

# **St. Johns County School District**

Statement of Fiduciary Net Position and  
Note to the Financial Statement  
June 30, 2018

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## **Independent Auditor's Report**

The Audit Committee of the St. Johns County School District and  
Michael Degutis, Chief Financial Officer  
St. Augustine, Florida

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the fiduciary net position arising from cash transactions of the Internal Accounts Agency Fund (Internal Accounts) of the St. Johns County School District (the District) as of June 30, 2018, and the related note to the financial statement, which collectively comprise the District's Internal Accounts basic financial statement as listed in the table of contents.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fiduciary net position arising from cash transactions of the Internal Accounts of the District, as of June 30, 2018, on the basis of accounting described in Note 1.

**Emphasis of Matter**

As described in Note 1, this financial statement includes only the fiduciary net position of the Internal Accounts, which are included in the financial reporting entity of the District. The financial statement does not include the total fiduciary net position of the District; accordingly, it does not purport to, and does not present fairly the total fiduciary net position or the financial position of the District as of June 30, 2018, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described in Note 1, this financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the statement of fiduciary net position of the Internal Accounts agency fund of the District. The accompanying combining schedule of changes in total assets by activity – Internal Accounts agency fund arising from cash transactions (the combining schedule) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The accompanying combining schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2018, on our consideration of the District's internal control over financial reporting for its Internal Accounts and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 effectiveness of the District's 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 District's internal control over financial reporting and compliance.

*RSM US LLP*

Jacksonville, Florida  
October 26, 2018

**St. Johns County School District**

**Statement of Fiduciary Net Position  
Internal Accounts Agency Fund – Cash Basis  
June 30, 2018**

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**Assets**

Cash and cash equivalents \$ 4,667,889

**Total assets** \$ 4,667,889

**Liabilities**

Internal accounts payable \$ 4,667,889

**Total liabilities** \$ 4,667,889

See note to financial statement.

## **Note 1. Summary of Significant Accounting Policies**

**General description:** The governing body of the St. Johns County School District (the District) is composed of five members (the Board). The Superintendent is the executive officer. Although the District is considered a separate entity for financial reporting purposes, it is part of the State system of public education under the general direction and control of the State Board of Education as prescribed by Article IX of the State Constitution. State Statutes and State Board of Education Regulations also govern the District. Pursuant to State law, the Superintendent is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

The accompanying financial statement includes the balances relating exclusively to the Internal Accounts agency fund of the public schools within the St. Johns County, Florida school system, as described below. The financial statement does not include any other fiduciary net position of the District. Therefore the accompanying financial statement does not purport to, and does not present fairly the total fiduciary net position or the financial position of the District as of June 30, 2018, in conformity with the cash basis of accounting.

**Internal funds:** The Board is responsible for the administration of certain monies collected at various schools in connection with school and student organization activities. These monies are commonly described as internal funds or Internal Accounts and are subject to State Board of Education Rules as set forth in Section 6A-1.001, Florida Administrative Code, and Chapter 8, *School Internal Funds, Financial and Program Cost Accounting and Reporting for Florida Schools*. The financial activities of the Internal Accounts are reported in agency funds in the basic financial statements of the District.

**Basis of accounting and reporting:** In accordance with Florida Statutes, the District accounts for its student activity accounts (Internal Accounts) in an agency fund. The operations of the schools' Internal Accounts are accounted for with a separate set of self-balancing accounts that comprise each school or activity's assets, liabilities, additions and deductions. The accompanying financial statement is maintained on a cash basis. Therefore, accounts receivables and payables and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement. An agency fund is custodial in nature and does not measure results of operations.

**Cash and cash equivalents:** Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Custodial credit risk:** Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits that are in the possession of an outside party. The District's deposits with financial institutions are held in public depositories pursuant to Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository's collateral pledging level. Any losses to public deposits are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

## **SUPPLEMENTARY INFORMATION**

**St. Johns County School District**

**Combining Schedule of Changes in Total Assets by Activity  
Internal Accounts Agency Fund – Cash Basis  
Year Ended June 30, 2018**

School/Location	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Bartram Trail High School	\$ 384,121	\$ 1,217,949	\$ 1,193,470	\$ 408,600
Creekside High School	423,327	986,676	990,699	419,304
Crookshank Elementary School	34,325	226,307	236,850	23,782
Cunningham Creek Elementary School	53,798	636,995	645,823	44,970
District Designated Accounts	175,959	199,295	193,411	181,843
Durbin Creek Elementary School	92,682	435,202	448,932	78,952
Freedom Crossing Academy	-	4,628	78	4,550
Fruit Cove Middle School	55,866	251,909	239,116	68,659
Gaines Alternative (at Hamblen)	23,236	1,670	4,424	20,482
Gamble Rogers Middle School	101,915	533,741	566,246	69,410
Hickory Creek Elementary School	45,615	448,111	447,520	46,206
Julington Creek Elementary School	81,772	643,743	650,911	74,604
Ketterlinus Elementary School	47,930	224,380	253,597	18,713
Landrum Middle School	98,879	148,891	134,083	113,687
Liberty Pines Academy	187,721	714,501	808,319	93,903
Mill Creek Elementary School	36,589	332,815	337,961	31,443
Nease High School	379,327	946,226	711,759	613,794
Ocean Palms Elementary School	11,927	343,612	341,381	14,158
Osceola Elementary School	43,962	209,224	208,708	44,478
Otis Mason Elementary School	65,076	330,779	332,108	63,747
Pacetti Bay Middle School	84,970	320,390	307,654	97,706
Palencia Elementary School	68,717	194,082	119,727	143,072
Palm Valley Academy	-	6,675	101	6,574
Patriot Oaks Academy	36,254	709,718	705,420	40,552
Pedro Menendez High School	96,357	306,389	277,520	125,226
Picolata Crossing Elementary School	-	69,612	50,835	18,777
Ponte Vedra High School	408,331	692,786	594,770	506,347
PVPV/Rawlings Elementary School	79,283	423,637	455,897	47,023
RB Hunt Elementary School	66,624	360,093	357,461	69,256
RJ Murray Middle School	17,742	62,755	67,473	13,024
Sebastian Middle School	61,842	77,217	90,218	48,841
South Woods Elementary School	64,617	111,329	124,346	51,600
St. Augustine High School	185,095	512,081	465,671	231,505
St. Johns Technical High School	13,529	31,279	32,914	11,894
Switzerland Point Middle School	216,932	536,401	552,682	200,651
The Webster School Elementary School	37,301	52,145	55,779	33,667
Timberlin Creek Elementary School	212,697	598,471	544,222	266,946
Valley Ridge Academy	91,475	590,339	573,736	108,078
Wards Creek Elementary School	78,547	306,849	317,769	67,627
WD Hartley Elementary School	147,452	49,078	52,292	144,238
<b>Total assets</b>	<b>\$ 4,311,792</b>	<b>\$ 14,847,980</b>	<b>\$ 14,491,883</b>	<b>\$ 4,667,889</b>



**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***

**Independent Auditor's Report**

The Audit Committee of the St. Johns County School District and  
Michael Degutis, Chief Financial Officer  
St. Augustine, Florida

We have audited, in accordance with the 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; the requirements of the State Board of Education Rule 6A-1.087, Florida Administrative Code; and *Financial and Program Cost Accounting and Reporting for Florida Schools* (the Red Book), issued by the State of Florida Department of Education, the accompanying statement of fiduciary net position arising from cash transactions of the Internal Accounts agency fund (Internal Accounts) of the St. Johns County School District (the District) as of June 30, 2018, and the related note to the financial statement, which collectively comprise the District's Internal Accounts basic financial statement, and have issued our report thereon dated October 26, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the District's 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's Internal Accounts financial statement is free from 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Jacksonville, Florida  
October 26, 2018

# **St. Johns County School District**

Internal Accounts Agency Fund  
Management Letter  
June 30, 2018

## Management Letter

The Audit Committee of the St. Johns County School District and  
Michael Degutis, Chief Financial Officer  
St. Augustine, Florida

Attention: Committee Members and Mr. Degutis

In planning and performing our audit of the financial statements of the fiduciary net position arising from cash transactions of the Internal Accounts Agency Fund of the School Board of St. Johns County (the District) as of June 30, 2018, in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States; the requirements of the State Board of Education Rule 6A-1.087, Florida Administrative Code; and *Financial and Program Cost Accounting and Reporting for Florida Schools* (the Red Book), issued by the State of Florida Department of Education. We considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A control deficiency 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 deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Included in Attachment A are descriptions of other identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses.

This report is intended solely for the information and use of the St. Johns County School Board Members, Audit Committee, management and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

Jacksonville, Florida  
October 26, 2018

**SCHOOL: BARTRAM TRAIL HIGH SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Disbursements</b>		
	A teacher/club sponsor's personal purchases, which were not reimbursed, were included in the receipts for Internal Accounts purchases. These purchases totaled \$22.	Best Practices: Personal purchases should not be comingled with school purchases	"As stated, the employee was not reimbursed for these items. Employees will be instructed to not comingle."

Finding		Handbook Policy	Management's Response
2	<b>Cash Disbursements</b>		
	We noted \$599 reimbursed to an athletic director/sponsor, which appeared to be for personal, non-travel related meals.	Section 1.01(a)(vii): "An adequate system of internal controls shall be maintained in order to safeguard the assets of the school's internal funds."  Redbook: "Internal Control – A plan of organization under which employees' duties are so arranged, and records and procedures so designed, as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures. For example, under such a system, work is subdivided so that no single employee performs a complete cycle of operations. The procedures to be followed are definitely identified and such procedures call for proper authorizations by designated officials for all actions to be taken."	"Non-travel related meals will be properly supported and paid in accordance with the purpose of the funds collected."

**SCHOOL: BARTRAM TRAIL HIGH SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
3	<b>Cash Receipts</b>		
	One of five cash receipts selected for testing was not deposited in a timely manner. The receipt totaled \$45.	<p>Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."</p> <p>Section 4.03 (a): "All money collected must be deposited into the checking account via School Board approved courier service as frequently as feasible or as dictated by sound business practices. In any event, funds collected must be deposited within five working days of receipt, whereas working days are defined as District working days and receipts is defined as original collection. All monies on hand prepared for deposit during scheduled courier service pick-up dates should be given to the courier service that day."</p>	"All deposits will be collected and deposited within five working days."

Finding		Handbook Policy	Management's Response
4	<b>Cash Disbursements</b>		
	Corporate accounts were not used for Dominos and Publix purchases. We observed \$680 in purchases in which the corporate account was not used during our testing of fiscal year 2018, and employees were reimbursed directly.	Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."	"These were due to last minute purchases and/or convenience to the sponsors. The corporate accounts available to the school will continue to be utilized."

**SCHOOL: BARTRAM TRAIL HIGH SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
5	<b>Cash Disbursements</b>		
	Travel Related Reimbursements for meals and gas totaling \$1,602, were not made in Accordance with School Board Policy.	Section 5.06(b)(i): "In-district travel shall be reimbursed based on School Board policy."  Section 5.06(c)(i): "Out-of-district travel mileage shall be reimbursed based on School Board policy."	"The school will follow the reimbursement procedures as outlined in the Travel Manual."

Finding		Handbook Policy	Management's Response
6	<b>Cash Disbursements</b>		
	An employee was compensated for services through Internal Accounts as opposed to payroll. These services totaled \$600.	Section 2.05(a): "Internal funds shall not be used to cash checks to accommodate individuals, make any kind of loans, pay any form of compensation directly to employees, or extend credit to District employees, School Board members, outside organizations or others."  Article V: "Employees of the district who are compensated for additional services, such as game personnel to work at athletic events, shall be paid through the district payroll department."	"This procedure was corrected during the 2017-18 school year."

Finding		Handbook Policy	Management's Response
7	<b>Cash Disbursements</b>		
	Employees were reimbursed for purchases when approved vendors were setup in Sungard and checks should have been issued directly to vendors. These reimbursements totaled \$1,073.	Section 1.01(a)(vii): "An adequate system of internal controls shall be maintained in order to safeguard the assets of the school's internal funds."  Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."	"Purchases that can be made through a vendor will be."

**SCHOOL: BARTRAM TRAIL HIGH SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
8	<b>Cash Disbursements</b>		
	<p>Sales tax in the amount of \$29 was reimbursed. The reimbursement for sales tax was neither approved, nor recorded as a convenience fee.</p>	<p>Section 5.04(b)(a): "Exempt Purchases: The school shall use the sales exemption number issued to the District for purchases that are specifically exempted from sales and use tax."</p> <p>Section 5.04(b)(e): "Sales tax will not be reimbursed on purchases made and paid for personally by teachers or sponsors."</p> <p>Section 5.05(b)(i): "In instances where a purchase order cannot be issued, reimbursement to an individual (not a student) for food, flowers and similar items is allowable, along with a convenience fee not to exceed 7% of the total purchase."</p> <p>Section 5.05(b)(ii): "Reimbursement for a convenience fee is not permissible if the purchase can be made on a school's corporate account."</p> <p>Section 5.05(b)(iii): "This type of reimbursement must adhere to Section 5.02, and be supported by an approved Purchase Requisition form."</p>	<p>"The school will strive to adhere to Handbook Policy."</p>

Finding		Handbook Policy	Management's Response
9	<b>Chart of Accounts</b>		
	<p>In reviewing the general ledger we observed that \$3,026 of cash receipts were recorded as cash disbursements and \$651 of cash disbursements were recorded as cash receipts.</p>	<p>The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.</p>	<p>"Due to human error, the incorrect object code was entered. The money was disbursed into the correct debit/credit line for each account. The bookkeeper will continue to use the object code list provided."</p>



**SCHOOL: BARTRAM TRAIL HIGH SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
10	Repeat	<b>Fundraising</b>	
<p>During the testing of fundraising activity, RSM noted two fundraising events in which total revenues received were \$2,916 less than the amount recorded on the District Fundraising Activity Form.</p>		<p>Section 3.01(b)(vi): "A financial report shall be filed with the principal at the close of each fundraising activity, in accordance with Section 4.05 of this handbook. To accommodate collection of data for this report, a separate account for the activity may be established. The organization sponsor shall participate, along with the bookkeeper, in the designation of transactions to be recorded in each of the organization's accounts."</p>	<p>"The bookkeeper and sponsors will work together on the reconciliations of fundraising."</p>

Finding		Handbook Policy	Management's Response
11		<b>Donations</b>	
<p>During testing of donations, RSM noted a \$5,050 donation recorded in Sungard as four separate transactions, all of which were below the \$3,000 threshold for District approval.</p>		<p>Article XI: "Gifts should not be broken up into smaller lots in order to keep them under the \$3,000 threshold."</p>	<p>"The school will consult with the District to ensure that all donations are properly approved."</p>

**SCHOOL: CREEKSIDE HIGH SCHOOL**

Finding		Handbook Policy	Management's Response
1	Repeat	<b>Cash Receipts</b>	
Based on bookkeeper signature date on Report of Monies Collected, one of five receipts selected for testing in the amount of \$460, was not remitted to bookkeeper the day the funds were collected.		Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."	"Every attempt is made to follow the IA Handbook guideline regarding collection and remittance of funds. Sponsors will be reminded to remit funds to the bookkeeper on the day of collection."

Finding		Handbook Policy	Management's Response
2	Repeat	<b>Fundraising</b>	
During testing of fundraising activity, RSM noted twenty-three of seventy-one fundraising events which were not documented on the District Fundraising Activity Form. As such, no documentation is available of prior approval and reconciliation.		Section 4.05(g): "All fundraising requests shall be documented on a District authorized Fundraising Activity form accompanied by the District authorized supporting Fundraising Checklist."	"Fundraising records have been a noted concern. While the information is noted as correctly recorded within the accounting system, the forms are an occasional oversight. We are hopeful for the implementation of a streamlined process to improve the efficiency of the documentation and reconciliation process for the vast number of fundraising activities held throughout the school year. In the meantime we will strive to maintain accurate records using the forms provided."

**SCHOOL: CREEKSIDE HIGH SCHOOL (CONTINUED)**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
3		<b>Chart of Accounts</b>	
	In reviewing the general ledger we observed that \$2,611 of cash receipts were recorded as cash disbursements and \$238 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Reports will be reviewed periodically to identify potential entry (typo) errors and corrected through the appropriate journal entry.

**SCHOOL: CROOKSHANK ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Receipts</b>		
	Based on bookkeeper signature date on Report of Monies Collected, one of five receipts selected for testing was not remitted to bookkeeper the day the funds were collected. The receipt totaled \$40.	Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."	"Teachers are counseled when incident occurs and notated on form."

Finding		Handbook Policy	Management's Response
2	<b>Fundraising</b>		
	<p>During testing of fundraising activity, RSM noted a fundraiser did not include the required recordkeeping for a non-presale fundraiser.</p> <p>The fundraiser was unable to be reconciled. Thirty-five Village Inn Pie Cards were unaccounted for and the fundraising activity was underfunded \$453 in relation to these missing items. Inadequate recordkeeping prevented the school from completing a Certificate of Loss Statement for the missing proceeds/merchandise.</p>	<p>Section 4.05(m)(iv): "If a student or parent has not accounted for all monies or merchandise issued to him/her, he/she should complete and sign a Certificate of Loss Statement. This certificate shall remain with other fundraising records for audit. A student or parent signing a Certificate of Loss shall not participate in future fundraising activities during the current school year unless satisfaction has been made for prior unaccountability."</p> <p>Section 9.03(b)(i): "The class, club, or athletic sponsor shall at least document the following:</p> <ol style="list-style-type: none"> <li>1) Name of student receiving items to be sold.</li> <li>2) Number of individual items given to student for sale.</li> <li>3) Date items were given to student for sale.</li> <li>4) Signature of student signifying the student did receive the items as well as the date the student received such items.</li> <li>5) Date student returned money and/or unsold items to the sponsor.</li> <li>6) Amount of money returned.</li> <li>7) Number of unsold items returned.</li> <li>8) Reconciliation records for differences (if any) between the number of items issued to students and the amount of money collected and/or amount of unsold items returned to the sponsor."</li> </ol>	"Controls have been enacted to ensure this does not happen again."

**SCHOOL: CUNNINGHAM CREEK ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Chart of Accounts</b>		
	One of five disbursements selected for testing was coded to the wrong subaccount. This disbursement totaled \$956.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Coding oversight, will initiate an evaluation of the monthly deposit codes."

Finding		Handbook Policy	Management's Response
2	<b>Extended Day</b>		
	Two of two students selected for testing attended the extended day program prior to paying for services.	Section 3.01(g)(ii): "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."	"New coordinator hired, updated procedures and flyers distributed to all parents."

Finding		Handbook Policy	Management's Response
3	Repeat	<b>Chart of Accounts</b>	
	During testing of donations, RSM noted funds related to a fundraising activity incorrectly coded as donation revenue. This fundraising activity totaled \$775.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Training has been implemented to ensure proper accounts and codes are used."

Finding		Handbook Policy	Management's Response
4	<b>Extended Day</b>		
	Principal did not perform quarterly audits throughout the school year.	Section 3.01(g)(viii)(b): "The principal is required to perform the following monitoring procedures: Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit."	"Moving forward, the principal will schedule the quarterly audits for the Extended Day books."

**SCHOOL: CUNNINGHAM CREEK ELEMENTARY SCHOOL (CONTINUED)**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
5		<b>Outstanding Checks</b>	
	RSM noted one outstanding check on the June 2018 bank reconciliation that was dated prior to 2017. The check amount was \$22.	Section 6.06(a): "Any outstanding unpaid checks carried on the bank reconciliation dated more than one year prior to year-end is unclaimed property. According to the Florida Department of Financial Services, 'Unclaimed property is intangible property held by a business or governmental entity (holder) that belongs to a missing owner. Property is presumed abandoned and is required to be reported and remitted to the State of Florida at the end of a dormancy period...'"	"All outstanding checks that qualify for removal will be processed during the district allotted time."

**SCHOOL: DURBIN CREEK ELEMENTARY SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1	<b>Cash Disbursements</b>		
	RSM noted one of five disbursements selected for testing did not include dual signatures on the check. The check amount was \$609.	Section 5.01(5)(b): "All checks written must be signed with two signatures, preferably the principal and the bookkeeper."	"This concern has been reviewed with bookkeeper to prevent any future checks from being submitted without the proper signatures."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2	<b>Extended Day</b>		
	The student selected for testing attended the extended day program prior to the school receiving payment for its services on multiple occasions.	Section 3.01(g)(ii): "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10."	"The process has been reviewed with the Extended Day coordinator to ensure that no student attends prior to payment."

**SCHOOL: FRUIT COVE MIDDLE SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Disbursements</b>		
	One of five disbursements selected for testing was remitted for multiple invoices. Eight of these invoices were dated more than 45 days prior to the date of the check and therefore not considered timely. These expenditures totaled \$1,356.	Payments should be made within 45 days as stipulated by Florida Statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	"The bookkeeper will follow up to ensure timely receipt of invoices."

Finding		Handbook Policy	Management's Response
2	<b>Cash Receipts</b>		
	Erroneous information was not properly corrected on one of five cash receipts selected for testing. The receipt totaled \$2,730.	Section 4.01(a)(iii): "Any erroneous information must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error and initialing."	"Staff will be reminded of proper procedures for correcting errors on monies collected forms."

Finding		Handbook Policy	Management's Response
3	<b>Cash Receipts</b>		
	Based on the bookkeeper signature date on Report of Monies Collected, we noted one out of five receipts were not remitted to bookkeeper the day the funds were collected. These receipts totaled \$2,730.	Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection"	"Monies Collected Forms will reflect the date of receipt not date of processing by the bookkeeper. Additionally, staff will be reminded all funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."



**SCHOOL: FRUIT COVE MIDDLE SCHOOL (CONTINUED)**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
4		<b>Chart of Accounts</b>	
	In reviewing the general ledger we observed that \$20,424 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Proper object codes will be used to ensure revenue and expenditure activity is properly stated."

**SCHOOL: GAMBLE ROGERS MIDDLE SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Receipts</b>		
	Official receipt number on Report of Monies Collected Form was incorrect on one out of five transactions selected for testing.	Section 4.01(a)(v): "The white copy shall be identified by the corresponding pre-numbered, secured electronic receipt number representing the collection and filed in numerical sequence."	"We will be sure to write the correct Official receipt number on the Monies Collected form."

Finding		Handbook Policy	Management's Response
2	<b>Chart of Accounts</b>		
	In reviewing the general ledger we observed that \$1,082 of cash receipts were recorded as cash disbursements and \$3,985 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"We will make sure that when doing cash receipts and disbursements we use the correct revenue and expense codes."

**SCHOOL: HICKORY CREEK ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Receipts</b>		
	One of five cash receipts selected included a cash receipt issued for monies collected for \$20, but the Report of Monies Collected indicated that \$6 was collected from the student.	Section 4.01(b)(iii)(f)(i): "The bookkeeper will verify the beginning and ending receipt numbers in the School Receipts Book. The total of the receipts must equal the total funds remitted on the Report of Monies Collected Form. [...]"	"Every attempt is made to make sure documentation is accurate."

Finding		Handbook Policy	Management's Response
2	<b>Cash Balance Report</b>		
	The Extended Day Sub Account was overdrawn as of 6/30/2018 by \$75.	Section 3.01(b)(v): "... No accounts may be overdrawn at the end of the current school year."	"Negative due to refund issued on account. Will try to avoid this in the future."

Finding		Handbook Policy	Management's Response
3	<b>Cash Disbursements</b>		
	One of five disbursements selected for testing did not include all required authorizations. The check, totaling \$199, did not include dual signatures.	Section 2.04(b): "Two signatures shall be required for all transactions, one of which shall be that of the principal or his/her designee..."	"Every attempt will be made to assure two signatures on all checks."

**SCHOOL: HICKORY CREEK ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
4		<b>Yearbook</b>	
	<p>Funds accumulated in the Yearbook fund were used to clear negative balances in the Art Department of \$69 and Staff Activities Funds of \$237.</p> <p>RSM noted the Transfer Form did not include approval of Yearbook Sponsor.</p>	<p>"In instances where fund balances have been accumulated, one or more of the following is required:</p> <ol style="list-style-type: none"> <li>1) Future sale price of yearbooks should be reduced.</li> <li>2) Purchase and/or maintain camera equipment and supplies for the production of the yearbook.</li> <li>3) Purchase and/or maintain computer equipment and software exclusively for the production of the yearbook.</li> <li>4) Expense related to training and travel (i.e. publishing and graphic design companies) for students working on the yearbook." <p>Section 6.03(a)(i)(1): "[Approval for transfer requires] the standard Transfer Form, signed by the Principal and both parties requesting the transfer. Refer to Appendix II Exhibit 3 for the Transfer Form required by the District."</p> </li></ol>	<p>"No supplies were needed for yearbook publication this year, so to zero out balance in account, funds were transferred. In the future, proper approval will be obtained."</p>

Finding		Handbook Policy	Management's Response
6	Repeat	<b>Chart of Accounts</b>	
	<p>In reviewing the general ledger we observed that \$117 of cash receipts were recorded as cash disbursements and \$335,195 of cash disbursements were recorded as cash receipts.</p>	<p>The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.</p>	<p>"Every attempt will be made to use accurate budget codes."</p>

**SCHOOL: JULINGTON CREEK ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Disbursements</b>		
	One of five disbursements selected for testing was not considered timely. The payment, for \$73, was made 50 days after the invoice date.	Payments should be made within 45 days as stipulated by Florida Statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	"As stated at audit, vendor did not provide bookkeeper an invoice; a monthly statement was used as supporting documentation."

Finding		Handbook Policy	Management's Response
2	<b>Cash Receipts</b>		
	Erroneous information was not properly corrected on one of five receipts selected for testing. The receipt totaled \$315.	Section 4.01(a)(iii): "Any erroneous information must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error and initialing."	"All staff members have been informed how to correct an error on Monies Collected Forms."

Finding		Handbook Policy	Management's Response
3	Repeat	<b>Extended Day</b>	
	An additional safe, holding funds collected for multiple days, is utilized by the Extended Day Program. The safe has not been inspected for compliance with the guidelines set forth in the Internal Accounts Handbook.	Section 2.08: "Schools/Centers shall use a safe, vault, or night depository for the protection of money received.  (a) The safe shall resist drilling, burning or removal, all of which could result in decreased insurance premiums.  (b) Lightweight safes shall be set in a wall or bolted to the floor to prevent removal. Storing money and attached forms outside of a safe is prohibited. Items allowable to be stored outside of the safe include blank check stock, official receipt books, tickets and deposit slips; however, those items must remain locked in a filing cabinet, desk or credenza if not maintained in the safe."	"A safe for Extended Day has been purchased and installed."

**SCHOOL: JULINGTON CREEK ELEMENTARY SCHOOL (CONTINUED)**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
4		<b>Cash Receipts</b>	
	Based on bookkeeper signature date on Report of Monies Collected, two of five receipts selected for testing were not remitted to bookkeeper the day the funds were collected. These receipts totaled \$197.	Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection"	"Going forward, all funds collected will be delivered to bookkeeper the day of collection."

**SCHOOL: KETTERLINUS ELEMENTARY SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Donations</b>	
	During testing of donations, RSM noted five of fourteen donations under \$3,000 were not documented on the District Donation Form. These donations totaled \$2,936.	Article XI: "The donation information and request for approval should be documented on the District approved Donation Form [...] Gifts of money, supplies, equipment or other personal property of a value less than \$3,000 may be accepted by a principal or department head based on the criteria listed in Board Policy 7.052."	"The bookkeeper will properly document all donations on the District Donation Form."

**SCHOOL: LANDRUM MIDDLE SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Tickets</b>		
	<p>Bookkeeper was unable to provide a Report of Tickets Sold for 17 of 17 ticketed events. RSM viewed the Ticket Control Sheet, reperformed the calculations to test the mathematical accuracy, and then traced the amount to the Report of Monies Collected and to the G/L and noted no differences.</p>	<p>Section 4.04(a)(vii): "Before each ticketed event, the individual in charge of the ticketed event shall obtain pre-numbered tickets under control of the bookkeeper. The bookkeeper must complete the top of the District approved Report of Tickets Sold form indicating the beginning and ending ticket numbers obtained for sale."</p> <p>Section 4.04(a)(ix): "After each ticketed event, the individual in charge of the ticketed event must complete the Report of Tickets Sold for the beginning and ending ticket numbers sold and unsold, the number of tickets sold, and the total cash received and sign off on the form..."</p>	<p>"When bookkeeper was audited last year she was informed of the Ticket Control Sheet that she was missing but not the Report of Tickets Sold Form. The ticket numbers were always on the Monies Collected form along with the Ticket Control Sheet. The Bookkeeper is now aware of the 2nd form required for ticket sales and is now using it for FY18-19."</p>

Finding		Handbook Policy	Management's Response
2	<b>Cash Receipts</b>		
	<p>Student names were not listed on one of five cash receipts selected for testing. Funds from unidentified individuals totaled \$116.</p>	<p>Section 4.01(a)(iv)(g): "Source of collection (name) and the amount collected from each. If the source of collection is from the student, the student's name must be listed on the form..."</p> <p>Section 4.01(b)(iii): "The proper procedures for the School Receipt Books are: A cash receipt will be issued for all monies received of \$10 or more..."</p>	<p>"This was a collection of book fines/fees from students at end of year by the Media Specialist. The Media Specialist did not keep a complete list of names of students they collected the fines from for that deposit. We have gone over internal account requirements and she knows that any money turned into the bookkeeper must have the source of collection."</p>



**SCHOOL: LANDRUM MIDDLE SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
3	Repeat	<b>Cash Receipts</b>	
One of five deposits selected for testing did not remain intact. Cash total and check total from the Report of Monies Collected did not agree to the deposit slip. This receipt was for \$25.		Redbook: "Intact, or Deposit Intact – The practice in which money is presented to a bank or bookkeeper for the credit of the school's internal fund in the same form as received. This means that any receipt of funds in the form of cash shall be deposited as cash. The cashing of a check from funds on hand would be a violation of this concept, as would be the substitution of a check for cash."	"The teacher wrote the names of students and put cash in where checks were supposed to go. There were no check numbers on the Monies Collected form. She just documented it in the wrong spot."

Finding		Handbook Policy	Management's Response
4	Repeat	<b>Cash Disbursements</b>	
Two of five disbursements selected for testing indicated the purchases were made prior to Principal approval on Purchase Requisition Form. These disbursements totaled \$954.		Section 5.02(a)(i): "A person requesting disbursement prepares the top section of the Purchase Requisition form, which must be authorized by the principal prior to the purchase commitment."	"We have informed the teachers again this year, that they must obtain the Principal's approval before any purchase can happen."

Finding		Handbook Policy	Management's Response
5		<b>Cash Disbursements</b>	
One of five disbursements selected for testing was not considered timely. The payment, for \$300, was made 68 days after the invoice date.		Payments should be made within 45 days as stipulated by Florida statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	"The teacher turned the invoice in for payment late to the bookkeeper. We have addressed this with the teachers letting them know they must submit invoices for payment in a timely manner."

**SCHOOL: LANDRUM MIDDLE SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
6	Repeat	<b>Yearbook</b>	
	RSM noted the yearbook reconciliation was out of balance. Reconciliation does not agree to supporting documentation.	Section 9.04(a)(ii)(3): "The secretary/bookkeeper should review the yearbook reconciliation for accuracy and completeness. The secretary/bookkeeper should also observe and count the yearbooks on-hand at year-end and compare to the yearbook reconciliation for accuracy."	"The bookkeeper and Yearbook sponsor worked on the form together at the end of the year. The confusion was the original amount was put on the top instead of the actual amount shipped."

Finding		Handbook Policy	Management's Response
7		<b>Chart of Accounts</b>	
	In reviewing the general ledger we observed that \$2,415 of cash receipts were recorded as cash disbursements.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Bookkeeper mixed up object codes when recording deposits. Bookkeeper will be diligent about making sure the numbers don't get mixed up again."

**SCHOOL: LIBERTY PINES ACADEMY**

Finding		Handbook Policy	Management's Response
1	<b>Extended Day</b>		
	RSM noted that quarterly audits were not performed by the principal in accordance with policy.	Section 3.01(g)(viii)(b): "The principal is required to perform the following monitoring procedures: Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit."	"Administration met with the Extended Day Coordinator and we have established a quarterly review sign off method."

Finding		Handbook Policy	Management's Response
2	<b>Cash Receipts</b>		
	Based on bookkeeper signature date on Report of Monies Collected, two of five receipts selected for testing were not remitted to bookkeeper the day the funds were collected. These receipts totaled \$411.	Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."	"Administration met with teachers to stress the importance of submitting forms in a timely manner."

Finding		Handbook Policy	Management's Response
3	<b>Donations</b>		
	During testing of donations, RSM noted a \$5,000 donation recorded in Sungard as two separate transactions, each of which were below the \$3,000 threshold for District approval.	Article XI: "Gifts should not be broken up into smaller lots in order to keep them under the \$3,000 threshold."	"We were asked by PTO to break the donation up into 2 checks for their record keeping purposes. We understand now that I could have submitted them as 1 deposit and not 2 deposits."

**SCHOOL: MILL CREEK ELEMENTARY SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1	<b>Chart of Accounts</b>		
As of June 30, 2018, the extended day subaccount had a deficit balance of \$95 on Cash Balance Report.		Section 3.01(b)(v): "All disbursements by any club/class or school organization must be made by an Internal Accounts check. Authorization of expenditures shall carry approval of a designated class, club or department officer (grades 6-12), sponsor, and the principal. Expenses should be for the benefit of the students that participated in the generation of revenue. No accounts may be overdrawn at the end of the current school year."	"An overpayment was made to the district in the amount of \$94.94 and will be corrected in the September 30, 2018 payment to district."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2	<b>Cash Receipts</b>		
Official receipt numbers on Report of Monies Collected Forms were incorrect on two out of five transactions selected for testing		Section 4.01(a)(v): "The white copy shall be identified by the corresponding pre-numbered, secured electronic receipt number representing the collection and filed in numerical sequence."	"Numbers were transposed due to human error. Attention will be paid when receipting in the future."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
3	<b>Chart of Accounts</b>		
In reviewing the general ledger we observed that \$100 of cash receipts were recorded as cash disbursements and \$2,790 of cash disbursements were recorded as cash receipts.		The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"It appears Bookkeeper was offsetting the expense. We will adhere to expenditure and revenue object codes."

**SCHOOL: NEASE HIGH SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Tickets</b>		
	RSM noted 15 tickets unaccounted for in the ticket roll selected for testing. The Ticket Control Sheet did not agree to the Report of Tickets Sold.	Section 4.04(a)(x): "The bookkeeper shall verify the accuracy of the ticket sales documentation ..."	"Bookkeeper to compare Report of Tickets Sold to the Ticket Control Sheet with athletic secretary weekly."

Finding		Handbook Policy	Management's Response
2	<b>Cash Disbursements</b>		
	Travel Related Reimbursements for gas and meals totaling \$210, were not made in Accordance with School Board Policy.	Section 5.06(b)(i): "In-district travel shall be reimbursed based on School Board policy."  Section 5.06(c)(i): "Out-of-district travel mileage shall be reimbursed based on School Board policy."	"Bookkeeper has reviewed policies for travel mileage and will ensure these policies are followed."

Finding		Handbook Policy	Management's Response
3	<b>Cash Disbursements</b>		
	An employee was reimbursed for travel expenses mostly related to hotel lodging and registration fees related to trip activities, in which a check from Internal Accounts could have been issued. These reimbursements totaled \$23,893.	Section 1.01(a)(vii): "An adequate system of internal controls shall be maintained in order to safeguard the assets of the school's internal funds."  Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."	"Bookkeeper has reviewed policies for travel mileage and will ensure these policies are followed."

**SCHOOL: NEASE HIGH SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
4	<b>Cash Disbursements</b>		
	Corporate account was not used for Publix purchases. We observed \$267 in purchases in which the corporate account was not used during our testing of fiscal year 2018 and employees were reimbursed directly.	Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."	"Bookkeeper has notified staff reimbursements to Publix will no longer be allowed. All purchases must be paid by school check."

Finding		Handbook Policy	Management's Response
5	<b>Cash Disbursements</b>		
	Employees were reimbursed for purchases when approved vendors were setup in SunGard and checks should have been issued directly to vendors. These reimbursements totaled \$20,487.	Section 1.01(a)(vii): "An adequate system of internal controls shall be maintained in order to safeguard the assets of the school's internal funds."  Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."	"Bookkeeper has notified staff they are no longer allowed to be reimbursed for purchases made to vendors set up in Sungard."

Finding		Handbook Policy	Management's Response
6	<b>Chart of Accounts</b>		
	In reviewing the general ledger we observed that \$2,533 of cash receipts were recorded as cash disbursements and \$1,951 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Bookkeeper to ensure correct object codes for disbursements and receipts are being used."

**SCHOOL: OCEAN PALMS ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Area</b>		
	The student selected for testing had late payments which resulted in the student attending the extended day program prior to payment. The student attended 3 days in the program prior to payment.	Section 3.01(g)(ii): "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10. The programs shall be responsible for collection of fees and proper submission to the bookkeeper for deposit and recording in Internal Accounts. Types of fees that shall be collected include registration fees, participation fees (which can be charged monthly, bi-weekly, or weekly), snack fees, and late fees.	"Due to the Hurricane and school being canceled the payment schedule was affected resulting in a late payment."

Finding		Handbook Policy	Management's Response
2	<b>Cash Disbursements</b>		
	One of five disbursements selected for testing was not considered timely. The payment, for \$294, was made 50 days after the invoice date.	Payments should be made within 45 days as stipulated by Florida statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	"The bookkeeper will make a conscious effort to pay invoices within the allotted timeframe given."

Finding		Handbook Policy	Management's Response
3	<b>Yearbook</b>		
	RSM noted the yearbook reconciliation was out of balance. Reconciliation does not agree to supporting documentation.	Section 9.04(a)(ii)(3): "The secretary/bookkeeper should review the yearbook reconciliation for accuracy and completeness. The secretary/bookkeeper should also observe and count the yearbooks on-hand at year end and compare to the yearbook reconciliation for accuracy."	"Yearbook reconciliation was out of balance due to shipping charges. The bookkeeper will closely monitor moving forward."

**SCHOOL: OSCEOLA ELEMENTARY SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1	<b>Cash Receipts</b>		
	Erroneous information was not properly corrected on one of five cash receipts selected for testing. The receipt totaled \$210.	Section 4.01(a)(iii): "Any erroneous information must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error and initialing."	"In this particular instance, the teacher checked Cash as the funding source rather than Check. She realized her error and used Wite-Out to revise the entry. I have spoken to teachers regarding using the use of Wite-Out and that they are to cross through the error and initial the correction."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2	Repeat	<b>Cash Disbursements</b>	
	During our testing, we noted \$119 of expenditures for which a Purchase Requisition Form was not completed and/or signed until receipts were submitted for reimbursement. Bookkeeper was unable to provide evidence of prior authorization.	<p>Section 5.01(3): "No expenditure shall be made unless it is approved by the Principal or his/her designees. Any proposed expenditure shall be considered prohibited until approved."</p> <p>Section 5.01(5)(f): "The Principal shall have full responsibility for all phases for the Internal Accounts funds. No employee, class, club, teacher or School Board member shall incur any expense or liability without the authorization of the Principal or his designee."</p> <p>Section 5.01(5)(i): "Expenditures shall not be made until authorization has been cleared by the Principal."</p> <p>Section 5.02(a)(i): "The actual purchase date on the invoice shall not be prior to the date of approval on the form."</p>	"The teacher needed the items for her grant and ordered them prior to receiving permission for the purchase. She was spoken to and reminded that no purchases shall be made without prior approval."



**SCHOOL: OSCEOLA ELEMENTARY SCHOOL (CONTINUED)**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
3		<b>Extended Day</b>	
	RSM notes that principal quarterly audits were not performed for extended day in accordance with policy.	Section 3.01(g)(viii)(b): "Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit."	"The Extended Day coordinator and principal have a plan in place to assure all four quarterly audits occur."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
4		<b>Extended Day</b>	
	Extended Day fees were not collected in accordance with fee schedule. Late fees were not assessed or collected as stated in program.	Section 3.01(g)(viii): "Fees must be reconciled with attendance records and balanced monthly."	"A revised fee schedule has been put in place to better accommodate the needs of the parents financial situations. A pay schedule has been made available through the school newsletter, on display during sign-out form Extended Day and on the school website. Late fees will be added to payments made after the due date and parents are aware."

**SCHOOL: OTIS MASON ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Fundraising</b>		
	During the testing of fundraising activity, RSM noted one fundraising event was not pre-approved by the Principal on the District Fundraising Activity form. Revenues from this event totaled \$316.	<p>Section 4.05(g): "All fundraising requests shall be documented on a District authorized Fundraising Activity form accompanied by the District authorized supporting Fundraising Checklist."</p> <p>Section 4.05(b): "The principal shall control the fundraising activities conducted in the name of school and assure that the purposes are worthwhile."</p>	"All fundraising activities will be pre-approved."

Finding		Handbook Policy	Management's Response
2	<b>Cash Receipts</b>		
	One of five cash receipts selected for testing was not deposited in a timely manner. The total of the Report of Monies Collected Form was \$134 and was deposited 13 working days after receipt.	<p>Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."</p> <p>Section 4.03 (a): "All money collected must be deposited into the checking account via School Board approved courier service as frequently as feasible or as dictated by sound business practices. In any event, funds collected must be deposited within five working days of receipt, whereas working days are defined as District working days and receipts is defined as original collection. All monies on hand prepared for deposit during scheduled courier service pick-up dates should be given to the courier service that day."</p>	"All cash receipts will be deposited in a timely manner."

**SCHOOL: OTIS MASON ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
3	<b>Extended Day</b>		
	Extended Day fees were not collected in accordance with fee schedule. Late fees and registration fees were not assessed or collected as stated in program. We noted fees that should have been assessed of \$50 for late payments and \$50 in registration.	Section 3.01(g)(ii): "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10. The programs shall be responsible for collection of fees and proper submission to the bookkeeper for deposit and recording in Internal Accounts. Types of fees that shall be collected include registration fees, participation fees (which can be charged monthly, bi-weekly, or weekly), snack fees, and late fees."	"Extended day fees will be collected in accordance with fee schedule."

Finding		Handbook Policy	Management's Response
4	<b>Outstanding Checks</b>		
	RSM noted two outstanding checks on the June 2018 bank reconciliation were dated prior to 2017. The amounts of these checks totaled \$94.	Section 6.06(a): "Any outstanding unpaid checks carried on the bank reconciliation dated more than one year prior to year-end is unclaimed property. According to the Florida Department of Financial Services, 'Unclaimed property is intangible property held by a business or governmental entity (holder) that belongs to a missing owner. Property is presumed abandoned and is required to be reported and remitted to the State of Florida at the end of a dormancy period...'"	"Outstanding checks will be verified and properly reported as unclaimed property."

**SCHOOL: PACETTI BAY MIDDLE SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Donations</b>	
	During testing of donations, RSM noted a donation in the amount of \$4,809, which was not approved by the Superintendent as required on the District Donation Form.	Article XI: "The donation information and request for approval should be documented on the District approved Donation Form [...] Gifts of money, supplies, equipment or other personal property of a value between \$3,000 and \$9,999 must be approved by the Superintendent."	"Donation folder has been established for future follow-up to donations sent to school board for approval."

**SCHOOL: PALENCIA ELEMENTARY SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1	<b>Cash Disbursements</b>		
	Payments should be made within 45 days as stipulated by Florida Statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	Payments should be made within 45 days as stipulated by Florida statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	"Payments are normally made in a timely manner. Palencia transitioned a new Secretary/Bookkeeper into the role in February 2018."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2	<b>Yearbook</b>		
	During testing of yearbooks, the physical count of yearbooks on hand did not agree to the yearbook reconciliation. RSM counted three yearbooks less than the reconciliation indicated.	Section 9.04(a)(ii)(3): "The secretary/bookkeeper should review the yearbook reconciliation for accuracy and completeness. The secretary/bookkeeper should also observe and count the yearbooks on-hand at year end and compare to the yearbook reconciliation for accuracy."	"Secretary/Bookkeeper will thoroughly inventory yearbooks before and after the distribution process."

**SCHOOL: PATRIOT OAKS ACADEMY**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Cash Disbursements</b>	
	One of the five disbursements selected for testing made prior to the Principal's approval on the Purchase Requisition Form. The purchase totaled \$540.	Section 5.02(a)(i): "A person requesting disbursement prepares the top section of the Purchase Requisition form, which must be authorized by the principal prior to the purchase commitment."	"I understand the procedure. We will be more diligent."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2		<b>Extended Day</b>	
	RSM noted that quarterly principal audits were not performed in a timely manner; all audits were performed at fiscal year-end.	Section 3.01(g)(viii)(b): "The principal is required to perform the following monitoring procedures: Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit."	"I have spoken to my extended day coordinator and she is aware of the importance of doing these audits in a timely fashion going forward."

**SCHOOL: PEDRO MENENDEZ HIGH SCHOOL**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Cash Receipts</b>	
	Erroneous information was not properly corrected on three of five cash receipts selected for testing. These receipts totaled \$7,285.	Section 4.01(a)(iii): "Any erroneous information must be invalidated by the originator of the entry by lining through such information, entering the correct information above or below the error and initialing."	"Info has been sent out regarding proper way to make correction to MCF."

**SCHOOL: PONTE VEDRA HIGH SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1	<b>Cash Receipts</b>		
	Based on bookkeeper signature date on Report of Monies Collected, one of five receipts selected for testing in the amount of \$2,817, was not remitted to bookkeeper the day the funds were collected.	Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."	"All staff have been notified to submit funds and paperwork daily."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2	<b>Outstanding Checks</b>		
	RSM noted two outstanding checks on the June 2018 bank reconciliation were dated prior to 2017. The amounts of these checks totaled \$103.	Section 6.06(a): "Any outstanding unpaid checks carried on the bank reconciliation dated more than one year prior to year-end is unclaimed property. According to the Florida Department of Financial Services, 'Unclaimed property is intangible property held by a business or governmental entity (holder) that belongs to a missing owner. Property is presumed abandoned and is required to be reported and remitted to the State of Florida at the end of a dormancy period...'"	"Outstanding checks will be verified and properly reported as unclaimed property."



**SCHOOL: PVPV / RAWLINGS ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Disbursements</b>		
	During testing of disbursements, RSM noted a voided check which was not properly defaced nor was the signature area mutilated.	Section 6.07(a): "If the check was misprinted or should otherwise be voided prior to issuance, the check should be defaced, marked as voided, and maintained on file."  Redbook: "Voided Check – A check that has been declared void. A check on which an error has been made in writing, such as an incorrect amount, signature, or discrepancy in the information included. The check is made void by mutilating the signature space and the check is retained."	"Bookkeeper to ensure that all voided checks are properly defaced and/or mutilated."

Finding		Handbook Policy	Management's Response
2	<b>Donations</b>		
	During testing of donations, RSM noted other funds which were incorrectly coded as donations. These funds totaled \$57.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Bookkeeper to ensure that proper object codes are used for all funds."

Finding		Handbook Policy	Management's Response
3	<b>Cash Receipts</b>		
	RSM noted one out of five cash receipts selected for testing did not have the date collected by the teacher/sponsor. The receipt totaled \$100.	Section 4.01(a)(iv): "The Report of Monies Collected Form shall show:  (a) Receipt number  (b) Actual date collected by the teacher/sponsor  (c) Signature of the teacher/sponsor responsible for collecting the money  (d) Signature of bookkeeper  (e) Date monies were received from the teacher/sponsor and verified by the secretary/bookkeeper [...]"	"New 'monies collected' forms have been issued to teachers, and all teachers have been instructed in properly dating monies collected."

**SCHOOL: PVPV / RAWLINGS ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
4	<b>Extended Day</b>		
	An additional safe, holding funds collected for multiple days, is utilized by the Extended Day Program. The safe has not been inspected for compliance with the guidelines set forth in the Internal Accounts Handbook.	<p>Section 2.08: "Schools/Centers shall use a safe, vault, or night depository for the protection of money received.</p> <p>(a) The safe shall resist drilling, burning, or removal, all of which could result in decreased insurance premiums.</p> <p>(b) Lightweight safes shall be set in a wall or bolted to the floor to prevent removal. Storing money and attached forms outside of a safe is prohibited. Items allowable to be stored outside of the safe include blank check stock, official receipt books, tickets, and deposit slips; however, those items must remain locked in a filing cabinet, desk, or credenza if not maintained in the safe."</p>	"We are purchasing a new safe following district guidelines."

Finding		Handbook Policy	Management's Response
5	<b>Donations</b>		
	During testing of donations, RSM noted a donation in the amount of \$3,390, which was not approved by the Superintendent as required on the District Donation Form.	<p>Article XI: "The donation information and request for approval should be documented on the District approved Donation Form [...] Gifts of money, supplies, equipment or other personal property of a value between \$3,000 and \$9,999 must be approved by the Superintendent."</p>	"The Goodwill drive that generated this check came one month after our new Bookkeeper started. The correct donation form will always be submitted going forward."

**SCHOOL: SEBASTIAN MIDDLE SCHOOL**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Cash Receipts</b>	
	Based on bookkeeper signature date on Report of Monies Collected, two of five receipts selected for testing were not remitted to bookkeeper the day the funds were collected. These receipts totaled \$1,280.	Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection"	"Moving forward we will remind staff all funds collected shall be delivered to the school safe on the day funds are collected."

**SCHOOL: SOUTH WOODS ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Extended Day</b>		
	Extended Day fees were not collected in accordance with fee schedule. Fees were not collected prior to attendance. The amount of the registration fee totaled \$75.	Section 3.01(g)(ii): "All fees for student participation in the Extended Day program must be paid in advance prior to the child's attendance in the related session. Failure to collect fees in advance of providing services is contrary to the Constitution of the State of Florida, Article VII, Section 10. The programs shall be responsible for collection of fees and proper submission to the bookkeeper for deposit and recording in Internal Accounts. Types of fees that shall be collected include registration fees, participation fees (which can be charged monthly, bi-weekly, or weekly), snack fees, and late fees."	"Extended day fees will be billed in advance and paid before services are rendered."

Finding		Handbook Policy	Management's Response
2	<b>Cash Disbursements</b>		
	Two of five disbursements selected for testing were remitted for multiple invoices. Eight of these invoices were dated more than 175 days prior to the date of the check and therefore not considered timely. These expenditures totaled \$2,330.	Payments should be made within 45 days as stipulated by Florida statute in order to avoid possible late penalties and/or take advantage of any possible discounts offered by the vendor.	"Bookkeeper will be certain to pay invoices within the 45 day payment period to ensure any possible discounts and to avoid late penalties."

Finding		Handbook Policy	Management's Response
3	<b>Cash Receipts</b>		
	Official receipt numbers on Report of Monies Collected Forms were missing from two out of five transactions selected for testing.	Section 4.01(a)(v): "The white copy shall be identified by the corresponding pre-numbered, secured electronic receipt number representing the collection and filed in numerical sequence."	"Bookkeeper will be sure to pay close attention to each monies collected form and record the secured electronic receipt number on each form."

**SCHOOL: SOUTH WOODS ELEMENTARY SCHOOL (CONTINUED)**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
4		<b>Cash Disbursements</b>	
	RSM noted one out of five disbursements selected for testing did not have the required Purchase Requisition Form. This disbursement totaled \$1,336.	Section 5.02(a)(i): "A person requesting disbursement prepares the top section of the Purchase Requisition Form, which must be authorized by the Principal prior to the purchase commitment."	"Bookkeeper will be certain that the principal's signature is on the purchase requisition prior to the purchase commitment."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
5		<b>Yearbook</b>	
	RSM noted the yearbook reconciliation was out of balance. Reconciliation does not agree to supporting documentation.	Section 9.04(a)(ii)(3): "The secretary/bookkeeper should review the yearbook reconciliation for accuracy and completeness. The secretary/bookkeeper should also observe and count the yearbooks on-hand at year end and compare to the yearbook reconciliation for accuracy."	"Bookkeeper will be certain to count the yearbooks on-hand at year end and compare to the yearbook reconciliation for accuracy."

**SCHOOL: ST. AUGUSTINE HIGH SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Receipts</b>		
	One of five receipts selected for testing was missing information. A check for \$18 was included in the deposit total, but was not listed on the receipt for the deposit. The receipt totaled \$1,287.	Section 4.02(g): "The bookkeeper shall reconcile the monies collected to the Report of Monies Collected, document the pre-numbered electronic receipt number, sign off, date, and issue a carbon copy of the Report of Monies Collected to the individual collecting monies."	"Check was accidentally crossed off by teacher's correction, after the deposit was made. All funds were accounted for and deposited. Deposit was made to ensure monies was not held."

Finding		Handbook Policy	Management's Response
2	<b>Chart of Accounts</b>		
	In reviewing the general ledger we observed that \$140 of cash receipts were recorded as cash disbursements and \$2,524 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Due to human error, the incorrect object code was entered. The money was disbursed into the correct debit/credit line for each account. The bookkeeper will continue to use the object code list provided."

**SCHOOL: ST. JOHNS TECHNICAL HIGH SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Chart of Accounts</b>	
	RSM noted a field study recorded within the general fund which was not self-supporting. The field study was underfunded by \$1,040. The field study expenditures totaled \$4,140 and receipts totaled \$3,100.	<p>Section 3.01(a)(i): "The activity supported by the General Fund usually encompasses the entire student body or the student taking part in an activity such as competition representing the school."</p> <p>Section 3.01(b)(iv): "All collections received by any club/class or school organization must be deposited in the school's Internal Accounts. All extra-curricular activities shall be self-supporting."</p> <p>Section 5.03(a)(i): "Expenditures requiring a purchase requisition at the District Level include the following: 1) Any disbursement exceeding \$1,000.00 of surplus Internal Accounts General Fund monies not funded by specified fundraising or other specified monies collection activities."</p>	"In the future, we will have a fundraising event to cover any additional fund that were unable to be collected to cover the amount owed on the invoice."

**SCHOOL: SWITZERLAND POINT MIDDLE SCHOOL**

Finding		Handbook Policy	Management's Response
1	Repeat	<b>Cash Receipts</b>	
Based on bookkeeper signature date on Report of Monies Collected, one of five receipts selected for testing was not remitted to bookkeeper the day the funds were collected. This receipt totaled \$610.		Section 4.02(f): "All funds collected and supporting Report of Monies Collected shall be delivered to the bookkeeper on the day of collection."	"Procedures reviewed."

Finding		Handbook Policy	Management's Response
2		<b>Donations</b>	
RSM noted a \$4,000 donation from PTSO for a field trip which was coded as field trip revenue as opposed to a donation. Donation Approval form was not completed.		Article XI: "The donation information and request for approval should be documented on the District approved Donation Form [...] Gifts of money, supplies, equipment or other personal property of a value between \$3,000 and \$9,999 must be approved by the Superintendent."	"New binder system developed to track donations."

Finding		Handbook Policy	Management's Response
3		<b>Donations</b>	
During testing of donations, RSM noted donations 18 of 20 donations which were not documented on the District Donation Form. These donations totaled \$4,313.		Article XI: "The donation information and request for approval should be documented on the District approved Donation Form [...] Gifts of money, supplies, equipment or other personal property of a value less than \$3,000 may be accepted by a Principal or department head based on the criteria listed in Board Policy 7.052."	"New binder system developed to track donations."



**SCHOOL: SWITZERLAND POINT MIDDLE SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
4	<b>Outstanding Checks</b>		
	RSM noted three outstanding checks on the June 2018 bank reconciliation were dated prior to 2017. The amounts of these checks totaled \$111.	Section 6.06(a): "Any outstanding unpaid checks carried on the bank reconciliation dated more than one year prior to year-end is unclaimed property. According to the Florida Department of Financial Services, 'Unclaimed property is intangible property held by a business or governmental entity (holder) that belongs to a missing owner. Property is presumed abandoned and is required to be reported and remitted to the State of Florida at the end of a dormancy period...'"	"Procedures reviewed."

Finding		Handbook Policy	Management's Response
5	<b>Yearbook</b>		
	During testing of yearbooks, the physical count of yearbooks on hand did not agree to the yearbook reconciliation. RSM counted ten yearbooks less than the reconciliation indicated.  RSM also noted the Yearbook Reconciliation was incomplete and did not agree.	Section 9.04(a)(ii)(3): "The secretary/bookkeeper should review the yearbook reconciliation for accuracy and completeness. The secretary/bookkeeper should also observe and count the yearbooks on-hand at year-end and compare to the yearbook reconciliation for accuracy."	"New yearbook sponsor met with bookkeeper to review procedures."

**SCHOOL: TIMBERLIN CREEK ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Cash Receipts</b>		
	RSM noted two out of five cash receipts selected for testing did not have the required bookkeeper signature. These receipts totaled \$79.	Section 4.01(a)(iv): "The Report of Monies Collected Form shall show: (a) Receipt number (b) Actual date collected by the teacher/sponsor (c) Signature of the teacher/sponsor responsible for collecting the money (d) Signature of bookkeeper (e) Date monies were received from the teacher/sponsor and verified by the secretary/bookkeeper [...]"	"This finding was prior to new secretary/bookkeeper starting January 29, 2018. The current secretary is aware of the proper procedure and every effort will be made to ensure that this does not happen in the future."

Finding		Handbook Policy	Management's Response
2	<b>Cash Receipts</b>		
	Official receipt numbers on Report of Monies Collected Forms were missing from three out of five transactions selected for testing. These receipts totaled \$1,102.	Section 4.01(a)(v): "The white copy shall be identified by the corresponding pre-numbered, secured electronic receipt number representing the collection and filed in numerical sequence."	"The current secretary/bookkeeper has already changed this practice, since she was made aware of this requirement on audit day."

Finding		Handbook Policy	Management's Response
3	<b>Cash Receipts</b>		
	Cash receipts were not issued for one of five receipts selected for testing. The cash receipt totaled \$13.	Section 4.01(b)(iii)(a): "A cash receipt will be issued for all monies received* of \$ 10.00 or more [...]"	"This finding was prior to new secretary/bookkeeper starting January 29, 2018. The current secretary is aware of the proper procedure and every effort will be made to ensure that this does not happen in the future."

**SCHOOL: TIMBERLIN CREEK ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
4	<b>Extended Day</b>		
	Principal did not perform quarterly audits throughout the school year.	Section 3.01(g)(viii)(b): "The principal is required to perform the following monitoring procedures: Sample audit attendance sheets and schedule of fees charged and fees paid quarterly. This quarterly audit will be documented by principal, including sign-off, date of review, names of students tested for accuracy of fees charged and paid, and results of audit."	"New administration for 17-18, new secretary/bookkeeper and new extended day coordinator were not aware of this audit requirement. These requirements have been noted and procedures are in place to correct this moving forward."

Finding		Handbook Policy	Management's Response
5	<b>Fundraising</b>		
	Repeat During testing of fundraising activity, RSM noted two fundraising events which were not documented on the District Fundraising Activity Form.	Section 4.05(g): "All fundraising requests shall be documented on a District authorized Fundraising Activity Form accompanied by the District authorized supporting Fundraising Checklist."	"This finding was prior to new secretary/bookkeeper starting January 29, 2018. Secretary/Bookkeeper and sponsors will collaborate to ensure all monies collected for a fundraising event are included in the Fundraising Activity Form."

Finding		Handbook Policy	Management's Response
6	<b>Chart of Accounts</b>		
	In reviewing the general ledger we observed that \$383 of cash receipts were recorded as cash disbursements and \$121,852 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"Every effort will be made to ensure correct revenue and expenditure codes are being used."

**SCHOOL: VALLEY RIDGE ACADEMY**

	<b>Finding</b>	<b>Handbook Policy</b>	<b>Management's Response</b>
1		<b>Extended Day</b>	
	Extended Day fees were not collected in accordance with fee schedule. Late fees were not assessed or collected as stated in program. Late fees should have been assessed on six occasions.	Section 3.01(g)(viii): "Fees must be reconciled with attendance records and balanced monthly."	"Fees will be collected in accordance with the fee schedule."

**SCHOOL: WARDS CREEK ELEMENTARY SCHOOL**

Finding		Handbook Policy	Management's Response
1	<b>Chart of Accounts</b>		
	During testing of fundraising activity and donations, RSM noted not all funds received as a result of these activities were coded accurately. We noted seven coding errors which totaled \$2,480.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"The coding errors have been clarified and corrected."

Finding		Handbook Policy	Management's Response
2	<b>Cash Disbursements</b>		
	RSM noted four out of five disbursements selected for testing were missing a required Purchase Order. The purchases totaled \$930.	<p>Section 5.03(e) : "All disbursements require a system generated purchase order, except the following:</p> <ul style="list-style-type: none"> <li>• Refunds</li> <li>• Funds sent to the District</li> <li>• Funds sent to another school</li> <li>• District bus transportation</li> <li>• Officials, FHSAA, auditorium workers and gatekeepers</li> <li>• Filing and paying sales and use tax returns</li> <li>• Funds sent to the school cafeteria</li> <li>• Funds sent to the "District" School Foundation</li> <li>• Funds sent to the support organizations</li> <li>• Donations for charitable causes</li> <li>• Security"</li> </ul>	"This item was corrected immediately and will be accurate moving forward."

**SCHOOL: WARDS CREEK ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
3	<b>Cash Disbursements</b>		
	One of five disbursements selected for testing indicated the purchase was made prior to Principal approval on Purchase Requisition Form. This disbursement totaled \$990.	Section 5.02(a)(i): "A person requesting disbursement prepares the top section of the Purchase Requisition form, which must be authorized by the principal prior to the purchase commitment."	"This item was corrected immediately and will be accurate moving forward."

Finding		Handbook Policy	Management's Response
4	<b>Cash Disbursements</b>		
	RSM noted one of five disbursements selected for testing did not include dual signatures on the check. The check amount was \$990.	Section 5.01(5)(b): "All checks written must be signed with two signatures, preferably the principal and the bookkeeper."	"This item was corrected immediately and will be accurate moving forward."

Finding		Handbook Policy	Management's Response
5	<b>Fundraising</b>		
	During testing of fundraising activity, RSM noted one fundraising event which was not documented on the District Fundraising Activity Form.	Section 4.05(g): "All fundraising requests shall be documented on a District authorized Fundraising Activity form accompanied by the District authorized supporting Fundraising Checklist."	"Fundraiser forms will be completed for all future activities."

**SCHOOL: WARDS CREEK ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
6	<b>Outstanding Checks</b>		
	RSM noted three outstanding checks on the June 2018 bank reconciliation that were dated prior to 2017. These checks totaled \$33.	Section 6.06(a): "Any outstanding unpaid checks carried on the bank reconciliation dated more than one year prior to year-end is unclaimed property. According to the Florida Department of Financial Services, 'Unclaimed property is intangible property held by a business or governmental entity (holder) that belongs to a missing owner. Property is presumed abandoned and is required to be reported and remitted to the State of Florida at the end of a dormancy period...'"	"These have been corrected and reconciled."

Finding		Handbook Policy	Management's Response
7	<b>Area</b>		
	In reviewing the general ledger we observed that \$330 of cash receipts were recorded as cash disbursements and \$26,506 of cash disbursements were recorded as cash receipts.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"This coding error was corrected and will be accurate moving forward."

**SCHOOL: WD HARTLEY ELEMENTARY SCHOOL**

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
1	<b>Cash Receipts</b>		
	During testing of cash receipts, RSM noted the Report of Monies Collected Forms were printed on copy paper as opposed to the official form. The duplicate Report of Monies Collected Form allows the initial collector of money to retain a copy of the initial collection.	Appendix II Exhibit I of the Internal Accounts Handbook provides an example of the document required, which is a carbon copy form.	"The excel monies collected form was sent to me by another bookkeeper and I did not even consider this would be against the district policy. Last year I had several teachers who tried it and this year I set up all of our teachers to use the form. The excel form has turned out to be a wonderful tool for teachers and bookkeepers alike. However, since the district wants us to use the previous forms, I will order a supply of them and our teachers will go back to using them."

<b>Finding</b>		<b>Handbook Policy</b>	<b>Management's Response</b>
2	<b>Cash Disbursements</b>		
	Bookkeeper was unable to provide supporting documentation for one of five disbursements selected for testing. The disbursement totaled \$353.	Section 5.01(1): "School activity funds shall be expended for the purposes for which they were collected. A signed receipt or an invoice supporting any expenditure shall be kept on file. Cancelled checks are only part of the supporting evidence for any given transaction and are not sufficient to support the expenditure."	"The check was for a field trip and the vendor did not have a receipt for the teacher on the day of the event. It was overlooked that they never did send a receipt. We will develop a better method of keeping up with the receipts needed."



**SCHOOL: WD HARTLEY ELEMENTARY SCHOOL (CONTINUED)**

Finding		Handbook Policy	Management's Response
3	<b>Donations</b>		
	During testing of donations, RSM noted a donation in the amount of \$7,778, which was not approved by the Superintendent as required on the District Donation Form.	Article XI: "The donation information and request for approval should be documented on the District approved Donation Form [...] gifts of money, supplies, equipment or other personal property of a value between \$3,000 and \$9,999 must be approved by the Superintendent."	"We will strive to make every effort to get future donations approved in the future."

Finding		Handbook Policy	Management's Response
4	<b>Chart of Accounts</b>		
	In reviewing the general ledger we observed that \$7,655 of cash receipts were recorded as cash disbursements.	The District provides a chart of accounts along with a listing of object codes to be used for receipts and disbursements. Proper object codes should be used to ensure revenue and expenditure activity is properly stated.	"These funds were deposited correctly, but the error was that I used the disbursement reason code of 5331 instead of the revenue code of 3331 by mistake. This did not affect my totals or balancing. We will pay more attention to the codes to keep from making this error again."