

St. Johns County School District

Statement of Fiduciary Net Position and
Note to the Financial Statement
June 30, 2017

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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, 2017, 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, 2017, 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, 2017, 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 November 3, 2017, 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
November 3, 2017

St. Johns County School District

**Statement of Fiduciary Net Position
Internal Accounts Agency Fund – Cash Basis
June 30, 2017**

Assets

Cash and cash equivalents	<u>\$ 4,311,792</u>
Total assets	<u><u>\$ 4,311,792</u></u>

Liabilities

Internal accounts payable	<u>\$ 4,311,792</u>
Total liabilities	<u><u>\$ 4,311,792</u></u>

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, 2017, 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, 2017**

School/Location	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Bartram Trail High School	\$ 346,262	\$ 1,100,928	\$ 1,063,069	\$ 384,121
Creekside High School	468,759	928,739	974,171	423,327
Crookshank Elementary School	32,050	272,085	269,810	34,325
Cunningham Creek Elementary School	61,939	600,316	608,457	53,798
District Designated Accounts	115,593	180,315	119,949	175,959
Durbin Creek Elementary School	95,786	314,311	317,415	92,682
Fruit Cove Middle School	60,138	361,507	365,779	55,866
Gaines Alternative (at Hamblen)	23,385	3,328	3,477	23,236
Gamble Rogers Middle School	86,761	518,173	503,019	101,915
Hickory Creek Elementary School	37,692	403,604	395,681	45,615
Julington Creek Elementary School	100,362	622,336	640,926	81,772
Ketterlinus Elementary School	23,520	291,222	266,812	47,930
Landrum Middle School	94,947	137,905	133,973	98,879
Liberty Pines Academy	153,921	747,216	713,416	187,721
Mill Creek Elementary School	34,953	469,645	468,009	36,589
Nease High School	297,278	1,015,685	933,636	379,327
Ocean Palms Elementary School	74,856	328,202	391,131	11,927
Osceola Elementary School	47,746	203,865	207,649	43,962
Otis Mason Elementary School	55,962	319,158	310,044	65,076
Pacetti Bay Middle School	81,939	549,668	546,637	84,970
Palencia Elementary School	64,336	119,300	114,919	68,717
Patriot Oaks Academy	36,609	762,600	762,955	36,254
Pedro Menendez High School	119,130	308,957	331,730	96,357
Ponte Vedra High School	354,112	725,864	671,645	408,331
PVPV/Rawlins Elementary School	72,480	414,854	408,051	79,283
RB Hunt Elementary School	60,567	320,405	314,348	66,624
RJ Murray Middle School	23,339	59,692	65,289	17,742
Sebastian Middle School	63,985	85,069	87,212	61,842
South Woods Elementary School	55,954	113,870	105,207	64,617
St. Augustine High School	159,524	545,038	519,467	185,095
St. Johns Technical High School	9,401	39,889	35,761	13,529
Switzerland Point Middle School	184,458	560,591	528,117	216,932
The Webster School Elementary School	41,310	53,125	57,134	37,301
Timberlin Creek Elementary School	205,572	700,766	693,641	212,697
Valley Ridge Academy	72,808	607,686	589,019	91,475
Wards Creek Elementary School	94,647	328,320	344,420	78,547
WD Hartley Elementary School	143,213	43,972	39,733	147,452
Total assets	\$ 4,055,294	\$ 15,158,206	\$ 14,901,708	\$ 4,311,792

**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, 2017, 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 November 3, 2017.

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*.

We noted certain matters that we reported to management in a separate report dated November 3, 2017.

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
November 3, 2017

St. Johns County School District

Internal Accounts Agency Fund
Management Letter
June 30, 2017



Management Letter

RSM US LLP

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, 2017, 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
November 3, 2017

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SCHOOL: BARTRAM TRAIL HIGH SCHOOL

Finding		Handbook Policy	Management's Response
1	Fundraising Activities		
	During the testing of fundraising activity, RSM noted two fundraising events in which total revenues received exceeded the amount recorded on the Fundraising Activity Form.	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>Response: "Bookkeeper and sponsors will collaborate to ensure all monies recorded for a fundraising event are included on the Fundraising Activity Form."</p> <p>Principal Responsible: Chris Phelps</p>

SCHOOL: CREEKSIDE HIGH SCHOOL

Finding		Handbook Policy	Management's Response
1	Cash Receipts		
Erroneous information was not properly corrected on two of five cash receipts selected for testing.	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."	<p>Response: "The submitting sponsor did not initial a change to the monies collected form prior to delivery to the bookkeeping office. There was no discrepancy in the cash, check or deposit total."</p> <p>Principal Responsible: Steve McCormick</p>	

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
Based on bookkeeper signature date on Report of Monies Collected, one of five receipts 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."	<p>Response: "Funds collected by teachers (sponsors) are not reasonably able to be deposited the same day consistently. The teachers make every effort to complete the monies collected forms and deliver to bookkeeper."</p> <p>Principal Responsible: Steve McCormick</p>	

SCHOOL: CREEKSIDE HIGH SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
3	Cash Receipts		
One of five cash receipts selected for testing was not deposited in a timely manner.	<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>	<p>Response: "Four checks were noted as received on June 30, 2017, but not deposited until July 12, 2017. A combination of the July 4th holiday, bookkeeper vacation and limited courier pickup contributed to the delay."</p> <p>Principal Responsible: Steve McCormick</p>	

Finding		Handbook Policy	Management's Response
4	Cash Disbursements		
Two of five disbursements selected for testing were not timely as defined in the Internal Accounts Handbook.	<p>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.</p>	<p>Response: "An invoice for art supplies was dated February 21, 2017, but was noted received by the bookkeeper on April 6, 2017. The invoice was paid on April 20, 2017. The invoice for golf cart repair was received via email unknowingly to a junk file. Billing preferences have been reviewed with the vendor to ensure future timeliness."</p> <p>Principal Responsible: Steve McCormick</p>	

SCHOOL: CREEKSIDE HIGH SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
5	Cash Disbursements		
	One of five disbursements selected for testing indicated the purchase was made prior to Principal approval on Purchase Requisition Form.	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."	<p>Response: "The purchase was ultimately approved by the Principal; however, the District designated process for pre-approval will be reviewed."</p> <p>Principal Responsible: Steve McCormick</p>

Finding		Handbook Policy	Management's Response
6	Repeat	Fundraising Activities	
	During testing of fundraising activity, RSM noted 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."	<p>Response: "Fundraising activities are often misinterpreted by sponsors as donations or sponsorships. Fundraising guidelines will be reviewed with class, club and athletic sponsors."</p> <p>Principal Responsible: Steve McCormick</p>

SCHOOL: CROOKSHANK ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
	RSM noted one out of five disbursements selected for testing did not indicate the required funding source on the Purchase Requisition Form.	Section 5.02(a)(i): "[Purchase Requisition Form] should identify the Internal Account funding source requesting disbursement and the estimated maximum purchase amount, and the Principal should ensure that sufficient funds are available to fund the purchase."	<p>Response: "In the future, we will ensure that documents are completed correctly."</p> <p>Principal Responsible: Marquez Jackson</p>

Finding		Handbook Policy	Management's Response
2	Donations		
	During testing of donations, RSM noted a donation over \$3,000, 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."	<p>Response: "This was a donation to the SJCS D IA Nurses Account. A copy of the Donation Form has been forwarded to auditor."</p> <p>Principal Responsible: Marquez Jackson</p>

Finding		Handbook Policy	Management's Response
3	Cash Disbursements		
	RSM noted three out of five disbursements selected for testing did not have the required Purchase Requisition Form.	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."	<p>Response: "These were administrative purchases. A Purchase Request Form will be used in the future."</p> <p>Principal Responsible: Marquez Jackson</p>

SCHOOL: CROOKSHANK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
4	Repeat	Cash Disbursements	
RSM noted four out of five disbursements selected for testing were missing a required Purchase Order.		Section 5.03(e) states "All disbursements require a system generated purchase order, except the following: <ul style="list-style-type: none"> • Refunds • Funds sent to the District • Funds sent to another school • District bus transportation • Officials, FHSA, auditorium workers and gatekeepers • Filing and paying sales and use tax returns • Funds sent to the school cafeteria • Funds sent to the District School Foundation • Funds sent to the support organizations • Donations for charitable causes • Security" 	Response: "In the future a Purchase Order will be generated." Principal Responsible: Marquez Jackson

Finding		Handbook Policy	Management's Response
5	Repeat	Cash Receipts	
RSM noted one out of five cash receipts selected for testing did not have the required teacher signature.		Section 4.01(a)(iv): "The Report of Monies Collected Form shall show: <ol style="list-style-type: none"> (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 [...]" 	Response: "In the future we will ensure all cash receipts will be signed by the teacher." Principal Responsible: Marquez Jackson

SCHOOL: CROOKSHANK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
6	Extended Day		
	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."	<p>Response: "Due to our demographics, it is not always possible to assess and collect late fees."</p> <p>Principal Responsible: Marquez Jackson</p>

Finding		Handbook Policy	Management's Response
7	Fundraising Activities		
	During testing of fundraising activity, RSM noted 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."	<p>Response: "In the future, all fundraising will be documented as required."</p> <p>Principal Responsible: Marquez Jackson</p>

Finding		Handbook Policy	Management's Response
8	Repeat	Returned Checks	
	As of June 30, 2017, the accounts receivable total on the Cash Balance Report and NSF check listing have a variance of \$90.	Section 6.05(d): "At each month-end, a supporting schedule of outstanding NSF checks shall be prepared, listing the check number, date, name and amount for each NSF check pending reimbursement from the collection agency. This schedule should be attached with the monthly bank reconciliation. The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month."	<p>Response: "This item has been resolved from 2013/14 school year. Reimbursements were not recorded correctly."</p> <p>Principal Responsible: Marquez Jackson</p>

SCHOOL: CROOKSHANK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
9	Repeat	Yearbook	
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."	<p>Response: "In the future, yearbook reconciliation will be conducted by one person to avoid recording and documentation errors."</p> <p>Principal Responsible: Marquez Jackson</p>

SCHOOL: CUNNINGHAM CREEK ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Segregation of Duties		
	RSM noted the bookkeeper opens the mail and remits any funds to the front desk for receipting.	Section 4.02(c): "The bookkeeper shall not, under any circumstances, be the initial collector of any funds."	<p>Response: "CCE has a new secretary/bookkeeper for the '17-'18 year; new procedures will be in place."</p> <p>Principal Responsible: Edie Jarrell</p>

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
	Based on bookkeeper signature date on Report of Monies Collected, one of five receipts selected for testing were 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."	<p>Response: "New administration and procedures are in place for '17-'18."</p> <p>Principal Responsible: Edie Jarrell</p>

Finding		Handbook Policy	Management's Response
3	Repeat	Chart of Accounts	
	During testing of fundraising activity and donations, RSM noted not all funds received as a result of these activities were coded accurately.	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>Response: "CCE has a new secretary/bookkeeper for the '17-'18 year; new procedures will be in place."</p> <p>Principal Responsible: Edie Jarrell</p>

SCHOOL: DURBIN CREEK ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
RSM noted one out of five disbursements selected for testing was disbursed from the General Fund, but the expense did not benefit the student body.	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>Response: "The bookkeeper won't utilize funds from the General Fund unless it benefits the entire student body."</p> <p>Principal Responsible: Angie Fuller</p>	

Finding		Handbook Policy	Management's Response
2	Extended Day		
Extended Day Program states late fees will be assessed but does not quantify the amount of the late fee.	Extended Day Programs are required to provide a fee schedule to parents/guardians for the upcoming school year, including any/all fees that may apply.	<p>Response: "The Extended Day coordinator has decided to take away late fee charges and will be more consistent in following the payment calendar."</p> <p>Principal Responsible: Angie Fuller</p>	

Finding		Handbook Policy	Management's Response
3	Chart of Accounts		
RSM noted donated funds erroneously receipted to the Staff Activities Fund subaccount.	District Handbook states that Internal Account funds designated for general purposes shall be used to benefit the student body.	<p>Response: "The bookkeeper will verify that deposits are allocated in the appropriate accounts daily."</p> <p>Principal Responsible: Angie Fuller</p>	

SCHOOL: DURBIN CREEK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
4	Cash Receipts		
RSM noted one of five receipts selected for testing was not deposited in a timely manner.	<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>	<p>Response: "The bookkeeper will make sure that all the deposits are done within the five days allowed per the IA handbook."</p> <p>Principal Responsible: Angie Fuller</p>	

Finding		Handbook Policy	Management's Response
5	Chart of Accounts		
During testing of donations, RSM noted other funds which were incorrectly coded as donations. RSM also noted funds coded to the wrong subaccount.	<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>Response: "Funds will be returned to the appropriate accounts and will also carefully verify that all new funds go to the accurate account if applicable."</p> <p>Principal Responsible: Angie Fuller</p>	

Finding		Handbook Policy	Management's Response
6	Extended Day		
Extended Day fees were not collected in accordance with fee schedule. During the fiscal year ended June 30, 2017, late fees were imposed zero out of nine times they should have been imposed for the student selected for testing.	<p>Section 3.01(g)(viii): "Fees must be reconciled with attendance records and balanced monthly."</p>	<p>Response: "The Extended Day coordinator has decided to take away the late fee charges and will be more consistent in following the payment calendar."</p> <p>Principal Responsible: Angie Fuller</p>	

SCHOOL: FRUIT COVE MIDDLE SCHOOL

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
RSM noted two out of five disbursements selected for testing did not indicate the funding source on Purchase Requisition Form.	Section 5.02(a)(i): "[Purchase Requisition Form] should identify the Internal Account funding source requesting disbursement and the estimated maximum purchase amount, and the Principal should ensure that sufficient funds are available to fund the purchase."	<p>Response: "Going forward will pay close to attention to detail to ensure all forms are filled out completely."</p> <p>Principal Responsible: Kelly Jacobson</p>	

SCHOOL: GAINES ALTERNATIVE

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
RSM noted one out of five disbursements selected for testing was disbursed from the General Fund, but the expense did not benefit the student body.	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>Response: "A journal entry was done to correct the error for the proper budget line."</p> <p>Principal Responsible: Patricia McMahon</p>	

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
Based on bookkeeper signature date on Report of Monies Collected, one of five receipts 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."	<p>Response: "Retraining and policy clarification was completed."</p> <p>Principal Responsible: Patricia McMahon</p>	

SCHOOL: GAMBLE ROGERS MIDDLE

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
	<p>RSM noted a Purchase Requisition Form was completed as a blanket purchase order; however, the bookkeeper was unable to provide evidence of prior authorization. Expenditures under this purchase order totaled \$5,789 during fiscal year 2017.</p>	<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>	<p>Response: "We will make sure each purchase has a separate purchase requisition."</p> <p>Principal Responsible: Greg Bergamasco</p>

Finding		Handbook Policy	Management's Response
2	Cash Disbursements		
	<p>Corporate accounts were not used for Publix and Winn Dixie purchases.</p>	<p>Section 5.05(a)(i): "The District Purchasing Department will establish, with select vendors, the ability for schools to have corporate accounts."</p>	<p>Response: "We will set up corporate accounts."</p> <p>Principal Responsible: Greg Bergamasco</p>

SCHOOL: GAMBLE ROGERS MIDDLE (CONTINUED)

Finding		Handbook Policy	Management's Response
3	Cash Disbursements		
RSM noted convenience fees reimbursed to the bookkeeper exceeded the amount paid in tax on purchase.	<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>Response: "We will make sure convenience fees do not exceed the 7% as stated in the Internal Accounts handbook."</p> <p>Principal Responsible: Greg Bergamasco</p>	

Finding		Handbook Policy	Management's Response
4	Outstanding Checks		
RSM noted one outstanding check on the June 2017 bank reconciliation was dated prior to 2016.	<p>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...'"</p>	<p>Response: "We will be sure to follow the time frame."</p> <p>Principal Responsible: Greg Bergamasco</p>	

SCHOOL: GAMBLE ROGERS MIDDLE (CONTINUED)

Finding		Handbook Policy	Management's Response
5	Cash Disbursements		
	The bookkeeper's personal purchases, which were not reimbursed, were included in the receipts for Internal Accounts purchases.	Best Practices: Personal purchases should not be comingled with school purchases.	<p>Response: "We will make separate purchases."</p> <p>Principal Responsible: Greg Bergamasco</p>

Finding		Handbook Policy	Management's Response
6	Cash Disbursements		
	We noted \$4,519 disbursed from the General Fund for purposes that did not encompass the student body.	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>Response: "We will make separate purchases."</p> <p>Principal Responsible: Greg Bergamasco</p>

Finding		Handbook Policy	Management's Response
7	Segregation of Duties		
	During our testing, we noted \$13,520 of expenditures which had been paid for on the bookkeeper's personal credit card. The bookkeeper later reimbursed herself from the Internal Accounts.	<p>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."</p> <p>Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."</p>	<p>Response: "We will make separate purchases."</p> <p>Principal Responsible: Greg Bergamasco</p>

SCHOOL: HICKORY CREEK ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Yearbook		
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."	<p>Response: "Yearbook procedure defined in the Red Book was not correctly followed. This year's yearbook sponsor and bookkeeper have had a conversation about procedure, and the process will be handled appropriately."</p> <p>Principal Responsible: Joy Reichenberg</p>	

SCHOOL: JULINGTON CREEK ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Extended Day		
Monthly reconciliations between QuickBooks and Internal Accounts were performed with the exception of credit card transactions for the school year.	Section 3.01(g)(viii)(a): "The Principal is required to perform the following monitoring procedures: Review the attendance schedules, Extended Day revenue schedules and School accounting system revenue reports, and resolve any variances monthly. This monthly review will be documented by Principal, including sign-off and date of review."	<p>Response: "Principal, bookkeeper and Extended Day coordinator are working on a credit card reporting system that will resolve any variances found on the monthly reconciliation report."</p> <p>Principal Responsible: Jeannette Murphy</p>	

Finding		Handbook Policy	Management's Response
2	Extended Day		
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.	The District has set forth specific policies and standards in regards to the safeguarding of assets at Section 2.08 of Internal Accounts Handbook.	<p>Response: "The additional safe used by Extended Day will be adjusted or replaced to meet the compliance guidelines set forth by Section 2.08 of the Internal Accounts Handbook."</p> <p>Principal Responsible: Jeannette Murphy</p>	

SCHOOL: KETTERLINUS ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
During testing of fundraising activity, RSM noted funds related to a fieldtrip event incorrectly coded as fundraising revenue.	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>Response: "In the future, bookkeeper will make every effort to ensure correct object code is used."</p> <p>Principal Responsible: Kathy Tucker</p>	

SCHOOL: LANDRUM MIDDLE SCHOOL

Finding		Handbook Policy	Management's Response
1	Cash Receipts		
	RSM noted the total on the Report of Monies Collected was miscalculated for one out of five transactions selected for testing.	Section 4.01(f)(iii): "The bookkeeper will then count the funds being remitted and compare that total to the Report of Monies Collected Form total. The cash remitted must match the cash listed on the Report of Monies Collected, and the checks remitted must match the checks listed on the Report of Monies Collected. Any discrepancies will be addressed at that time between the bookkeeper and the teacher/sponsor."	Response: "Bookkeeper will always have the teacher make changes on the monies collected form." Principal Responsible: Ryan Player

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
	RSM noted the deposit slip total did not agree to the sum of all receipts for one of five deposits selected for testing.	Section 4.03(b)(iv): "Total all amounts for deposit and agree to the total receipts entered into the accounting system for the deposit."	Response: "Bookkeeper was brand new and misplaced monies collected form that went with deposited money." Principal Responsible: Ryan Player

Finding		Handbook Policy	Management's Response
3	Yearbook		
	RSM noted the Yearbook Reconciliation Form was changed to override locked formula-driven cells. We noted this resulted in the yearbook reconciliation to be out of balance.	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."	Response: "Bookkeeper will closely monitor all yearbook sales and reconciliation." Principal Responsible: Ryan Player

Finding		Handbook Policy	Management's Response
4	Cash Disbursements		
	Three of five disbursements selected for testing indicated the purchases were made prior to Principal approval on Purchase Requisition Form.	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."	Response: "Principal will always approve before purchases are made." Principal Responsible: Ryan Player

SCHOOL: LANDRUM MIDDLE SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
5	Repeat	Cash Receipts	
Based on the bookkeeper signature date on Report of Monies Collected, we noted five out of five receipts were 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."	Response: "Money will be counted the same day teacher turns it in." Principal Responsible: Ryan Player

Finding		Handbook Policy	Management's Response
6		Cash Receipts	
Official receipt numbers on Report of Monies Collected forms were missing from five 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."	Response: "Bookkeeper has already changed this practice since she learned this requirement on audit day." Principal Responsible: Ryan Player

Finding		Handbook Policy	Management's Response
7		Cash Receipts	
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.		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."	Response: "Bookkeeper will be sure to differentiate between cash and checks when entering deposits in Sungard." Principal Responsible: Ryan Player

Finding		Handbook Policy	Management's Response
8	Repeat	Outstanding Checks	
Four outstanding checks on the June 2017 bank reconciliation were dated prior to 2016.		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...'"	Response: "Outstanding checks from prior year and prior bookkeeper will be processed properly." Principal Responsible: Ryan Player

SCHOOL: LANDRUM MIDDLE SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
9	Tickets		
RSM noted 25 tickets, which were 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..."	<p>Response: "Bookkeeper has made all necessary changes to ensure tickets are correct."</p> <p>Principal Responsible: Ryan Player</p>	

SCHOOL: LIBERTY PINES ACADEMY

Finding		Handbook Policy	Management's Response
1	Tickets		
	For the event selected for testing, we noted the total number of tickets sold was miscalculated, resulting in the reconciliation not being completed accurately.	Section 4.04(a)(x): "The bookkeeper shall verify the accuracy of the ticket sales documentation..."	<p>Response: "The tickets were off by one number. The ticket amounts balanced; however, when listing the ticket numbers, we were off by one ticket as the coach put the money as a donation which in fact it was for a ticket. We will stress the importance of correct ticket number sales with the coaching staff for all sporting events."</p> <p>Principal Responsible: Traci Hemmingway</p>

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
	Erroneous information was not properly corrected on one of five cash receipts selected for testing.	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."	<p>Response: "The item in question was initialed by the employee; however, there was not a line through the correction. The total at the bottom reflected the correct total on the cash receipt. Upon reviewing the internal handbook, we are aware that a line must be drawn through, as well as the initial of the employee making the correction."</p> <p>Principal Responsible: Traci Hemmingway</p>

SCHOOL: LIBERTY PINES ACADEMY (CONTINUED)

Finding		Handbook Policy	Management's Response
3	Chart of Accounts		
	During testing of fundraising activity, RSM noted funds related to fundraising events incorrectly coded as other revenue sources.	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>Response: "The fundraiser was coded incorrectly, and we have spoken to the District and everyone is aware of the error. We will be diligent with coding in the future."</p> <p>Principal Responsible: Traci Hemmingway</p>

SCHOOL: MILL CREEK ELEMENTARY

Finding	Handbook Policy	Management's Response
<p>1</p> <p>During testing of fundraising activity and donations, RSM noted other funds that were incorrectly coded as fundraisers. As a result, the amount of funds donated to the outside organization exceeded the amount raised.</p> <p>We also noted the donation of funds raised for an outside organization was disbursed using a revenue code, which resulted in zero activity in the Cash Balance Report.</p>	<p>Chart of Accounts</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>The District requires a Fundraising Reconciliation Form to be completed at the end of the fundraising period.</p>	<p>Response: "The bookkeeper will run a monthly report to ensure that there are no keying errors. The funds from set IC021467 have been moved to the correct account through JE."</p> <p>Principal Responsible: Amanda Riedl</p>

SCHOOL: NEASE HIGH SCHOOL

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
One of five disbursements selected for testing did not indicate the funding source on Purchase Requisition Form.	Section 5.02(a)(i): "[Purchase Requisition Form] should identify the Internal Account funding source requesting disbursement and the estimated maximum purchase amount, and the Principal should ensure that sufficient funds are available to fund the purchase."	<p>Response: "Bookkeeper to ensure that all Purchase Requisition Forms are completed entirely to include the funding source."</p> <p>Principal Responsible: Lisa Kunze</p>	

Finding		Handbook Policy	Management's Response
2	Transfers		
11th Grade funds were transferred to Yearbook Club to clear negative balance at year-end. Transfer Form did not include approval of 11th Grade Class Head.	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>Response: "Bookkeeper to ensure all necessary transfer paperwork is complete with all necessary approvals."</p> <p>Principal Responsible: Lisa Kunze</p>	

Finding		Handbook Policy	Management's Response
3	Cash Disbursements		
Yearbook Club field trip was approved prior to availability of funds.	Section 5.02(a)(i): "[Purchase Requisition Form] should identify the Internal Account funding source requesting disbursement and the estimated maximum purchase amount, and the Principal should ensure that sufficient funds are available to fund the purchase."	<p>Response: "Principal and bookkeeper to ensure all funds are checked for availability prior to approval."</p> <p>Principal Responsible: Lisa Kunze</p>	

SCHOOL: NEASE HIGH SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
4	Cash Disbursements		
Yearbook Club field trip was funded by 11th Grade Class.	<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 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."</p>	<p>Response: "No field trips will be approved if a class, club or school organization does not have the funds to fund the trip."</p> <p>Principal Responsible: Lisa Kunze</p>	

SCHOOL: OCEAN PALMS ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Yearbook		
	<p>During testing of yearbook activity, RSM noted \$3,758 of vendor refunds were deposited into the General Fund and not restricted for use.</p>	<p>Section 9.04(a)(iii): "In instances where [yearbook] fund balances have been accumulated, one or more of the following is required:</p> <ol style="list-style-type: none"> 1) Future sale price of yearbooks should be reduced. 2) Purchase and/or maintain computer equipment and software exclusively for the production of the yearbook. 3) Purchase and/or maintain computer equipment and software exclusively for the production of the yearbook. 4) Expense related to training and travel (i.e. publishing and graphic design companies) for students working on the yearbook." <p>Section 3.01(a)(ii): "Separate accounts shall be maintained for various general activities when it is good business practice to separately monitor the financial status of the activity. Activities not accounted for separately shall be recorded in a miscellaneous account."</p> 	<p>Response: "This has been corrected. The balance has been moved to the yearbook account."</p> <p>Principal Responsible: Jessica Richardson</p>

SCHOOL: OSCEOLA ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
One of five cash receipts selected for testing was coded as an expenditure.	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>Response: "Mrs. Burney is aware of the appropriate codes to use for receipts and expenditures and will take measures to assure the proper codes are used in the future."</p> <p>Principal Responsible: Tina Waldrop</p>	

Finding		Handbook Policy	Management's Response
2	Chart of Accounts		
During testing of donations, RSM noted donations received incorrectly coded as donation expenditures.	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>Response: "Mrs. Burney is aware of the appropriate codes to use for receipts and expenditures and will take measures to assure the proper codes are used in the future."</p> <p>Principal Responsible: Tina Waldrop</p>	

Finding		Handbook Policy	Management's Response
3	Segregation of Duties		
During testing of disbursements, RSM noted reimbursements to Principal in which the Principal made a purchase, approved reimbursement and signed the check made payable to herself.	<p>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."</p> <p>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."</p>	<p>Response: "In this instance, several checks were presented at one time to the Principal for her signature, and she accidentally signed a check for her own reimbursement. Both the Principal and the bookkeeper are aware that they are not allowed to sign a check made payable to them."</p> <p>Principal Responsible: Tina Waldrop</p>	

SCHOOL: OSCEOLA ELEMENTARY (CONTINUED)

	Finding	Handbook Policy	Management's Response
4		Cash Disbursements	
	Two of five disbursements selected for testing indicated the purchase was made prior to Principal approval on Purchase Requisition Form.	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."	<p>Response: "The Principal and bookkeeper are aware of this policy and measures are taken to assure it is followed through. We apologize for these two instances that were handled incorrectly."</p> <p>Principal Responsible: Tina Waldrop</p>

SCHOOL: OTIS MASON ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
One of five cash disbursements selected for testing was coded as revenue.	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>Response: "Revenue and expenditure codes have been reviewed. This will be corrected going forward."</p> <p>Principal Responsible: Nigel Pillay</p>	

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
RSM noted VPK revenues were improperly recorded into the Principal's Discretionary Fund.	Section 4.15(b): "The Principal's Discretionary Fund is an Internal Accounts Trust fund [...] that can be funded only once a year by revenue sources from the General Fund (i.e. commissions, donations, parking fines and fees and bank interest)."	<p>Response: "This was an error from the previous bookkeeper. The solution to this has been reviewed. This will not continue."</p> <p>Principal Responsible: Nigel Pillay</p>	

Finding		Handbook Policy	Management's Response
3	Cash Disbursements		
One of five disbursements selected for testing indicated the purchase was made prior to Principal approval on Purchase Requisition Form.	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."	<p>Response: "Date requirements have been addressed."</p> <p>Principal Responsible: Nigel Pillay</p>	

Finding		Handbook Policy	Management's Response
4	Cash Receipts		
Based on bookkeeper signature date on Report of Monies Collected, three of five receipts selected for testing were 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."	<p>Response: "Bookkeeper will receive money within 24 hours of money being collected. Training provided indicated one week time was acceptable. Policy noted."</p> <p>Principal Responsible: Nigel Pillay</p>	

SCHOOL: OTIS MASON ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
5	Extended Day		
RSM noted one of four quarterly Principal audits was not performed 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."	<p>Response: "Audit requirements for Extended Day have been noted. New bookkeeper will make necessary adjustments moving forward."</p> <p>Principal Responsible: Nigel Pillay</p>	

SCHOOL: PALENCIA ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Cash Receipts		
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.	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>Response: "Teachers have been reminded that all funds are to be submitted on the day they were received."</p> <p>Principal Responsible: Allen Anderson</p>	

SCHOOL: PATRIOT OAKS ACADEMY

Finding		Handbook Policy	Management's Response
1	Tickets		
	For the event selected for testing, total tickets sold was miscalculated. The Report of Tickets Sold indicated a cash overage.	Section 4.04(a)(x): "The bookkeeper shall verify the accuracy of the ticket sales documentation..."	<p>Response: "Tickets were not counted correctly; therefore, our money was off according to the audit. Heather, the auditor, exampled to Vanessa and myself what she did wrong and going forward the tickets will be counted correctly."</p> <p>Principal Responsible: Allison Olson</p>

SCHOOL: PONTE VEDRA HIGH SCHOOL

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
One of five cash receipts selected for testing was coded as an expenditure.	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>Response: "All efforts to process with correct object codes."</p> <p>Principal Responsible: Dr. Fred Oberkehr</p>	

Finding		Handbook Policy	Management's Response
2	Yearbook		
During testing of yearbook activity, RSM noted other funds which were incorrectly coded to the yearbook account.	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."	<p>Response: "Prior to processing any deposits, accounts will be verified for correctness."</p> <p>Principal Responsible: Dr. Fred Oberkehr</p>	

Finding		Handbook Policy	Management's Response
3	Chart of Accounts		
One of five disbursements selected for testing was coded to the wrong subaccount.	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>Response: "All efforts to process with correct object codes."</p> <p>Principal Responsible: Dr. Fred Oberkehr</p>	

Finding		Handbook Policy	Management's Response
4	Tickets		
RSM noted one ticket, which was 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..."	<p>Response: "All tickets will be reverified to ensure documentation is correct on all forms."</p> <p>Principal Responsible: Dr. Fred Oberkehr</p>	

SCHOOL: PVPV/RAWLINGS ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Repeat	Cash Disbursements	
Three of five disbursements selected for testing indicated the purchase was made prior to Principal approval on Purchase Requisition Form.		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."	<p>Response: "Every effort will be made to be sure all disbursements are pre-approved."</p> <p>Principal Responsible: Catherine Van Housen</p>

Finding		Handbook Policy	Management's Response
2		Cash Receipts	
One of five cash receipts selected for testing was not deposited in a timely manner.		<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>	<p>Response: "Staff will be reminded that monies collected will be turned into the bookkeeper daily."</p> <p>Principal Responsible: Catherine Van Housen</p>

Finding		Handbook Policy	Management's Response
3	Repeat	Extended Day	
RSM noted one of four quarterly Principal audits was not performed 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."	<p>Response: "Extended Day is here for ten months; therefore, it would seem better to complete an audit report every three months with a final report at the end of the school year."</p> <p>Principal Responsible: Catherine Van Housen</p>

SCHOOL: PVPV/RAWLINGS ELEMENTARY (CONTINUED)

Finding	Handbook Policy	Management's Response
<p>4</p> <p>During testing of fundraising activity, RSM noted funds related to fundraising events incorrectly coded as other revenue sources.</p>	<p>Chart of Accounts</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>Response: "It is noted that the sale of popcorn for the fundraising activity should have been coded to 'Fundraising' instead of 'General Sales.'"</p> <p>Principal Responsible: Catherine Van Housen</p>

SCHOOL: RJ MURRAY MIDDLE SCHOOL

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
	One of five cash disbursements selected for testing was coded as revenue.	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>Response: "Every attempt is made to follow the Internal Accounts Handbook policy and usage of the provided listing of object codes for receipts and disbursements. We discussed the importance of ensuring the proper object codes are used on cash receipts to ensure revenue and expenditure activity is properly stated. In the future, this process will be set forth to ensure compliance."</p> <p>Principal Responsible: Tom Schwarm</p>

Finding		Handbook Policy	Management's Response
2	Repeat	Cash Receipts	
	One of five cash receipts selected for testing was not deposited in a timely manner.	<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>	<p>Response: "Every attempt is made to follow the Internal Accounts Handbook policy regarding the remittance and collection of receipts and monies collected forms. We discussed the appropriate procedures for remittance/collection of receipts and monies collected forms to ensure deposits are made timely. In the future, this process will be set forth to ensure compliance with the Internal Accounts Handbook."</p> <p>Principal Responsible: Tom Schwarm</p>

SCHOOL: RJ MURRAY MIDDLE SCHOOL (CONTINUED)

Finding	Handbook Policy	Management's Response
<p>3</p> <p>During testing of fundraising activity and donations, RSM noted not all funds received as a result of these activities were coded accordingly.</p>	<p>Chart of Accounts</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>Response: "Every attempt is made to follow the Internal Accounts Handbook policy and usage of the provided listing of object codes for receipts and disbursements. We discussed the importance of ensuring the proper object codes are used on cash receipts to ensure revenue and expenditure activity is properly stated. In the future, this process will be set forth to ensure compliance."</p> <p>Principal Responsible: Tom Schwarm</p>

SCHOOL: SEBASTIAN MIDDLE SCHOOL

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
One of five cash receipts selected for testing was coded as an expenditure.	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>Response: "Will review internally." Principal Responsible: Wayne King</p>	

Finding		Handbook Policy	Management's Response
2	Cash Disbursements		
One of five disbursements selected for testing indicated the purchase was made prior to Principal approval on Purchase Requisition Form.	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."	<p>Response: "Will review internally." Principal Responsible: Wayne King</p>	

Finding		Handbook Policy	Management's Response
3	Cash Disbursements		
One of five disbursements tested was not considered timely.	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.	<p>Response: "Will review internally." Principal Responsible: Wayne King</p>	

SCHOOL: SOUTH WOODS ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
	Two of five disbursements selected for testing was disbursed from the General Fund, but the expenses did not benefit the student body.	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>Response: "For the 2017-2018 school year, we will use the Principal Discretionary account to make purchases that do not benefit the entire school body."</p> <p>Principal Responsible: Randy Kelley</p>

Finding		Handbook Policy	Management's Response
2	Cash Disbursements		
	One of five disbursements selected for testing did not indicate the funding source on Purchase Requisition Form.	Section 5.02(a)(i): "[Purchase Requisition Form] should identify the Internal Account funding source requesting disbursement and the estimated maximum purchase amount, and the Principal should ensure that sufficient funds are available to fund the purchase."	<p>Response: "When approving the Purchase Requisition Form, we will be sure to identify the account being used for the purchase."</p> <p>Principal Responsible: Randy Kelley</p>

Finding		Handbook Policy	Management's Response
3	Cash Receipts		
	Deposit slip total did not agree to the sum of all receipts for two of five deposits selected for testing.	Section 4.03(b)(iv): "Total all amounts for deposit and agree to the total receipts entered into the accounting system for the deposit."	<p>Response: "When preparing deposits, money will be carefully double checked for accuracy."</p> <p>Principal Responsible: Randy Kelley</p>

SCHOOL: SOUTH WOODS ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
4	Segregation of Duties		
	During testing of disbursements, RSM noted reimbursements to Principal in which the Principal made a purchase, approved reimbursement and signed the check made payable to himself.	<p>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."</p> <p>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."</p>	<p>Response: "When issuing reimbursements to the Principal or secretary, we will make sure to have the third designated signer sign the Purchase Requisition Form and check. We will use corporate accounts when possible to limit reimbursements."</p> <p>Principal Responsible: Randy Kelley</p>

Finding		Handbook Policy	Management's Response
5	Repeat	Extended Day	
	RSM noted the Principal did not sign off on the quarterly audits for the fiscal year ended June 30, 2017.	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."	<p>Response: "When performing quarterly audits, the Principal will sign off on each one."</p> <p>Principal Responsible: Randy Kelley</p>

Finding		Handbook Policy	Management's Response
6	Repeat	Outstanding Checks	
	RSM noted four outstanding checks on the June 2017 bank reconciliation were dated prior to 2016.	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...'"	<p>Response: "The four outstanding checks were from 2015. We are in the process of clearing these checks up."</p> <p>Principal Responsible: Randy Kelley</p>

SCHOOL: SOUTH WOODS ELEMENTARY (CONTINUED)

Finding	Handbook Policy	Management's Response
<p>7</p> <p>As of June 30, 2017, accounts receivable total had a deficit balance of \$11 on Cash Balance Report. RSM noted no NSF checks pending reimbursement.</p>	<p>Returned Checks</p> <p>Section 6.05(d): "At each month-end, a supporting schedule of outstanding NSF checks shall be prepared, listing the check number, date, name and amount for each NSF check pending reimbursement from the collection agency. This schedule should be attached with the monthly bank reconciliation. The Accounts Receivable ending total on the Cash Balance Report should agree to the balance of returned checks pending reimbursement from the collection agency at the end of the month."</p>	<p>Response: "The \$11 deficit has been turned over to SJCSD accounting to determine how to resolve the issue. Once determined, action will take place."</p> <p>Principal Responsible: Randy Kelley</p>

SCHOOL: ST. JOHNS TECHNICAL HIGH SCHOOL

Finding		Handbook Policy	Management's Response
1	Repeat	Chart of Accounts	
Four of five cash receipts selected for testing were coded as an expenditure.		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>Response: "We will review the listing of object codes and chart of accounts to assign the proper codes."</p> <p>Principal Responsible: Cynthia Williams</p>

Finding		Handbook Policy	Management's Response
2		Cash Receipts	
One of five cash receipts selected for testing was a direct deposit into the school's bank account. This was originally recorded as a cash deposit where it should have been recorded as a journal entry and approved by the Principal.		Section 6.03(c)(iv): "The Principal must approve all adjustments by signing off on the Journal Entry Form [...] Adjustments are utilized for: (iv) Recording bank direct deposits or direct withdrawals."	<p>Response: "Principal will make sure to sign the Journal Entry Form on all direct deposits."</p> <p>Principal Responsible: Cynthia Williams</p>

Finding		Handbook Policy	Management's Response
3		Cash Disbursements	
Three of five disbursements selected for testing were disbursed from the General Fund, but the expenses did not benefit the student body.		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>Response: "All clubs and classes will be set up so that proper disbursements are being used by the correct group."</p> <p>Principal Responsible: Cynthia Williams</p>

SCHOOL: ST. JOHNS TECHNICAL HIGH SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
4	Segregation of Duties		
<p>During testing of disbursements, RSM noted reimbursements to the Principal in which the Principal made a purchase, approved reimbursement and signed the check made payable to herself.</p>		<p>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."</p> <p>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."</p>	<p>Response: "Assistant Principal will review the internal procedures and will approve and sign for reimbursements going to the Principal or bookkeeper."</p> <p>Principal Responsible: Cynthia Williams</p>

Finding		Handbook Policy	Management's Response
5	Repeat	Outstanding Checks	
<p>One outstanding check on the June 2017 bank reconciliation was dated prior to 2016.</p>		<p>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...'"</p>	<p>Response: "We will follow the procedures to unclaimed property to resolve this issue."</p> <p>Principal Responsible: Cynthia Williams</p>

Finding		Handbook Policy	Management's Response
6	Safe		
<p>RSM noted the safe combination was due to be changed January 7, 2017, based on the three-year rule in the handbook. The safe combination had not been changed as of August 2017.</p>		<p>Section 2.08(d): "The safe combination shall be changed whenever there is a change in administrative personnel and/or bookkeeper or at the end of every third year..."</p>	<p>Response: "An appointment has been made for vendor to change the safe combination."</p> <p>Principal Responsible: Cynthia Williams</p>

SCHOOL: ST. JOHNS TECHNICAL HIGH SCHOOL (CONTINUED)

Finding		Handbook Policy	Management's Response
7	Donations		
During testing of donations, RSM noted donations under \$3,000 which were not documented 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 less than \$3,000 may be accepted by a Principal or department head based on the criteria listed in Board Policy 7.052."	<p>Response: "We will make sure all donations to the school are documented on the Donation Form."</p> <p>Principal Responsible: Cynthia Williams</p>	

Finding		Handbook Policy	Management's Response
8	Chart of Accounts		
Two of five transactions selected for testing were coded to the wrong sub account.	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>Response: "We will review the listing of object codes and chart of accounts to assign the proper codes."</p> <p>Principal Responsible: Cynthia Williams</p>	

SCHOOL: SWITZERLAND POINT MIDDLE SCHOOL

Finding		Handbook Policy	Management's Response
1	Cash Receipts		
Student names were not listed on one of five cash receipts selected for testing.	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. If the student and parent last names differ, include the parent name on the Report of Monies Collected Form."	<p>Response: "Further training cleared any misunderstandings. This has been an effective strategy to prevent any further reoccurrence."</p> <p>Principal Responsible: Kirstie Gabaldon</p>	

Finding		Handbook Policy	Management's Response
2	Chart of Accounts		
One of five cash disbursements selected for testing was a cash receipt erroneously coded as an expenditure.	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>Response: "Further training cleared any misunderstandings. This has been an effective strategy to prevent any further reoccurrence."</p> <p>Principal Responsible: Kirstie Gabaldon</p>	

Finding		Handbook Policy	Management's Response
3	Cash Receipts		
Based on bookkeeper signature date on Report of Monies Collected, four of five receipts were 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."	<p>Response: "Further training cleared any misunderstandings. This has been an effective strategy to prevent any further reoccurrence."</p> <p>Principal Responsible: Kirstie Gabaldon</p>	

SCHOOL: THE WEBSTER SCHOOL

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
One of five disbursements was not considered timely.	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.	<p>Response: "Payments will be made within 45 days."</p> <p>Principal Responsible: Bethany Groves</p>	

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
Erroneous information was not properly corrected on one of five cash receipts selected for testing.	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."	<p>Response: "Corrections will be made correctly."</p> <p>Principal Responsible: Bethany Groves</p>	

Finding		Handbook Policy	Management's Response
3	Cash Receipts		
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.	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."	<p>Response: "Mrs. Witt will proofread deposit slips carefully."</p> <p>Principal Responsible: Bethany Groves</p>	

SCHOOL: TIMBERLIN CREEK ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Cash Disbursements		
	<p>During our testing, we noted \$21,283 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>	<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>	<p>Response: "All future purchases will have prior approval in accordance with the Internal Accounts handbook."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
2	Cash Disbursements		
	<p>Gift cards totaling \$100, were purchased using funds from Internal Accounts.</p>	<p>Section 5.03(d)(i)(3): "The purchase of gift cards for any reason is prohibited, regardless of the source of funds."</p>	<p>Response: "In the future, as gift cards are not permissible, gift cards will not be purchased with Internal Accounts."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
3	Cash Disbursements		
	<p>Corporate accounts were not used for Dominos, Publix and Winn Dixie purchases. We observed \$1,941 in purchases in which the corporate account was not used during our testing of fiscal year 2017.</p>	<p>Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."</p>	<p>Response: "The school will set up corporate accounts for Internal Accounts purchases."</p> <p>Principal Responsible: Linda Edel</p>

SCHOOL: TIMBERLIN CREEK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
4	Cash Disbursements		
	<p>Sales tax in the amount of \$315 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>Response: "The school will ensure that no taxes are paid and that the convenience fee will be used for those instances for parents and volunteers."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
5	Cash Disbursements		
	<p>Disbursements from General Fund did not encompass the entire student body. \$9,455 in fiscal year 2017.</p>	<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>Response: "We will ensure that all purchases made from the General Fund will benefit the student body."</p> <p>Principal Responsible: Linda Edel</p>

SCHOOL: TIMBERLIN CREEK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
6	Donations		
<p>During testing of donations, RSM noted a \$15,327 donation recorded in Sungard as ten separate transactions, all of which were below the \$3,000 threshold for District approval.</p> <p>RSM also notes Donation Approval forms were not completed.</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>Response: "Donations received by the school will have proper approval and will follow the guidelines in the Internal Accounts handbook."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
7	Yearbook		
<p>Yearbook Reconciliation Form was changed to override locked formula-driven cells. Therefore, correction of the form resulted in the yearbook reconciliation to be out of balance.</p>		<p>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."</p>	<p>Response: "Yearbook reconciliations will be properly documented and reconciled."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
8	Cash Receipts		
<p>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.</p>		<p>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."</p>	<p>Response: "The school will implement processes to ensure that cash and checks received agrees with deposit."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
9	Repeat	Chart of Accounts	
<p>During testing of fundraising activity, RSM noted funds related to fundraising events coded to the wrong subaccount.</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>Response: "In the future, the school will establish procedures governing fundraising donations and the proper coding of those activities."</p> <p>Principal Responsible: Linda Edel</p>

SCHOOL: TIMBERLIN CREEK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
10	Fundraising Activities		
	During testing of fundraising activity, RSM noted a 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."	<p>Response: "The Fundraising Activity Form will be authorized appropriately for all fundraising activities."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
11	Segregation of Duties		
	The bookkeeper was reimbursed for purchases previously reimbursed, totaling \$1,755 in fiscal year 2017.	<p>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."</p> <p>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."</p>	<p>Response: "This practice will no longer continue at the school."</p> <p>Principal Responsible: Linda Edel</p>

SCHOOL: TIMBERLIN CREEK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
12	Segregation of Duties		
We noted \$25 reimbursed to the bookkeeper, which appeared to be for personal purchases.	<p>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."</p> <p>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."</p>	<p>Response: "This practice will no longer continue at the school."</p> <p>Principal Responsible: Linda Edel</p>	

Finding		Handbook Policy	Management's Response
13	Segregation of Duties		
The bookkeeper's personal purchases, which were not reimbursed, were included in the receipts for Internal Accounts purchases.	<p>Best Practices: Personal purchases should not be comingled with school purchases.</p>	<p>Response: "This practice will no longer continue at the school."</p> <p>Principal Responsible: Linda Edel</p>	

SCHOOL: TIMBERLIN CREEK ELEMENTARY (CONTINUED)

Finding		Handbook Policy	Management's Response
14	Segregation of Duties		
	<p>The bookkeeper reimbursed herself for purchases made in prior fiscal years. We observed \$8,327 of these expenses during our testing.</p>	<p>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."</p> <p>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."</p>	<p>Response: "This practice will no longer continue at the school."</p> <p>Principal Responsible: Linda Edel</p>

Finding		Handbook Policy	Management's Response
15	Cash Disbursements		
	<p>During our testing, we noted \$21,283 of expenditures which had been paid for on the bookkeeper's personal credit card. The bookkeeper later reimbursed herself from the Internal Accounts.</p>	<p>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."</p> <p>Section 5.05(a)(i): "The District Purchasing Department will establish with select vendors the ability for schools to have corporate accounts."</p>	<p>Response: "This practice will no longer continue at the school."</p> <p>Principal Responsible: Linda Edel</p>

SCHOOL: VALLEY RIDGE ACADEMY

Finding		Handbook Policy	Management's Response
1	Chart of Accounts		
One of five cash receipts selected for testing was coded as an expenditure.	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>Response: "Bookkeeper was reminded of proper object codes to be used for receipts and disbursements."</p> <p>Principal Responsible: Sandra McMandon</p>	

Finding		Handbook Policy	Management's Response
2	Repeat	Extended Day	
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."	<p>Response: "New Extended Day coordinator is aware of fee schedule and will collect fees and assess late fees as stated on our Extended Day Fee Schedule."</p> <p>Principal Responsible: Sandra McMandon</p>	

SCHOOL: WD HARTLEY ELEMENTARY

Finding		Handbook Policy	Management's Response
1	Cash Receipts		
	One of five deposits selected for testing did not list amount of cash in the deposit.	Section 4.03(b)(v): "A bank deposit slip shall be prepared in duplicate. The bank deposit slip should include a separate listing of cash and checks in the deposit."	<p>Response: "I failed to list the cash amount on the deposit slip. The cash amount was listed correctly on the bank envelope and the deposit was correct, so the bank never questioned it. I will strive to make sure all deposit slips are completed."</p> <p>Principal Responsible: Antonio Scott</p>

Finding		Handbook Policy	Management's Response
2	Cash Receipts		
	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.	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."	<p>Response: "I had a monies collected form from a teacher who incorrectly listed a student as paying cash instead of listing the check number. I will make every effort to catch these errors prior to posting the deposit."</p> <p>Principal Responsible: Antonio Scott</p>

Finding		Handbook Policy	Management's Response
3	Chart of Accounts		
	One of five transactions selected for testing was coded to the wrong sub account.	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>Response: "I had a report for the 2nd grade account that was posted to the 5th grade account. I am very careful to deposit monies to the correct accounts, and I feel this was a typo and I accidentally hit the five instead of the two on the keypad. I have since made the correction to transfer these funds to the right account."</p> <p>Principal Responsible: Antonio Scott</p>

SCHOOL: WD HARTLEY ELEMENTARY (CONTINUED)

	Finding	Handbook Policy	Management's Response
4		Cash Receipts	
	Erroneous information was not properly corrected on one of five cash receipts selected for testing.	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."	<p>Response: "I had a teacher who listed several students on their monies collected form, then scratched the students off. In the future, I will not accept the forms without those corrections being made according to the handbook rules."</p> <p>Principal Responsible: Antonio Scott</p>