, Section III, 1.4 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.
4. A donation check was dated 1 month prior to the date of the receipt prepared by the bookkeeper. We recommend that in the future, the school document the day the check was received to insure compliance with the deposit requirements of Chapter 8, Section III, 1.4 of *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

School Board of Indian River County, Florida  
June 30, 2016

Indian River Academy School

During our test of receipts, we noted the following:

1. Proceeds from a school fundraiser were deposited into the Principal's Discretionary Account. The documentation provided nor a response to our inquiry indicated the purpose of the fundraiser. Unless the fundraiser was promoted to benefit the Principal's Discretionary Account, the deposit into that account was not appropriate.

During our test of disbursements, we noted the following:

1. Purchase orders were not provided for the items tested. The School Board Internal Accounts Procedures Manual requires that a purchase order is required for all disbursements greater than \$25.

School Board of Indian River County, Florida  
June 30, 2016

Liberty Magnet Elementary School

During our test of receipts, we noted the following:

1. We noted 2 receipts for a fundraiser where the amount receipted was for the class as a whole. The teacher collecting the money should have issued an individual pre-numbered receipt or utilized a monies collected form and this information should be documented on the receipt. Furthermore, the receipts are dated on a Friday and the deposit was not made until the following Tuesday in violation of the School Board Internal Accounts Procedure Manual that requires monies be deposited before a weekend.

We noted the following during our test of disbursements:

1. A significant number of the items tested were reimbursements to staff for items purchased on credit cards. This practice is in violation of Chapter 8, Section II, 2, which requires the prior approval of the Principal or their designee.

School Board of Indian River County, Florida  
June 30, 2016

Osceola Magnet Elementary School

We noted several checks were received and deposited into the Internal Accounts. The documentation provided to us did not indicate the date the checks were received. We recommend that the school document the day the checks are received by the school in the future to insure compliance with the deposit requirements.

During our test of disbursements, we noted the following:

Several of the items tested were reimbursements to staff members for items purchased. This practice is in violation of Chapter 8, Section II, 2 of *Financial and Program Cost Accounting and Reporting for Florida Schools*, which requires the prior approval of the principal or their designee.

School Board of Indian River County, Florida  
June 30, 2016

Pelican Island Elementary School

Lunch boxes for teachers were purchased from the school pictures account which, as a General Activities account per Chapter 8, Section III, 2.5 (1) of *“Financial and Program Cost Accounting and Reporting for Florida Schools”*, should be used for the general welfare of the student body. We do not believe this purchase is in compliance with the above referenced requirement.

School Board of Indian River County, Florida  
June 30, 2016

Rosewood Magnet School

Two of the items tested were for supplies, which is a restricted expenditure per Chapter 8, Section III, 3.5 (1) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"* if School Board funds are available. Documentation included did not indicate School Board funds were not available.

School Board of Indian River County, Florida  
June 30, 2016

Sebastian Elementary School

We noted a disbursement for supplies and the documentation provided did not indicate School Board funds were not available. Per Chapter 8, Section III, 3.5 (1) of the *“Financial and Program Cost Accounting and Reporting for Florida Schools”*, purchases of supplies is a restricted expenditure and should not be made from the internal accounts unless School Board funds are not available.



Treasure Coast Elementary School

We noted that at the end of the year, monies were transferred from the 5<sup>th</sup> grade class to the Principal's Discretionary Fund. Per Chapter 8, Section III, 2.3, f (1) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, remaining balances of class and club monies shall be transferred to the general miscellaneous account at the discretion of the Principal.

Our tests of receipts noted the following:

1. The teacher/sponsor did not sign the monies collected form in 10 percent of the items tested.
2. Several of the receipts tested consisted of checks received by mail or drop-off with no documentation to support the date the check was received. In some instances, the date of the check was greater than 5 days before the date of deposit. We recommend that the school document the date the checks are received to document compliance.
3. In one instance, monies were turned in on Friday, but not posted as received until the following Tuesday. The Internal Accounts Procedure Manual of the School Board requires monies be deposited before a weekend or holiday.
4. We also noted several receipts where the monies collected were not turned into the office the next business day as required by Chapter 8, Section III, 1.4 (b) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

Our test of disbursements noted the following:

1. Several 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.
2. The purchase order included as support for several disbursements did not include signatures of approval.

School Board of Indian River County, Florida  
June 30, 2016

Vero Beach Elementary School

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

School Board of Indian River County, Florida  
June 30, 2016

Gifford Middle School

During our test of disbursements, we noted the following:

1. A disbursement was made from the Principal's Discretionary Account that was subsequently reimbursed from School Board operating funds. Per Chapter 8, Section III, 3.5, 6 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, accommodation purchases are deemed inappropriate and shall not be made.
2. Additionally, the repair of a popcorn machine used by the faculty and the purchase of a retirement gift were made from the Principal's Discretionary Account. Since we could not determine the source of the beginning balance, we were not able to determine if these disbursements were appropriate.

Oslo Middle School

We noted that a transfer of an inactive account to the Principal's Discretionary Account was made during the year. Chapter 8, Section III, 2.3, f (2), remaining balances from inactive accounts shall be considered as belonging to the general miscellaneous account.

During our test of disbursements, we noted the following:

1. We noted the purchase of various physical education supplies from the Physical Education Class Uniforms Account. Documentation provided to support the disbursement did not indicate School Board funds were not available. In accordance with Chapter 8, Section III, 3.5 (1), purchases of supplies is deemed a restricted expenditure and should not be made from the Internal Accounts unless School Board funds are not available.

School Board of Indian River County, Florida  
June 30, 2016

Sebastian River Middle School

Several of the receipts tested were for monies turned into the office on Friday and not deposited until the following Monday. All monies collected must be deposited before the weekend or a holiday as required by the School Board Internal Accounts Procedure Manual.

School Board of Indian River County, Florida  
June 30, 2016

Storm Grove Middle School

During our test of receipts, we noted the following:

1. It did not appear that the monies collected form was attached at the time monies were received by the office. We noted several instances where the monies collected form attached showed monies collected after the date of the receipt.
2. We noted several instances where monies were not turned into the office the next business day as required by Chapter 8, Section III, 1.4, (b) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

During our test of disbursements, we noted the following:

1. The support provided for one disbursement included an invoice that referenced first order. We could not determine from the documentation provided the details of the "first order".

Sebastian River High School

We noted various journal entries within the athletics account to cover negative balances at year end. We recommend that in the future, these accounts be monitored throughout the year and transfers be made as appropriate to insure monies are not disbursed in excess of funds available to comply with Chapter 8, Section I, 10 of *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

We noted a monthly deposit of almost \$7,000 was made to the Principal's Discretionary Account for the rental of the Performing Arts Center. As noted above, we recommend that the School Board develop a policy to govern the Principal's Discretionary Account. Absent such a policy, we believe this deposit along with the associated specific disbursements should be reflected in School Board Funds as that is where the operating expenses relative the Performing Arts Center are paid.

During our test for unrecorded liabilities at year end, we noted the purchase of a golf cart in July 2016 from the former athletic director of the school. We were told that this purchase was delayed until after the athletic director retired. We believe this was intentionally structured to avoid the School Board conflict of interest policy.

Our tests of receipts noted the following:

1. A significant number of the receipts tested were received on a Friday and held over the weekend in violation of the School Board Internal Accounts Procedures Manual.
2. A couple of the receipts tested were for checks received with no documentation to support the date received. We recommend that the school document the date checks are received to insure compliance with the deposit requirements of Chapter 8 of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.
3. The change fund for the girls' basketball team was re-deposited into the bank account following a game and a written receipt was not issued to the person turning in the change fund. We recommend that all monies received be supported by a written receipt.
4. We noted a check received from School Board funds was deposited to reimburse the internal accounts for an amount paid to a vendor because a district check could not be processed in time. We believe the disbursement was an accommodation disbursement which is not allowed by Chapter 8, Section III, 3.5 (6) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.
5. In one instance, the deposit was not made within 5 days as required by Chapter 8, Section III, 1.4 (c) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*.

Sebastian River High School (Continued)

Our test of disbursements noted the following:

1. Three employees were paid for working at after school functions at a flat rate from the Principal's Discretionary and Athletics General Accounts. We could not determine from the information provided if these amounts were added to their W-2 wages from the School Board operating accounts.
2. 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. The fundraiser permit indicated that these monies will be used to fund graduation activities shortages, which does not meet the criteria in the preceding sentence.
3. During our review of the Principal's Discretionary Activity account, we noted disbursements for office staff polo shirts, staff lunches, staff Christmas gifts, school signage and logo stencils, golf cart repairs, office supplies, additional payroll to salaried employees, staff lunch bags, security for football game, staff Christmas party, on-site training, campus banners, staff appreciation week and travel expenses for non high school organizations. We do not believe these purchases are appropriate disbursements from the Internal Accounts fund in that they are either restricted expenditures and/or they do not have a public purpose.



Vero Beach High School

We noted the following issues during our test of transfers:

1. 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. We believe that the above practice is in violation of that requirement.
2. Monies raised through a cheerleader fundraiser were transferred to the football account for uniforms. The transfer was not approved by the cheerleading captain and the cheerleading sponsor as required by Chapter 8, Section III, 2.3 (d) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"* and the School Board Internal Accounts Procedures Manual that requires disbursements shall be expended for the purpose for which they were collected.
3. In accordance with Chapter 8, Section III, 2.4 of *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, trust account funds shall only be expended for the purpose for which collected until the purpose has been accomplished. Monies collected for locks (a trust account) were transferred to another trust account (a specific scholarship) and then expended for the scholarship. We believe that the above referenced transfer did not comply with the requirements noted above.

Our test of receipts noted the following:

1. Numerous receipts did not include a cash verification form or a reference or copy of a pre-numbered receipt. In accordance with Chapter 8, Section III, 1.4 (a) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, all monies collected must be substantiated by consequentially numbered class receipts, monies collected forms or other auditable records.
2. We noted two instances where monies collected on Friday were held over the weekend in violation of the School Board Internal Accounts Procedures Manual that requires all monies be deposited before the weekend or a holiday.
3. The School Board Internal Accounts Procedures Manual requires that a pre-numbered receipt be issued for all cash collections greater than \$25. The school utilized an excel spreadsheet to support the collection of parking decal receipts which cost \$40. The school informed us that they had obtained permission from the District office to utilize the excel spreadsheet. We recommend that the District policy be amended, if warranted, to allow for the use of the spreadsheets.

Vero Beach High School (Continued)

During our test of disbursements, we noted the following:

1. A reimbursement made to the School Board operating funds for the use of support staff in July 2015 was disbursed from the parking decals account. We do not believe this disbursement was related to parking decals nor do we believe that it was used for the general welfare of the student body.
2. Numerous purchase orders were manually altered and approved by the principal because of the use of open or blanket purchase orders. We recommend that in the future, when the disbursements exceed the blanket purchase order, a new blanket purchase order be completed and approved by the Principal.
3. Two purchases of music supplies did not include documentation that School Board funds were not available. In accordance with Chapter 8, Section III, 3.5 (1) of the *"Financial and Program Cost Accounting and Reporting for Florida Schools"*, purchase of supplies from internal accounts for curricular or classroom use is deemed inappropriate and should not be made if School Board funds are available. We recommend that in the future, documentation be included to support that School Board funds were not available.

School Board of Indian River County, Florida  
June 30, 2016

Alternative Center for Education

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

A receipt for a fundraising event did not include a cash verification sheet detailing the cash collected.

One receipt was held over the weekend in violation of the School Board Internal Accounts Procedures Manual that requires all monies be deposited before the weekend or a holiday.

School Board of Indian River County, Florida  
June 30, 2016

Technical Center for Career and Adult Education

Our test of receipts and disbursements 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, 2016

Wabasso School

During the year, the bank account had a negative balance. School Board personnel met with the School Bookkeeper and adjusted procedures to prevent this from happening again in the future.

School Board of Indian River County, Florida  
June 30, 2016

Internal Account – District Office

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



# School District of Indian River County

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

Mark J. Rendell, Ed.D. - Superintendent

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Date: September 28, 2016  
To: Carter Morrison  
From: Terry Malone  
Regarding: *Response to Internal Accounts Audit; General Comments*

---

I have reviewed the findings, observations and recommendations from the 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.

In response to the General Comments, I see three areas of emphasis:

**1. Cash Handling and Cash Controls**

- a. The Internal Accounts Procedures Manual will be reviewed and amended as necessary to incorporate the cash handling recommendations made by BTEG&F.
- b. Implement new procedure to indicate date checks are received at school. Currently reviewing the use of a stamp on checks or a form design.
- c. Alternate check signers will be identified for each Internal Account and bookkeepers will be removed as signers.
- d. Based on feedback from multiple school personnel, current procedure mandating deposits prior to weekends and holidays will be amended to allow for extenuating circumstances, and with approval, cash will be locked and secured in the school's safe until the next business day.

**2. Principal's Discretionary Account (7020.00 in our current Internal Accounts ledger)**

- a. Clarify the procedures manual to indicate that the General School Activities account is to be exclusively used for students.

Page 1 of 2

"Educate and inspire every student to be successful"

Shawn R. Frost • Dale Simchick • Matthew McCain • Charles G. Searcy • Claudia Jiménez  
District 1                      District 2                      District 3                      District 4                      District 5

"To serve all students with excellence"  
Equal Opportunity Educator and Employer

- b. Establish a second districtwide account, to be categorized as a trust account, for staff appreciation, gifts, staff meals and refreshments, and Principal's discretionary spending. Specifically identify sources and uses of account.

### **3. Purchasing Approvals and Disbursements Controls**

- a. Distribute communication to bookkeepers and principals that emphasizes the importance of pre-approval by the principal for all purchases over \$25.00.
- b. Establish new procedure mandating receiving information and invoice approval by teacher/sponsor prior to disbursement processing.
- c. Implement new procedure and amend the current purchase order form to indicate and document whether School Board funds are or are not available.
- d. Review the use of the Internal Account P-Card and whether we need to establish an approval process prior to use.
- e. Review the use of Open/Blanket PO's.

In response to some of the school specific items, I will address the following issues:

1. As noted, we will amend the Internal Accounts procedures manual to reflect current policy that accommodation purchases are unallowable and disbursements will be processed with available district funding.
2. One school may have a sales tax obligation for fundraising items purchased. I have to research further.
3. Review current practice with school and district leadership regarding treatment of revenue from Performing Arts Centers.
4. Clarify documentation needed for reimbursement to Payroll for extra compensation.
5. We will address the accounting for revenue from parking decal sales, lock fees and PE uniforms.
6. We will review the current process at TCCAЕ of collecting funds for textbooks and exam fees using Internal Account funds and the subsequent reimbursement by the district.



# Beachland Elementary School

3350 Indian River Drive East  
Vero Beach, Florida 32963-1799  
Telephone: (772) 564-3300  
FAX: (772) 564-3350

---

Caroline Barker  
Principal

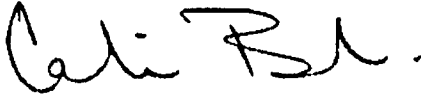
Susan Del Tufo  
Assistant Principal

## Beachland Elementary School

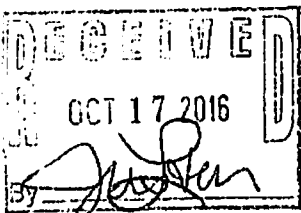
### Responses for Audit:

1. Disbursement: Invoice date was prior to the date of approval by principal. ..  
We understand invoices must be approved prior to services rendered. In this case, the approved purchase order paperwork was not included with the audit documents. In the future, we will include such documentation.
2. Receipts: monies collection held over the weekend violation ...  
In the future, we will make every effort to make deposits prior to the weekends.
3. Receipts: monies collected were not turned in to the bookkeeper the next business day ...  
In the future, all teachers will be reminded of this policy.

Respectfully,



Caroline Barker, 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

Jon Teske  
Principal

Susanna Didomizio  
Assistant Principal

September 29, 2016

To Whom It May Concern,

Please accept the following responses from Citrus Elementary School for the 2015 – 2016 Internal Audit findings at Citrus Elementary School. Please let me know if you have any questions.

1. **Several of the receipts tested did not have documentation to support the date monies were received.**

All monies collected (cash or checks) are recorded on a Monies Collected Log, Indian River School District Cash Receipt Book, or Cash Verification Form, along with the date and are receipted on that date of collection or by the day after. Per Indian River County School Board Internal Accounts Procedure Manual Chapter 5, Section B.1. These forms are kept in their own separate file and are available for review at any point of the audit.

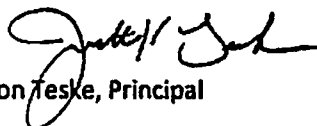
2. **A staff breakfast was paid for out the Principal's Discretionary Account. 8 Section III, 2.5 (a) of the "Financial and Program Cost Accounting and Reporting for Florida Schools" requires that general activities funds be use for the general welfare of the student body.**

Monies were donated for the sole purpose of purchasing breakfast for the staff on this day. A letter from the donator was provided for documentation of the intent of the monies donated.

3. **Several disbursements were to individuals for the reimbursement for purchases made by them for Internal Account purposes. The documentation provided did not include support to indicate prior approval by the Principal as required by Chapter 8, Section II, 2 of the "Financial and Program Cost Accounting and Reporting for Florida Schools".**

A Fundraiser Permit was completed, signed, turned in for approval and approved by October 1, 2015 stating that the School Picture Fundraiser was for the purpose of Teacher Classroom supplies. We reimburse teachers throughout the year for supplies they need throughout the year for their classroom. We do not include tax in these reimbursements.

Thank you,

  
Jon Teske, Principal

*Guiding Today's Children to Become Tomorrow's Leaders*

School District of Indian River County

Liz Tetreault,  
Principal

## Dodgertown Elementary



Emilio Gonzalez,  
Assistant Principal

4350 43rd Avenue ♦ Vero Beach, Florida 32967  
Telephone: (772) 504-4100 ♦ Fax (772) 504-4093

### Dodgertown Elementary School

In response to the audit findings performed in 2016.

1. "In one instance, monies collected were held over the weekend in violation of School Board Policy".
  - a. We collected monies late Friday afternoon and staff did not get to the bank before closing.
2. "In two instances, monies were received from regular School Board accounts for reimbursements. Documentation included with the receipt was not adequate to determine the purpose of the reimbursement".
  - a. Currently PO's are being submitted to Finance Dept. as documentation
3. "In two instances, monies receipted did not include a monies collected form or a listing of pre-numbered receipts to support the amounts receipted"
  - a. Additional back up has been provided to Finance Dept.

"Our Test of Disbursements noted the following:

1. "We noted several purchases of equipment/supplies for classes and the documentation did not include any indication that School Board funds were not available. In accordance with Chapter 8, Section III, 3.5 (1) of the "Financial and Program Cost Accounting and Reporting for Florida Schools", the purchase of equipment supplies from internal accounts for curricular or classroom use is deemed inappropriate and should not be made if School Board funds are available."
  - a. In the future I will indicate whether district funds are available before making any purchase of equipment/supplies for classrooms.
  - b. The Finance Dept. will be revising procedures to include a directive pertaining to this issue.



# Fellsmere Elementary School

50 North Cypress Street, Fellsmere, FL 32948

Phone 772-564-5970 Fax 772-564-6020

Ramón J. Echeverría  
Principal

Kimberly Garcia  
Assistant Principal

## Memorandum

To: Terry Malone

From: Ramon Echeverria, Principal at Fellsmere Elementary

Date: September 27, 2016

Subject: Response to the Internal Account Audit on School Year 2015-2016

### Item#1

The check was a donation that was to purchase books for the students. The check was not given in for deposit in a timely manner. Correction are to remind and inform all staff members that money for deposit needs to be turned in a timely manner.

### Item#2

The teachers are giving a set amount of teacher supply money from the discretionary account each year. The teachers sometimes use this money at the book fair to purchase books for their classroom library. The purchase is rang up and put on a purchase order system with Scholastic Book fair check out system. At the end of the book fair, the total of teacher purchases are added up and a district purchase order for reimbursement is done to pay for the purchases. The teacher supplies money is from the discretionary account and the internal account media is repaid for the purchases made. The correction is the teachers will not be able to use the discretionary supply money for purchases at the book fair any longer.

RE/jm

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

**September 27, 2016**

**Dear Ms. Malone,**

**This letter is in response to the Internal Account Audit for the fiscal year ended June 30, 2016.**

**The results of the audit indicated four areas that we will address during the current school year to ensure future audits do not have these findings.**

**In the first finding, it was noted that monies were collected Thursday and Friday but not deposited until Monday. The new procedure will be the monies will only be collected Monday through Thursdays, to make certain there is enough time for the bookkeeper to receipt and deposit the monies before the weekend.**

**The second instance dealt with funds being pulled from an Internal Account when a District requisition/purchase order should have been used. We will be vigilant moving forward so we use the correct accounts and procedures.**

**In the third instance, a teacher new to the district did not follow protocol. To ensure this does not happen again, grade level chairs will be instructed to remind teachers to follow the procedures. The bookkeeper will follow up with teachers on a daily basis to make sure that all monies are receipted in a timely manner.**

**In the fourth instance, we will document the day all checks are received. The delay was due to the check being issued from a corporate office, then being mailed through the postal service.**

**After discussing these findings with my Bookkeeper, these oversights were unintentional and she has vowed to be more vigilant with these processes to ensure compliance. I will continue to support her and help with any other areas.**

**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*

Home of  
the Bears

# Indian River Academy

*Diane Fannin, Principal*

500 20th Street SW, Vero Beach, FL 32962 Phone: 772-564-3390 Fax: 772-564-3443

September 29, 2010

To District Finance Department:

We have reviewed the Internal Accounts manual regarding the auditors' observations and our response is as follows:

**Disbursements:**

*Section 7-1 For approved reimbursement, no purchase order is required. To reimburse purchases made without a purchase order, the employee must complete a check request, attach original receipts and have the check request approved by the principal. Enter the check request in SFO as a new check. (8) All refunds must have a copy of the original receipt attached as backup and or a completed Request for Refund Form. When refunding money to multiple students you may use a Multiple Refunds Form. (See Appendix A7 for sample copy of these Forms). There is no dollar limit when using this form to issue multiple refunds. The check will be made payable to the teacher/sponsor and the completed Multiple Refund Form must be attached to the disbursement documentation.*

The disbursements in question were for the following:

**Disbursement to:**

1. Little Caesar's for percentage of fundraiser sales owed to them.
2. World's Finest Chocolate for percentage of fund raiser sales owed to them.
3. Sharon Wolf reimbursement for items she purchased for our 5<sup>th</sup> grade Graduation.
4. Sonshine Tours payment for a 4<sup>th</sup> grade field trip.

The first two items are not "purchases", therefore a purchase order was not warranted. The fundraiser activity permits were filled out and approved and the items were sold by students.

The third item was a reimbursement to a volunteer who was on the graduation committee. She purchased the items, turned in her original receipts and was issued a check. Again, these were not items purchased so did not warrant a "purchase order" according to our interpretation in paragraph 7-1.

The fourth item was payment for a field trip. This is not "items" being purchased for the school but payment for an invoice received.

Ms. Gioffre was following guidelines set and discussed based on the annual bookkeepers meetings regarding PO/Check Requests. This procedure has not been called into question with the previous year's audit. Her goal is to maintain accurate accounting records and to follow all policies and procedures. She

Back up not included, on file at School Board Office.

has already reached out to Terry Malone regarding these items and for guidance as to how to correct the issues at hand.

From the 2015-2016 Auditor's Report: *Purchase orders were not provided for the items tested. The School Board Internal Accounts Procedures Manual requires that a purchase order is required for all disbursements greater than \$25.00.*

Example in question: IRA raised \$51.00 for United Way/Casual for a Cause this month. According to the above guidelines, *a purchase order is required for disbursements over \$25.00.* This isn't a purchase; it is a fund-raiser. Is a PO needed or a Check Request?

Principal's Fund:

1. In the auditor's observation, *Yankee Candle Fund-raiser funds were deposited into the Principal's Discretionary Account.*

*Section 12-1 The determination of the fund-raising activities for a school shall be the responsibility of the Principal. The Principal shall control the fund-raising activities conducted in the name of the school and assure that the purposes are worthwhile. Each fund-raising activity shall have the approval of the organization sponsor and the Principal. All staff shall conform to the following conditions and such other administrative directives as may be issued by the Superintendent or his designee. (a) Collections for all school sponsored fund-raising activities must be deposited in the Internal Funds. (Refer to "Receipts" in Chapter 5).*

*Rule 3-4 H-General Accounts (Accounts beginning with "7") General accounts are typically accounts that benefit all students. This section also includes other accounts that do not fit into any of the other areas. Staff discretionary accounts are classified to be general accounts even though these accounts do not directly benefit students. Except for these accounts, all other accounts classified as General must benefit students. The NSF Account is classified as a General Account with the number 7200.00.*

We did not find any other information on what can/can't be deposited into the Principal's discretionary account. The guidelines above were followed. A copy of the fund-raising information from Yankee Candle and the flyer sent home to families was sent to the auditors and Terry Malone once requested. I have also attached a copy for your review. The flyer did explain where the funds would be used. According to the guidelines above, the discretionary account falls under the category of "General Accounts".

We would also request further clarification of *Rule 3-4 H-General Accounts*. All auditor observations will be addressed and modified.

Diane Fannin  
Principal  
Indian River Academy  
[Diane.fannin@indianriverschools.org](mailto:Diane.fannin@indianriverschools.org)  
772-564-3405

Back up not included, on file at School Board Office.

# **LIBERTY MAGNET SCHOOL**

**"An IBO World School - Primary Years Program"**

6850 81st Street • Vero Beach, FL 32967 • (772) 564-5300 • Fax: (772) 564-5303

**Takeisha Harris**  
*Principal*

**Kelly Good**  
*Assistant Principal*

September 27, 2016

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 2014/2015.

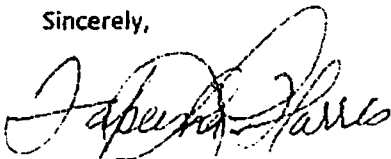
Mrs. Watson does an outstanding job with our internal accounts. She has many responsibilities and handles our internal accounts with the utmost of integrity and honesty, attempting to keep the SDIRC rules and regulations in the highest regard. Her records are organized and maintained daily. All in all I feel this was a very good audit and my response to exceptions is listed below.

Item 1. Receipting a class as a whole is not a normal practice in our accounting office. Not knowing the circumstances where the funds were collected and receipted for the class as a whole I can only remark that we will notify the teachers and staff of the rules in regards to this action. As a whole our deposits are made the same day as receipting is done. Mrs. Watson is aware of this exception and will make every effort to prevent a reoccurrence.

Item 2. Many times a reimbursement is made from credit card transactions. These transactions are approved by me in advance either verbally or by email. Since this is not something we have back up for this year, I will address the issue with teachers at our next faculty. Mrs. Watson will provide backup should the need for credit card reimbursements arise.

Thank you for your continuing support and consideration.

Sincerely,



**Takeisha Harris**  
**Principal**



# OSCEOLA MAGNET SCHOOL

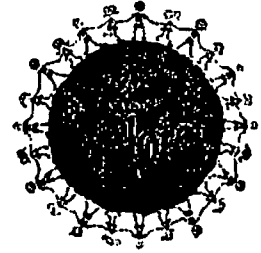
A Florida "A" School

School District Of Indian River County

1110 18<sup>th</sup> Avenue SW

Vero Beach, FL 32962

(772) 564-5821



**Scott Simpson, Principal**

**Janice McCord, Assistant Principal**

---

September 28, 2016

School Board of Indian River County,

According to an Internal Account Audit performed last month for the fiscal year ended June 30, 2016, there were two items noted for Osceola Magnet School.

It was noted that several checks did not indicate the date the checks were received. We agree with the recommendation of the audit that the school document the day checks are received by the school to ensure compliance with deposit requirements. It has been school policy to write the date the check was received on the document accompanying the check, and we will ensure that we continue to do this for all checks.

It was also noted that several items were reimbursements to staff members for items purchased. Teachers are given prior approval for small classroom supply purchases. Larger or unique purchases require additional approval to ensure direct classroom use.

Please feel free to contact me at any time for clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Simpson", written in a cursive style.

†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*

September 28, 2016

To Whom It May Concern,

In response to the observation made during the audit of Pelican Island Elementary School's internal accounts, I recognize that it was an error on our part to purchase teacher recognition items with the account used. Moving forward, we will pay closer attention to how we fund teacher recognition.

After speaking with the District Finance Department it is our understanding that they will be forwarding clear policy on the use of these funds.

Sincerely,

A handwritten signature in cursive script that reads "Chris Kohlstedt".

Chris Kohlstedt  
Principal

# Rosewood Magnet School

3850 16th Street \* Vero Beach, FL 32960

(772) 564-3840 \* Fax (772) 564-3888

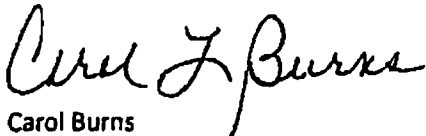
*"A Rich Tradition, A Bright Future"*

An Honor Roll School

September 29, 2016

In response to Rosewood Magnet School's Internal audit:

All funds were already encumbered from other funds for the art supplies. The Internal account funds used were for art supplies from our Original Artworks fund raiser. In the future we will indicate whether district funds are available or not.



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

September 27, 2016

Memorandum for: Berger, Toombs, Elam, Gaines & Frank

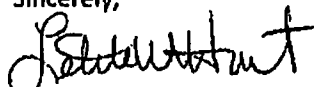
RE: Draft of 2015/2016 Internal Audit

This memorandum serves to provide answers to the following items listed on the draft of the internal audit conducted by Internal Account Audit Firm Berger, Toombs, Elam, Gaines & Frank:

1. We noted a disbursement for supplies and the documentation provided did not indicate School Board funds were not available. Per Chapter 8, Section III, 3.5 (1) of the "Financial and Program Cost Accounting and Reporting for Florida Schools", purchases of supplies is a restricted expenditure and should not be made from the internal accounts unless School Board funds are not available.

At the time it was not known that documentation needed to indicate that School Board funds were not available. The funds used were from commissions for fundraisers held by the Art Teacher. Even though it was not indicated there were no additional funds available at the time for the art supplies purchased.

Sincerely,



Letitia Whitfield-Hart

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

# TREASURE COAST ELEMENTARY

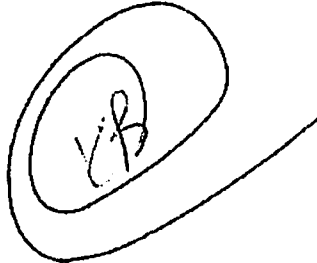
8955 85th Street ♦ Sebastian, FL 32958 ♦ (772) 978-8500 ♦ Fax: (772) 978-8503

*Kelly Baysura*  
Principal

*Robyn Bethel*  
Assistant Principal

## MEMO

To: Carter Morrison, Terry Malone  
From: Kelly Baysura  
Date: September 28, 2016  
Subject: 2015-2016 Audit Findings



### General

- We have corrected and transferred our end of year roll up transfer error. Please see attached journal entry with the correction.

### Test of receipts #1

- We have discussed new procedures for monies collected forms and teachers will now sign the forms when they are logged out and distributed.

### Test of receipts #2

- As a school, we have no control over when a check is dated and/or delivered to us by student or parent. We are exploring options with bank on the legalities of date stamping a check upon receipt. I understand District is also exploring options to come up with solutions in order to be in compliance.

### Test of receipts #3

- In the event of a late money turn in right before a weekend or holiday, we will support documented signatures of all parties involved and locked in safe until next business day. I suggest to have the holiday/weekend rule in the Internal Accounts procedure manual be reviewed to allow for flexibility.

### Test of receipts #4

- I will be reviewing with teachers and sponsors the procedures and deadlines ruling.

### Test of disbursements #1

- We have instituted a new policy where any purchase request over \$25 must get preapproval in writing prior to purchase.

### Test of disbursements #2

- Copies supplied to auditors were duplicate copies of P.O. and not the originals in monthly files. We do have original, signed copies of P.O.s in a different file and are happy to supply.

*"Our Children, Our Treasures"*  
School District of Indian River County

Back up not included, on file at School Board Office.

# Gifford Middle School

Mrs. Roxanne Decker  
Principal

Mr. James Monds  
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  
Guidance Counselor

Mrs. Eathel Hart  
Guidance Counselor

**September 27, 2016**

**TO:** Terry Malone, Accountant

**FROM:** Roxanne Decker, Principal   
Gifford Middle School

**SUBJECT:** Response to Internal Accounts Audit, June 30, 2016

## **Finding No. 1:**

A disbursement was made from the Principal's Discretionary Account that was subsequently reimbursed from School Board operating funds. Per Chapter 8, Section III, 3.5, 6 of the "Financial and Program Cost Accounting and Reporting for Florida Schools," accommodation purchases are deemed inappropriate and shall not be made.

### **GMS Response:**

The disbursement from the Principal's Discretionary Account was for a July PL TW training for Jennie Flynt. A district purchase order was in place but due to extenuating circumstances, the check was not able to be processed in time for the Mrs. Flynt's trip to Spokane, WA. Reimbursement was quick. In the future, we will avoid this type of encumbrance.

## **Finding No. 2:**

Additionally, the repair of a popcorn machine used by the faculty and the purchase of a retirement gift were made from the Principal's Discretionary Account. Since we could not determine the source of the beginning balance, we were not able to determine if these disbursements were appropriate.

### **GMS Response:**

The popcorn machine is primarily used for student functions, rewards, and special events. In 2016 it was also used for faculty appreciation during the month. The repair on the machine was done by a teacher, and there was no charge. We purchased parts at a cost of \$84.79 and used funds from the General Activities account; not the Principal's Discretionary.

Retirement gifts for teachers are purchased using funds from the Principals Discretionary account as has been done in the past. An explanation of where the funds originated was previously requested by the auditor and our response was sent to them in an email on August 24, 2016. (Copy attached)



School District of Indian River County



# OMS

Oslo Middle School  
Mrs. Beth Hofer - Principal

September 29, 2016

To Whom It May Concern:

This letter is to address the findings from the Internal Account Audit. As it pertains to transfer of monies from inactive accounts to the Principal's Discretionary Account, all funds have been transferred to the Internal General Student Account. As it pertains to the physical education supplies, monies were used from internal funds due to a zero balance in the general Athletics account.

If any further information is needed, please feel free to contact me.

Roarifically yours,

*Beth Hofer*

Oslo Middle School  
Home of the Wildcats

[Beth.Hofer@indianriverschools.org](mailto:Beth.Hofer@indianriverschools.org)  
772-564-3950

**You Can't Hide That Wildcat Pride**

480 20th Avenue S.W.      Vero Beach FL 32962      772-564-3980

**Sebastian River Middle School  
Response to Audit Findings  
FY 2015-16 Audit**

School District of Indian River County  
6500 57<sup>th</sup> Street,  
Vero Beach, FL 32967

October 10, 2016

SDIRC Finance Department,

**Finding:**

Several of the receipts tested were for monies turned into the office on Friday and not deposited until the following Monday. All monies collected must be deposited before the weekend or a holiday as required by the School Board Internal Accounts Procedural Manual.

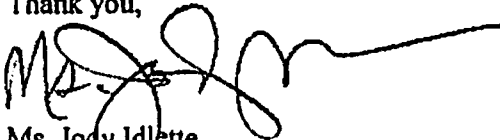
**Principal Response/ Corrective Action:**

The Sebastian River Middle School will make every effort to deposit funds before the weekend per procedure.

Sebastian River Middle School will attempt to not plan activities and events on Friday to avoid late depositing of funds.

Deposits will be monitored closer in the system to ensure that all financial deposits are made on or before Friday of each week.

Thank you,



Ms. Jody Idlette  
Sebastian River Middle School



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

Dawn Bennett-Campbell  
Assistant Principal

Cyntheria Payne  
Guidance Counselor

Kevin Van Brimmer  
Assistant Principal

Connie Peterson  
Guidance Counselor

September 29, 2016

Re: SGMS-Internal Account Audit Response


**Receipts**

1. Money isn't able to be receipted into SFO if there isn't a monies collected form or verification of what money is being turned in by the sponsor. I would like more details on these findings.
2. All monies collected by any sponsor must be turned into the bookkeeper no later than the next business day per our Internal Accounts Procedure Manual. If money is collected on a Friday, the next business day would be considered the following Monday.

**Disbursements**

1. In the future we will have the vendors provide adequate descriptions on quotes and invoices.

Respectably,

  
Tosha Jones  
Principal

School District of Indian River County

# SEBASTIAN RIVER HIGH SCHOOL

9001 Shark Boulevard • Sebastian, Florida 32958

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

October 11, 2016  
Re: Internal Account Audit Response

In response to the three items in the narrative

- #1 In the future SRHS will monitor the account negatives and make transfers in a timely manner.
- #2 SRHS will await a decision by School Board officials as to a direction to use the PAC funds.
- #3 SRHS sold a six passenger golf cart. SRHS used those funds to purchase the named golf cart from Our Athletic Director who retired 7/1/2016.

## Receipts

- #1 Sebastian River High School has a locked safe and is in a secure location. Deposits are made twice a week. Due to high volume deposits monies are secure until the next date of deposit. Funds collected after hours (sporting, events, concerts, dances, etc.) are locked up for safekeeping, by Administration).
- #2 The District Finance Department will be implementing a district wide procedure for recording the date a check is received.
- #3 When sporting events are completed for their season change funds are re deposited back into the schools internal checking account. This was the finalization of the season, not following a game. Moving forward, we will make sure Money Collecting forms are used to re deposit those funds at the completion of ALL sporting events.
- #4 A training was offered last minute for one of our Administrator's to attend. The district operates on "check run" basis. This disbursement was a time sensitive matter for staff so our ESE students could benefit from the training.
- #5 Bookkeeper was on vacation, therefore the funds could not be deposited.

## Disbursements

- #1 Payroll is determined at a district level. Employees paid through internal funds are overseen by the district's payroll department and those funds are sent to payroll and disbursed on the employees pay check. Please refer to that department for a response. Payment was made to the school district and wages were paid through payroll.
- #2 Parking decal fundraiser permit states " funds to be used to offset the cost of Grad Bash" Senior students paying a for parking stickers have the advantage to use their parking funds to help offset the cost of Grad Bash (Graduation end of year field trip).
- #3 The Performing Arts Center is rented to an outside vendor. We were informed by the district to name the account "Principals Discretionary" The funds were communicated to the Principal to use at his discretion. Funds are used for repair and upkeep to the PAC, student and staff needs. The Principal would like a full review of what can and cannot be used with these funds! This is current practice and will review with Administration.

Sincerely



Todd Racine  
Principal

**"You Can't Hide That Shark Pride"**

Todd Racine  
Principal

Dariyall Brown  
Assistant Principal

Michele Holmes  
Assistant Principal

Kelly Ward  
Assistant Principal

William Wilson III  
Assistant Principal

Madison Flary  
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

~~We noted the following issues during our review of transfers:~~

1. 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. We believe that the above practice is in violation of that requirement.

*Partial funds received from our athletic ticket sales are used to help support the District wide fundraiser for "Casual for a Cause", as stated on the Activity form. (Please see attached.) It is a "portion of proceeds" donation from ticket sales sold to the community at large, where the receiving non-profit program is declared each month by the School District/Superintendent.*

2. Monies raised through a cheerleader fundraiser were transferred to the football account for uniforms. The transfer was not approved by the cheerleading captain and the cheerleading sponsor as required by Chapter 8, Section III, 2.3 (d) of the "Financial and Program Cost Accounting and Reporting for Florida Schools" and the School Board Internal Accounts Procedures Manual that requires disbursements shall be expended for the purpose for which they were collected.

*These transfers actually were indeed approved and processed by the cheerleading sponsor as well as approved by a captain on the team. The athletic department paid the upfront cost for these uniforms and then the funds were raised by the cheerleaders to cover the uniform cost as stated on the Activities Form. (Please see attached)*

3. In accordance with Chapter 8, Section III, 2.4 of "Financial and Program Cost Accounting and Reporting for Florida Schools", trust account funds shall only be expended for the purpose for which collected until the purpose has been accomplished. Monies collected for locks (a trust account) were transferred to another trust account (a specific scholarship) and then expended for the scholarship. We believe that the above referenced transfer did not comply with the requirements noted above.

*The purpose for the collection of \$1 for lock disbursement and \$5 replacement is to insure that students are responsible for the lock and replacement cost is covered in such cases. This purpose was accomplished. Moving forwards, the activity form will specify that the collected money will be used for several purposes including the annual John B. Witt Scholarship fund of \$1000.*

Back up not included, on file at School Board Office.

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

**Our test of receipts noted the following:**

1. Numerous receipts did not include a cash verification form or a reference or copy of a pre-numbered receipt. In accordance with Chapter 8, Section III, 1.4 (a) of the "Financial and Program Cost Accounting and Reporting for Florida Schools", all monies collected must be substantiated by sequentially numbered class receipts, monies collected forms or other auditable records.

*This is referring to what is stated in #3 below.*

*This is past practice due to time constraints. As previously explained by bookkeeping, due to the procedures for parking and the long lines at the time of distributing these parking passes we were informed by the attending auditor that this would be a recommendation to modify the school board policy to make an exception at the high school level.*

2. We noted two instances where monies collected on Friday were held over the weekend in violation of the School Board Internal Accounts Procedures Manual that requires all monies be deposited before the weekend or a holiday.

*Monies were turned in to bookkeeping the same day as collected but at the end of the work day and locked in a secure safe. When monies are turned in to bookkeeping at the end of the work day, it is always locked up and secure until the following workday to process the deposit. We recommend the procedures manual be modified to accommodate the weekends and holidays.*

3. The School Board Internal Accounts Procedures Manual requires that a pre-numbered receipt be issued for all cash collections greater than \$25. The school utilized an excel spreadsheet to support the collection of parking decal receipts which cost \$40. The school informed us that they had obtained permission from the District office to utilize the excel spreadsheet. We recommend that the District policy be amended, if warranted, to allow for the use of the spreadsheets.

*This is referring to what is stated in #1 above: This is past practice due to time constraints. As previously explained by bookkeeping, due to the procedures for parking and the long lines at the time of distributing these parking passes we were informed by the attending auditor that this would be a recommendation to modify the school board policy to make an exception at the high school level.*

Back up not included, on file at School Board Office.

**During our test of disbursements, we noted the following:**

1. A reimbursement made to the School Board operating funds for the use of support staff in July 2015 was disbursed from the parking decals account. We do not believe this disbursement was related to parking decals nor do we believe that it was used for the general welfare of the student body.

*Due to budget cuts in 2008-09, a former finance practice paid the school district ½ of the PAC director salary from parking. This practice was discontinued after a more recent finding was made that the PAC does not produce enough internal funding (profit) to contribute enough to the PAC director's salary. After confirmation, the district agreed to pay the director's full salary, and the practice of paying from parking was discontinued.*

2. Numerous purchase orders were manually altered and approved by the principal because of the use of open or blanket purchase orders. We recommend that in the future, when the disbursements exceed the blanket purchase order, a new blanket purchase order be completed and approved by the Principal.

*Our procedure of processing an "open P.O." instead of a "Blanket P.O." was recommended to us by our previous auditor to clearly state that it was an "open P.O." so that when the correct amount was obtained and needed to be changed, that this would be sufficient in following the School Board procedures because the principal signs the PO as well as the check which indicates the correct total.*

3. Two purchases of music supplies did not include documentation that School Board funds were not available. In accordance with Chapter 8, Section III, 3.5 (1) of the "Financial and Program Cost Accounting and Reporting for Florida Schools", purchase of supplies from internal accounts for curricular or classroom use is deemed inappropriate and should not be made if School Board funds are available. We recommend that in the future, documentation be included to support that School Board funds were not available.

*We will provide documentation that the School Board funds are not available in the future if the need arrives to use internal accounts for music supplies that is normally paid by the District.*

Back up not included, on file at School Board Office.

# 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**

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MEMO – To Finance regarding Internal Accounts Audit

In response to the findings for The Alternative Center for Education Internal Accounts Audit, physical year ended June 30, 2016.

Finding 1) As of August 1, 2016 new procedures were implemented for handling cash and fundraising. A cash verification sheet will be used at all times.

Finding 2) As of Aug. 2016 procedures were gone over by district office with bookkeeper and all deposits will be made within 48 hours or by Friday whichever comes first.

Denny Hart  
Principal  
Alternative Center for Education  
4680 28<sup>th</sup> Court  
Vero Beach FL 32967  
772-564-6242

***Denny Hart***  
*Principal*

***Keondra Eberhardt***  
*Student Support Specialist*

***Judy Clark***  
*Administrative Assistant*

School District of Indian River County

# WABASSO SCHOOL



Kathrine Pierandozzi, Principal

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

(772) 978-8000

September 28, 2016

Terry Malone, Accountant  
School District of Indian River County  
6500 57<sup>th</sup> Street  
Vero Beach, Florida 32967

Re: Internal Account Audit Response

Ms. Malone,

In response to the audit finding for Wabasso School Internal Account audit for the fiscal year ending June 30, 2016, please note the following response and action plan:

- **Citation:** Negative Balance on Bank Account during the school year
- **Response:** In the checking process, a series of three checks were written and printed but not being posted immediately. This led to a low balance. Funds were available but not transferred to maintain the positive balance.
- **Plan of Action:**
  - New procedure – All three documents (check form, check, proof list of payables) are now presented to the Principal to verify all steps are completed prior to signing.
  - As a new Administrative Assistant, she will attend all District trainings offered.
  - Principal requested additional training for new staff hired in the middle of a school year.
  - District staff provided one-to-one inservice to address the specific procedures regarding the above-reference citation.

All parties involved will implement and monitor the proposed action plan. Should you require additional information or documentation, please do not hesitate to contact me at 772-978-8000.

Sincerely,

Kathrine Pierandozzi, Principal

c: Dr. Mark J. Rendell, Ed.D, Superintendent  
Carter Morrison, Assistant Superintendent