

School District of Flagler County



District School Internal Activity Funds

*Financial Statements
And
Independent Accountants' Report*

June 30, 2015

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SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS' REPORT
June 30, 2015

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INDEPENDENT ACCOUNTANTS' REPORT

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INDEPENDENT AUDITORS' REPORT

The Honorable Chair Person, District School
Board Members and Superintendent
School District of Flagler County, Florida
Bunnell, Florida

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the District School Internal Activity Funds of the School District of Flagler County, Florida, as of and for the year ended June 30, 2015, and the related statement of changes in fiduciary net position, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in the *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 statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net

position of the District School Internal Activity Funds of the School District of Flagler County, Florida, as of June 30, 2015, and the respective changes in fiduciary net position on the basis of accounting described in Note 1.

Emphasis of Matter

As described more fully in Note 1, the accompanying financial statements present only the District School Internal Activity Funds of the School District of Flagler County, Florida, and do not purport to, and do not, present fairly the financial position of the School District of Flagler County, Florida, as of June 30, 2015 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted inclusion of Management Discussion and Analysis (MD&A) in these financial statements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the statements of fiduciary net position and changes in fiduciary net position of the District School Internal Activity Funds of the School District of Flagler County, Florida, taken as a whole. The accompanying combining and individual schedules of changes in fiduciary net position are presented for purposes of additional analysis and are not part of the basic financial statements.

The combining and individual schedules of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual schedules of changes in fiduciary net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2015, on our consideration of the School District of Flagler County, Florida's internal control over financial reporting 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Flagler County, Florida's internal control over financial reporting and compliance.

BMC CPAs

October 1, 2015

FINANCIAL SECTION

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DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION -
ALL DISTRICT SCHOOLS
June 30, 2015

Statement 1

Assets:		
Cash and Cash Equivalents:		
Demand Deposits.....	\$	1,679,235
Total Assets.....		<u>\$ 1,679,235</u>
Liabilities and Net Position		
Liabilities:		
Due to student/teacher/parent groups.....	\$	1,679,235
Total Liabilities.....		1,679,235
Net Position.....		<u> -</u>
Total Liabilities and Net Position.....		<u>\$ 1,679,235</u>

The accompanying notes are an integral part of the financial statements.

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGER COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
ALL DISTRICT SCHOOLS
For the Fiscal Year Ended June 30, 2015

Statement 2

	July 1, 2014	Additions	Deletions	June 30, 2015
Assets:				
Cash and cash equivalents.....	\$ 1,583,505	2,581,674	2,485,944	1,679,235
Total assets.....	1,583,505	2,581,674	2,485,944	1,679,235
Liabilities and Net Position:				
Liabilities:				
Due to student/teacher/parent groups.....	1,583,505	2,581,674	2,485,944	1,679,235
Total liabilities.....	1,583,505	2,581,674	2,485,944	1,679,235
Net Position.....	\$ -	-	-	-

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District School Internal Activity Funds of the School District of Flagler County, Florida, have been prepared in conformance with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies:

Reporting Entity

The School District of Flagler County (the "District") was established pursuant to Section 230.01, Florida Statutes, to provide public educational services for the residents of Flagler County, Florida. Those services are provided primarily to students attending kindergarten through high school, but also to adults seeking vocational training.

As of the year ended June 30, 2015, the District operated 17 schools and education centers which maintained a separate district school internal activity fund established pursuant to District policies and State statutes. The internal activity funds of the District schools and education centers include monies collected and expended within a school which are used for financing the normal program of school activities not otherwise financed by District funds; for providing necessary and proper services and materials for school activities; and for other purposes consistent with the school program as established and approved by the District school board. The District school internal activity funds are the responsibility of the District school board, which is also responsible for developing the necessary systems to ensure that all funds are properly accounted for through use of generally recognized accounting procedures and effectively administered through adherence to internal funds policies of the school board, applicable Florida Statutes, and the provisions of "Financial and Program Cost Accounting and Reporting for Florida Schools" developed by the Florida Department of Education.

Based upon policies adopted by the District, funds collected in connection with summer program activities; funds derived from school athletic events; gifts and contributions made by band or athletic booster clubs, civic organizations, parent-teacher organizations, and commercial agencies; and all other similar monies, properties, or benefits may be included in internal funds of the school. The cash funds included in the internal activity funds are the property of the various departments, clubs, and projects, and not that of the District. However, once these funds are collected by District personnel and subsequently deposited into the respective internal activity fund bank accounts, the cash receipts and subsequent disposition of all funds must comply with the guidelines and requirements of the Florida Department of Education and the District. The combined balances of all schools and education centers' internal activity accounts are included as agency funds in the School Board's comprehensive annual financial report.

The internal activity funds of the following schools and education centers are included herein:

- Administrative Office, Bunnell, FL
- Adult Education, Palm Coast, FL
- Belle Terre Elementary School, Palm Coast, FL
- Buddy Taylor Middle School, Palm Coast, FL
- Bunnell Elementary School, Bunnell, FL
- Community Education, Palm Coast, FL
- Early Childhood Education, Bunnell, FL
- Everest Alternative School, Palm Coast, FL

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)
For the Fiscal Year Ended June 30, 2015

Exceptional Student Education (ESE), Bunnell, FL
Flagler Palm Coast High School, Palm Coast, FL
Indian Trails K-8 School, Palm Coast, FL
Matanzas High School, Palm Coast, FL
Old Kings Elementary School, Palm Coast, FL
Phoenix Academy, Palm Coast, FL
Rymfire Elementary School, Palm Coast, FL
Student Services, Bunnell, FL
Wadsworth Elementary School, Palm Coast, FL

The cash transactions and balances relating to petty cash and school lunch funds are not included in the accompanying financial statements because they are accounted for by the District.

Basis of Presentation

In accordance with Florida Statutes, the District's financial records account for its student activity accounts as an agency fund. This fund is composed of separate sub-funds to account for each District school's internal activity fund account. The operations of each sub-fund are accounted for with a separate set of self-balancing accounts that comprise each school's assets, liabilities and net position. The statement of changes in fiduciary net position is prepared on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents represent cash in checking and money market accounts and include all highly liquid investments with initial maturities of three months or less. Cash deposits of the District are held in banks qualified as public depositories under Florida Statute Chapter 280. All such deposits are insured by Federal depository insurance.

Fixed Assets

All qualifying fixed assets acquired with the proceeds of internal activity funds are reported as cash disbursements in the statements of changes in cash balances arising from cash transactions. All personal property acquired with internal activity funds becomes the property of the District.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2015, the carrying value of the District's cash deposit accounts totaled \$1,679,235 and the bank balance totaled \$1,731,140. The cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act (mentioned below) as required by Chapter 280, Florida Statutes and are fully insured.

Interest Rate Risk. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The District shall endeavor to mitigate the risk of loss due to interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities.

Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer. The District shall

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGER COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)
For the Fiscal Year Ended June 30, 2015

endeavor to mitigate the risk of loss due to credit risk by limiting investments to the safest types of securities; pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which an entity will do business; and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. The District's Investment Policy (Fiscal Management Policy Number 719) limits its investments to 1) bids from qualified depositories; 2) financial deposit instruments insured by the Federal Deposit Insurance Corporation (FDIC); 3) time deposits; 4) securities of the United States Government; 5) state managed cooperative investment plans, or 6) other forms of authorized investments. Should the District choose to enter into third-party custodial agreements, master purchase agreements or security purchase agreements, it shall do so in accordance with section 218.415 Florida Statutes. The District does not invest in derivative products.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act* ("the Act"), the State of Florida, Department of Financial Services, Division of Treasury, Bureau of Collateral Management have established specific requirements relative to the security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in the State of Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State's Chief Financial Officer as eligible to receive deposits from qualifying depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State's Chief Financial Officer to secure such deposits. Additional collateral, up to a maximum of 125%, may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the United States government, and any state thereof, and are held in the name of the State Chief Financial Officer's office. Compliance with the provisions of Chapter 280, Florida Statutes, is monitored by a Qualified Public Depository Oversight Board with members appointed by the State Chief Financial Officer.

At June 30, 2015, all of the District's deposits were adequately covered by a combination of federal depository insurance and the statutory provisions of the Act.

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SUPPLEMENTAL INFORMATION

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DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 ALL DISTRICT SCHOOLS
 For the Fiscal Year Ended June 30, 2015

Schedule 1

	July 1, 2014	Additions	Deductions	June 30, 2015
Assets:				
Cash and Cash Equivalents:				
Administrative Office.....	\$ 35,721	76,082	65,899	45,904
Adult Education.....	249,308	143,402	117,252	275,458
Belle Terre Elementary School.....	81,344	172,017	156,116	97,245
Buddy Taylor Middle School.....	83,438	130,326	114,529	99,235
Bunnell Elementary School.....	32,723	83,786	86,453	30,056
Community Education.....	17,208	11,957	2,186	26,979
Early Childhood Education.....	-	2,976	1,944	1,032
Everest Alternative School	18,926	-	1,547	17,379
Exceptional Student Education (ESE).....	4,228	2,750	452	6,526
Flagler Palm Coast High School.....	308,338	818,864	829,565	297,637
Indian Trails K-8 School.....	167,619	108,013	108,008	167,624
Matanzas High School.....	276,833	565,802	520,915	321,720
Old Kings Elementary School.....	125,531	235,163	233,684	127,010
Phoenix Academy.....	7,782	15,524	18,452	4,854
Rymfire Elementary School.....	76,862	102,836	117,708	61,990
Student Services.....	13,285	19,057	23,019	9,323
Wadsworth Elementary School.....	84,359	93,119	88,215	89,263
Total assets.....	<u>1,583,505</u>	<u>2,581,674</u>	<u>2,485,944</u>	<u>1,679,235</u>
Liabilities and Net Position:				
Liabilities:				
Due to student/teacher/parent groups.....	<u>1,583,505</u>	<u>2,581,674</u>	<u>2,485,944</u>	<u>1,679,235</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
ADMINISTRATIVE OFFICE
For the Fiscal Year Ended June 30, 2015

Schedule 2

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Trusts.....	\$ 1,038	51,218	42,361	-	9,895
General.....	<u>34,683</u>	<u>24,864</u>	<u>23,538</u>	<u>-</u>	<u>36,009</u>
Total assets.....	<u>35,721</u>	<u>76,082</u>	<u>65,899</u>	<u>-</u>	<u>45,904</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>35,721</u>	<u>76,082</u>	<u>65,899</u>	<u>-</u>	<u>45,904</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
ADULT EDUCATION
For the Fiscal Year Ended June 30, 2015

Schedule 3

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Classes.....	\$ 20,411	6,568	8,084	(326)	18,569
Trusts.....	54,713	28,194	28,255	(1,772)	52,880
General.....	<u>174,184</u>	<u>108,640</u>	<u>80,913</u>	<u>2,098</u>	<u>204,009</u>
Total assets.....	<u>249,308</u>	<u>143,402</u>	<u>117,252</u>	<u>-</u>	<u>275,458</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>249,308</u>	<u>143,402</u>	<u>117,252</u>	<u>-</u>	<u>275,458</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
BELLE TERRE ELEMENTARY SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 4

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Music.....	\$ 570	1,278	1,265	-	583
Classes.....	6,118	35,123	28,688	(46)	12,507
Clubs.....	7,654	16,569	16,018	1,377	9,582
Departments.....	21,971	40,526	35,299	-	27,198
Trusts.....	3,053	59,295	55,069	(495)	6,784
General.....	<u>41,978</u>	<u>19,226</u>	<u>19,777</u>	<u>(836)</u>	<u>40,591</u>
Total assets.....	<u>81,344</u>	<u>172,017</u>	<u>156,116</u>	<u>-</u>	<u>97,245</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>81,344</u>	<u>172,017</u>	<u>156,116</u>	<u>-</u>	<u>97,245</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
BUDDY TAYLOR MIDDLE SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 5

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Music.....	\$ 7,577	20,367	21,577	-	6,367
Classes.....	7,680	9,584	9,478	-	7,786
Clubs.....	10,228	15,900	12,714	-	13,414
Departments.....	50,717	18,564	24,562	(31,535)	13,184
Trusts.....	554	38,543	20,945	31,260	49,412
General.....	<u>6,682</u>	<u>27,368</u>	<u>25,253</u>	<u>275</u>	<u>9,072</u>
Total assets.....	<u>83,438</u>	<u>130,326</u>	<u>114,529</u>	<u>-</u>	<u>99,235</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>83,438</u>	<u>130,326</u>	<u>114,529</u>	<u>-</u>	<u>99,235</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
BUNNELL ELEMENTARY SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 6

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Athletics.....	\$ 134	2,882	2,388	-	628
Music.....	219	350	270	-	299
Classes.....	5,048	3,011	3,911	(500)	3,648
Clubs.....	3,761	15,689	15,233	135	4,352
Departments.....	9,962	24,558	24,310	(635)	9,575
Trusts.....	11,859	33,902	34,748	(519)	10,494
General.....	<u>1,740</u>	<u>3,394</u>	<u>5,593</u>	<u>1,519</u>	<u>1,060</u>
Total assets.....	<u>32,723</u>	<u>83,786</u>	<u>86,453</u>	<u>-</u>	<u>30,056</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>32,723</u>	<u>83,786</u>	<u>86,453</u>	<u>-</u>	<u>30,056</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
COMMUNITY EDUCATION
For the Fiscal Year Ended June 30, 2015

Schedule 7

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Trusts.....	\$ 17,208	11,957	2,186	-	26,979
Total assets.....	17,208	11,957	2,186	-	26,979
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	17,208	11,957	2,186	-	26,979
Net Position.....	\$ -	-	-	-	-

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
EARLY CHILDHOOD EDUCATION
For the Fiscal Year Ended June 30, 2015

Schedule 8

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Clubs.....	\$ -	60	-	-	60
General.....	<u>-</u>	<u>2,916</u>	<u>1,944</u>	<u>-</u>	<u>972</u>
Total assets.....	<u>-</u>	<u>2,976</u>	<u>1,944</u>	<u>-</u>	<u>1,032</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>-</u>	<u>2,976</u>	<u>1,944</u>	<u>-</u>	<u>1,032</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
EVEREST ALTERNATIVE SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 9

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Departments.....	\$ 3,849	-	645	-	3,204
Trusts.....	11,283	-	472	-	10,811
General.....	<u>3,794</u>	<u>-</u>	<u>430</u>	<u>-</u>	<u>3,364</u>
Total assets.....	<u>18,926</u>	<u>-</u>	<u>1,547</u>	<u>-</u>	<u>17,379</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>18,926</u>	<u>-</u>	<u>1,547</u>	<u>-</u>	<u>17,379</u>
Net Position.....	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
EXCEPTIONAL STUDENT EDUCATION (ESE)
For the Fiscal Year Ended June 30, 2015

Schedule 10

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Trusts.....	\$ 4,228	2,750	452	-	6,526
Total assets.....	<u>4,228</u>	<u>2,750</u>	<u>452</u>	-	<u>6,526</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>4,228</u>	<u>2,750</u>	<u>452</u>	-	<u>6,526</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
FLAGLER PALM COAST HIGH SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 11

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Athletics.....	\$ 59,996	353,929	369,916	(5,455)	38,554
Music.....	10,449	24,190	27,179	(490)	6,970
Classes.....	17,541	7,649	8,681	(1,052)	15,457
Clubs.....	111,318	165,691	157,632	828	120,205
Departments.....	34,395	86,820	78,671	869	43,413
Trusts.....	46,693	137,048	136,759	5,300	52,282
General.....	<u>27,946</u>	<u>43,537</u>	<u>50,727</u>	<u>-</u>	<u>20,756</u>
Total assets.....	<u>308,338</u>	<u>818,864</u>	<u>829,565</u>	<u>-</u>	<u>297,637</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>308,338</u>	<u>818,864</u>	<u>829,565</u>	<u>-</u>	<u>297,637</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
INDIAN TRAILS K-8 SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 12

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Athletics.....	\$ 12,066	10,097	12,867	-	9,296
Music.....	17,095	26,132	25,933	-	17,294
Classes.....	36,176	27,015	23,132	(1,375)	38,684
Clubs.....	3,286	494	1,842	2,674	4,612
Departments.....	33,458	16,127	12,375	68	37,278
Trusts.....	7,426	20,319	20,168	(1,000)	6,577
General.....	<u>58,112</u>	<u>7,829</u>	<u>11,691</u>	<u>(367)</u>	<u>53,883</u>
Total assets.....	<u>167,619</u>	<u>108,013</u>	<u>108,008</u>	<u>-</u>	<u>167,624</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>167,619</u>	<u>108,013</u>	<u>108,008</u>	<u>-</u>	<u>167,624</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
MATANZAS HIGH SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 13

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Athletics.....	\$ 36,421	223,357	205,370	(838)	53,570
Music.....	10,391	22,667	24,356	(1,303)	7,399
Classes.....	28,385	41,790	37,610	(1,282)	31,283
Clubs.....	74,958	120,936	115,309	5,985	86,570
Departments.....	39,969	41,498	59,446	(1,814)	20,207
Trusts.....	28,379	85,265	60,641	(60)	52,943
General.....	<u>58,330</u>	<u>30,289</u>	<u>18,183</u>	<u>(688)</u>	<u>69,748</u>
Total assets.....	<u>276,833</u>	<u>565,802</u>	<u>520,915</u>	<u>-</u>	<u>321,720</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>276,833</u>	<u>565,802</u>	<u>520,915</u>	<u>-</u>	<u>321,720</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
OLD KINGS ELEMENTARY SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 14

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Music.....	\$ 7,756	2,906	6,492	(330)	3,840
Classes.....	2,449	16,777	15,979	(725)	2,522
Clubs.....	7,090	7,171	5,698	448	9,011
Departments.....	19,531	40,914	39,386	3,679	24,738
Trusts.....	1,783	35,390	33,437	1,123	4,859
General.....	<u>86,922</u>	<u>132,005</u>	<u>132,692</u>	<u>(4,195)</u>	<u>82,040</u>
Total assets.....	<u>125,531</u>	<u>235,163</u>	<u>233,684</u>	<u>-</u>	<u>127,010</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>125,531</u>	<u>235,163</u>	<u>233,684</u>	<u>-</u>	<u>127,010</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
PHOENIX ACADEMY
For the Fiscal Year Ended June 30, 2015

Schedule 15

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Departments.....	\$ 1,821	1,227	1,226	-	1,822
Trusts.....	314	2,064	1,064	-	1,314
General.....	<u>5,647</u>	<u>12,233</u>	<u>16,162</u>	-	<u>1,718</u>
Total assets.....	<u>7,782</u>	<u>15,524</u>	<u>18,452</u>	-	<u>4,854</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>7,782</u>	<u>15,524</u>	<u>18,452</u>	-	<u>4,854</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
RYMFIRE ELEMENTARY SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 16

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Music.....	\$ 41	-	-	-	41
Classes.....	4,644	2,746	2,452	-	4,938
Clubs.....	3,862	32,183	33,413	165	2,797
Departments.....	7,342	15,536	15,566	(1)	7,311
Trusts.....	4,697	33,406	34,327	-	3,776
General.....	<u>56,276</u>	<u>18,965</u>	<u>31,950</u>	<u>(164)</u>	<u>43,127</u>
Total assets.....	<u>76,862</u>	<u>102,836</u>	<u>117,708</u>	<u>-</u>	<u>61,990</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>76,862</u>	<u>102,836</u>	<u>117,708</u>	<u>-</u>	<u>61,990</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSTION -
STUDENT SERVICES
For the Fiscal Year Ended June 30, 2015

Schedule 17

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Trusts.....	\$ 2,760	9,987	9,209	-	3,538
General.....	<u>10,525</u>	<u>9,070</u>	<u>13,810</u>	-	<u>5,785</u>
Total assets.....	<u>13,285</u>	<u>19,057</u>	<u>23,019</u>	-	<u>9,323</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>13,285</u>	<u>19,057</u>	<u>23,019</u>	-	<u>9,323</u>
Net Position.....	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

DISTRICT SCHOOL INTERNAL ACTIVITY FUNDS
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
WADSWORTH ELEMENTARY SCHOOL
For the Fiscal Year Ended June 30, 2015

Schedule 18

	July 1, 2014	Additions	Deductions	Interfund Transfers In (Out)	June 30, 2015
Assets:					
Cash and Cash Equivalents:					
Music.....	\$ 761	-	-	-	761
Classes.....	3,334	4,551	11,754	10,262	6,393
Clubs.....	1,788	560	999	12	1,361
Departments.....	14,926	26,154	22,712	(1,783)	16,585
Trusts.....	49,434	52,761	43,081	(6,141)	52,973
General.....	<u>14,116</u>	<u>9,093</u>	<u>9,669</u>	<u>(2,350)</u>	<u>11,190</u>
Total assets.....	<u>84,359</u>	<u>93,119</u>	<u>88,215</u>	<u>-</u>	<u>89,263</u>
Liabilities and Net Position:					
Liabilities:					
Due to internal accounts.....	<u>84,359</u>	<u>93,119</u>	<u>88,215</u>	<u>-</u>	<u>89,263</u>
Net Position.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COMPLIANCE SECTION

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

The Honorable Chair Person, District School
Board Members and Superintendent
School District of Flagler County, Florida
Bunnell, 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 combined statement of fiduciary net position and statement of changes in fiduciary net position arising from cash transactions of the District School Internal Activity Funds of the School District of Flagler County, Florida as of and for the year ended June 30, 2015, and have issued our report thereon dated October 1, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District of Flagler County, Florida'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District of Flagler County, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District of Flagler County, Florida'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 statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be *significant deficiencies*, which are listed as items A.1 through A.2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District of Flagler County, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

The Honorable Chair Person, District School
Board Members and Superintendent
School District of Flagler County, Florida
Page 2 of 2

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items A.3 and items B.1 through B.17.

The School District of Flagler County, Florida's Response to Findings

The School District of Flagler County, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The School District of Flagler County, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

BMC CPAs

October 1, 2015

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

Our findings, recommendations and auditee responses are specifically segregated into two separate categories for reporting herein. The first category (item A) represents our district-wide findings and recommendations for District School Internal Activity Funds taken as a whole. The second category (item B) represents our specific findings and recommendations for District School Internal Activity Funds at each of the District's individual schools and education centers.

A. District-Wide Findings, Recommendations and Auditee Responses

1. Segregation of Duties and Internal Control Environment

The general stewardship responsibilities of the Flagler County District School Board (the "District") include the development and utilization of management and internal control systems for the individual school internal activity funds. These systems are in place to provide reasonable assurance to management and the District's elected officials that the receipt and disposition of its individual school internal activity account funds are effectively and efficiently safeguarded against loss, and are being appropriately managed in accordance with applicable federal, state, and district laws and requirements. During our individual school on-site audits, we noted that the District's ability to implement managerial oversight on a uniform District-wide basis is hampered by limited personnel staffing at the District's individual schools and education centers.

Currently, most job duties and responsibilities associated with the receiving and disbursing of internal activity account funds, the preparation of bank deposits, the recording of internal activity fund transactions in the District's financial reporting systems, the maintenance of appropriate supporting documentation, and the reconciliation of all related accounts and bank statements are typically delegated to a single individual at each school. The ultimate *fiduciary* responsibility for all internal activity funds is formally delegated by the District to its individual school principals.

Recommendation: When conditions exist that indicate a lack of physical segregation of key financial duties at the school level, i.e., a lack of documented school principal oversight and delegation of check-signing privileges to the internal accounts bookkeeper, we continue to recommend that consideration should be given to the monthly independent preparation (preferably by District Finance Department personnel) of all internal activity fund bank account reconciliations, as is recommended by the Florida Department of Education's *Financial and Program Cost Accounting and Reporting for Florida Schools*, Chapter 8, Section II(8).

To further reduce risk associated with the inability of each school to have physical segregation of duties, we also continue to recommend that recording of all adjustments to cash accounts in each school's accounting system be performed by District Finance Department personnel.

We continue to suggest that actions be considered to mitigate and/or lessen the inherent risks associated with the appointment of authorized account signatories by limiting all check-signing authority and bank debit card use to the school principal and assistant principal(s). Additionally, we recommend that use of store and bank credit cards be controlled by a formal requisition form, to be approved by the Principal prior to the card being checked-out by the requestor. At no time should the employee responsible for writing checks or reconciliation of accounts have authorization to use these credit cards.

Auditee Response: *The District's finance personnel will continue to monitor and recommend improvements with the schools' principals and bookkeepers.*

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

2. Fundraising Activities

District procedures relating to authorized fundraising activities currently require that teachers and sponsors accurately complete a *Fundraising Form* to document specifics of the fundraiser, estimated sales, and upon completion of the fundraiser the total sales and actual net profit realized. A *Sales Item Inventory Report* is required to be completed when items are obtained and distributed for resale, which documents the beginning and ending inventory of items sold, original cost per item, sales price of the item, and total collections from sales. These forms should be completed and signed by the person in charge of the fundraiser, and then submitted for review to the principal or designee. During the audit, we noted the following matters, listed in order of frequency:

- Teachers and sponsors do not always submit their fundraising collections of internal activity funds to the bookkeeper for deposit within the required one (1) business day of receipt;
- Teachers and sponsors do not always accurately complete the information required on the *Fundraising Form* (i.e., total collections listed on the form do not always reconcile to the total monies submitted for deposit);
- Teachers and sponsors do not always prepare a *Fundraising Form* showing actual sales and net profit, or a *Sales Item Inventory Report* to document the specifics of items sold;
- Teachers and sponsors do not always obtain pre-approval of fundraising activities from the Principal or designee.

Recommendation: We continue to suggest that teacher/sponsor training should take place at least bi-annually at the individual school level to better acquaint fundraiser teachers and sponsors with the policies and procedures associated with fundraising activities, to include State and District laws associated with accountability for funds collected, and further, to instruct on accurate completion of the *Fundraising Form* and the *Sales Item Inventory Report*.

Auditee Response: *The District will continue to review procedures for the proper handling of fundraiser activities, and additional training will be provided as needed.*

3. Training Programs and Expanded Procedures

During the audit we continued to note circumstances where some school faculty and staff were unfamiliar with certain regulatory and procedural requirements associated with internal activity accounts, especially in regards to the newly implemented purchase order accounting system module, fundraising activities and the roll of parent volunteers or booster organizations in the collections process.

We also recognize that due to the nature of certain athletic and band activities, some transactions are exceptional in nature and, therefore, are not addressed by specific guidelines in the District's *Fiscal Management Policies*. In response to these unusual events, some individual schools have developed their own system for managing these exceptional activities, which may not always correspond with mandated State and District policies and procedures governing receipts and disbursements of internal funds.

The purpose of the *Internal Accounts Procedures Manual (July, 2010)* is to clarify the Board's policies, and give those responsible for receipt and disbursements of internal activity accounts a comprehensive source for guidance and training.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

Recommendation: We continue to recommend the ongoing development of training sessions for all District school administrators and bookkeepers, in order to review applicable procedures needed to ensure compliance with the District's *Fiscal Management Policies*; as well as the standards listed in the Florida Department of Education's *Financial and Program Cost Accounting and Reporting for Florida Schools*.

We continue to recommend topic-specific training sessions for all teachers and sponsors who will be responsible for fundraising activities and cash receipts and cash disbursements/purchasing policies.

Auditee Response: *We will continue to conduct meetings throughout the year to provide ongoing training.*

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

B. Individual School and Education Center Findings, Recommendation and Auditee Responses

1. Administrative Office, Bunnell, FL

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

2. *Adult Education, Palm Coast, FL*

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

3. Belle Terre Elementary School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.
- b. We noted that 40% of cash receipts tested revealed that monies collected by teachers or sponsors were not submitted to the bookkeeper promptly, in accordance with the Florida Department of Education *Financial and Program Cost Accounting and Reporting for Florida Schools*, Chapter 8, Section III, 1.4(b) and the Flagler County School Board's Policy No. 705(VII) requirements. All cash receipt collections should be delivered to the bookkeeper within 1 business day of receipt for deposit in the internal activity fund bank account. This finding was noted on the prior year audit report.
- c. We noted 20% of cash disbursements tested were not pre-encumbered or pre-approved prior to the obligation of funds. All purchases of goods or services must be approved in advance by the principal and encumbered by either a purchase order form or purchasing card.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

4. *Buddy Taylor Middle School, Palm Coast, FL*

- a. See summary of District-wide comments in Section A, attached.
- b. We noted that 11% of cash receipts tested revealed that monies collected by teachers or sponsors were not submitted to the bookkeeper promptly, in accordance with the Florida Department of Education *Financial and Program Cost Accounting and Reporting for Florida Schools*, Chapter 8, Section III, 1.4(b) and the Flagler County School Board's Policy No. 705(VII) requirements. All cash receipt collections should be delivered to the bookkeeper within 1 business day of receipt for deposit in the internal activity fund bank account. This finding was noted on the prior year audit report.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

5. *Bunnell Elementary School, Bunnell, FL*

- a. See summary of District-wide comments in Section A, attached.
- b. We noted that 10% of cash receipts tested revealed that monies collected by teachers or sponsors were not submitted to the bookkeeper promptly, in accordance with the Florida Department of Education *Financial and Program Cost Accounting and Reporting for Florida Schools*, Chapter 8, Section III, 1.4(b) and the Flagler County School Board's Policy No. 705(VII) requirements. All cash receipt collections should be delivered to the bookkeeper within 1 business day of receipt for deposit in the internal activity fund bank account. This finding was noted on the prior year audit report.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

6. *Community Education, Palm Coast, FL*

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

7. *Early Childhood Education, Bunnell, FL*

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

8. *Everest Alternative School, Palm Coast, FL*

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

9. *Exceptional Student Education (ESE), Bunnell, FL*

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

10. Flagler Palm Coast High School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.
- b. We noted that 4% of cash receipts tested revealed that monies collected by teachers or sponsors were not submitted to the bookkeeper promptly, in accordance with the Florida Department of Education *Financial and Program Cost Accounting and Reporting for Florida Schools*, Chapter 8, Section III, 1.4(b) and the Flagler County School Board's Policy No. 705(VII) requirements. All cash receipt collections should be delivered to the bookkeeper within 1 business day of receipt for deposit in the internal activity fund bank account. This finding was noted on the prior year audit report.
- c. During our random testing of *Fundraising Forms*, we noted various instances where Fundraising Forms were not being appropriately completed by the sponsors for fundraising activities and retained on file by the principal's designee, in accordance with District Finance Department procedures. The District's *Fundraising Form* reveals to the principal a description and date(s) of the fundraiser, sales and cost estimates, total collections (which should always correspond to deposits made to the appropriate internal activity fund), and a net profit computation. Inaccurate or missing reports make it impossible for the principal and bookkeeper to determine if the fundraiser was profitable, and whether the collections were timely submitted for deposit. We continue to recommend training for all fundraising sponsors, at least bi-annually, to include Board fundraising policies, District procedures and instructions for completion of the *Fundraising Form*. A similar comment was noted on the prior year audit report.
- d. During our examination of *Ticket Sellers Reports*, we continued to note various instances where District-authorized forms were not always being appropriately completed in accordance with District Finance Department procedures for various events. The District's *Ticket Sellers Report* reveals to the principal a description and date of an event, ticket color, ticket numerical sequence issued, number of tickets sold, and price per ticket (when this information is properly completed, total sales should be calculated and then reconciled to the actual cash deposited, less any gate change, with shortages or overages being explained and documented). Incomplete or missing reports make it impossible for the principal and bookkeeper to determine whether all collections were timely submitted for deposit, intact. We recommend training for all teachers/sponsors who hold events requiring sales of pre-numbered tickets, at least bi-annually, to include Board ticket selling policies, District procedures, and instructions for accurate completion of the *Ticket Sellers Report*. This finding was noted on the prior year audit report.
- e. We noted 2% of cash disbursements tested were not pre-encumbered or pre-approved prior to the obligation of funds. All purchases of goods or services must be approved in advance by the principal and encumbered by either a purchase order form or purchasing card.

Auditee Response: *The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.*

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

11. Indian Trails K-8 School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

12. Matanzas High School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.
- b. During our random testing of *Fundraising Forms*, we noted instances where Fundraising Forms were not being appropriately completed by the sponsors for fundraising activities and retained on file by the principal's designee, in accordance with District Finance department procedures. The District's *Fundraising Form* reveals to the principal a description and date(s) of the fundraiser, sales and cost estimates, total collections (which should always correspond to deposits made to the appropriate internal activity fund), and a net profit computation. Inaccurate or missing reports make it impossible for the principal or bookkeeper to document and determine if the fundraiser was pre-approved, profitable, and whether the collections were timely submitted for deposit. We continue to recommend training for all fundraising sponsors, at least bi-annually, to include Board fundraising policies, District procedures and instructions for completion of the *Fundraising Form*. A similar comment was noted on the prior year audit report.
- c. We noted 5% of cash disbursements tested were not pre-encumbered or pre-approved prior to the obligation of funds. All purchases of goods or services must be approved in advance by the principal and encumbered by either a purchase order form or purchasing card.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

13. Old Kings Elementary School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.
- b. We noted 10% of cash disbursements tested were not pre-encumbered or pre-approved prior to the obligation of funds. All purchases of goods or services must be approved in advance by the principal and encumbered by either a purchase order form or purchasing card.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

14. Phoenix Academy, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.
- b. We noted 10% of cash receipts tested had either incomplete individual receipt forms, or individual cash receipt forms were not available for our examination, in accordance with Florida Department of Education *Financial and Program Cost Accounting and Reporting for Florida Schools*, Chapter 8, Section III, 1.4(a) and the Flagler County School Board's Policy No. 705 (VII) requirements. Receipts included on the *Report of Monies Collected* forms could not be traced to actual collections, thus, it was not possible for the examiner to readily determine whether all cash receipts were appropriately submitted to the bookkeeper. We recommend that faculty and staff be required to prepare and retain copies of formal pre-numbered cash receipt forms for all monies collected throughout the year. We also recommend that sufficient reference to each receipt (name, receipt number, and amount collected) be listed on the *Report of Monies Collected* form, the sum of which should always support the total amount submitted to the bookkeeper. Used cash receipt books should be retained until completion of the fiscal year's audit, and any incomplete forms or exceptions should be reported to the school Principal upon discovery.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

15. Rymfire Elementary School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

16. Student Services, Bunnell, FL

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.

DISTRICT SCHOOL INTERNAL ACTIVITY FUND
SCHOOL DISTRICT OF FLAGLER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2015

17. Wadsworth Elementary School, Palm Coast, FL

- a. See summary of District-wide comments in Section A, attached.

Auditee Response: The District will continue to provide continuing education and specialty training to their internal accounts bookkeepers that address these matters.