

**OKEECHOBEE COUNTY  
DISTRICT SCHOOL BOARD**

**INTERNAL FUNDS FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
**TABLE OF CONTENTS**  
**JUNE 30, 2020**

	<u>Page</u>
<b>Independent Auditor’s Report</b> .....	1-2
 <b>Financial Statement:</b>	
Combined Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds .....	3
Notes to the Financial Statement .....	4
 <b>Supplemental Schedules:</b>	
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – All Schools .....	5
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – Elementary Schools .....	6
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – Middle Schools .....	7
Combining Statement of Cash Receipts, Disbursements, Transfers, and Balances – Internal Funds – High Schools .....	8
 <b>Other Reporting:</b>	
Communication of Significant Deficiency .....	9-12
Management Letter .....	13-20

# Wicks, Brown, Williams & Co., CPA's LLP

504 Northwest Fifth Avenue, Okeechobee, Florida 34972-2570  
(863) 763-2354 • Fax: (863) 467-4519

Charles F. Wicks, C.P.A. (1911 - 1996)  
J. Richard Brown, C.P.A. (1940 - 1997)  
W. Bruce Stratton, C.P.A., Retired  
Cheryl M. Williams, C.P.A., P.A.  
C. Mark Cox, C.P.A., P.A.  
John W. Davis, C.P.A., P.A.  
Charles P. Cox, C.P.A., P.A.  

---

April D. Harris, C.P.A.

Lake Placid  
(863) 699-5544

Sebring  
(863) 382-1157

## INDEPENDENT AUDITOR'S REPORT

Okeechobee County District School Board  
Okeechobee, Florida

### Report on the Financial Statements

We have audited the accompanying combined statement of cash receipts, disbursements, transfers, and balances - internal funds of the Okeechobee County District School Board for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise the Okeechobee County District School Board's internal funds 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 described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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. 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 the School Board, as well as evaluating the overall presentation of the financial statement.

**Okeechobee County District School Board (continued)**

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 cash receipts, disbursements, transfers and balances - internal funds of the Okeechobee County District School Board for the year ended June 30, 2020, in accordance with the cash basis of accounting described in Note 1.

**Other Matters**

*Basis of Accounting*

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

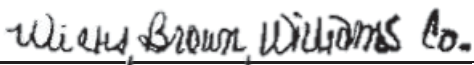
*Emphasis of Matter*

As discussed in Note 1, the financial statement presents only the internal funds and is not intended to present fairly the financial position and results of operations of the Okeechobee County District School Board, in conformity with accounting principles generally accepted in the United States of America.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the combined statement of cash receipts, disbursements, transfers, and balances - internal funds taken as a whole. The combining statements of cash receipts, disbursements, transfers and balances - internal funds, as listed in the table of contents under supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statement.

The combining statements of cash receipts, disbursements, transfers, and balances – internal funds, as listed in the table of contents under supplemental schedules, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the combined statement of cash receipts, disbursements, transfers, and balances – internal funds. Such information has been subjected to the auditing procedures applied in the audit of the combined statement of cash receipts, disbursements, transfers and balances - internal funds, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the internal funds financial statement or to the 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 statements of cash receipts, disbursements, transfers, and balances – internal funds are fairly stated in all material respects in relation to the combined internal funds financial statement taken as a whole.

  
\_\_\_\_\_  
Wicks, Brown, Williams & Co., CPA's LLP  
Certified Public Accountants  
Okeechobee, Florida

December 3, 2020

**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**TRANSFERS, AND BALANCES – INTERNAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

CASH - JULY 1, 2019	\$ 559,222
RECEIPTS:	
Athletics	253,736
Music	131,063
Class, club, departments	495,711
Trust funds	67,992
General	158,227
Total receipts	1,106,729
DISBURSEMENTS:	
Athletics	210,750
Music	127,027
Class, club, departments	490,943
Trust funds	59,506
General	195,507
Total disbursements	1,083,733
TRANSFERS IN (OUT):	
Athletics	16,845
Music	8,591
Class, club, departments	4,356
Trust funds	152
General	(29,944)
Total transfers	-
CASH - JUNE 30, 2020	\$ 582,218
CASH CONSISTING OF:	
Checking accounts	\$ 296,482
Savings accounts	285,736
Total	\$ 582,218

The notes to the financial statements are an integral part of this statement.

**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
NOTES TO THE FINANCIAL STATEMENT  
JUNE 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

***Basis of Presentation:***

The internal funds of the Okeechobee County District School Board (“District”) are comprised of nine individual funds. There is one fund for each of the five elementary schools, two middle schools, and two high schools. For reporting purposes Okeechobee Achievement Academy is considered to be a high school. This financial statement presents only the internal funds and is not intended to present fairly the financial position and results of operations of Okeechobee County District School Board in conformity with accounting principles generally accepted in the United States of America. The internal funds are included in the District’s annual financial report as fiduciary funds.

***Basis of Accounting:***

It is the policy of the District to account for the internal funds of the schools on a cash basis of accounting. Accordingly, the internal funds increase when cash receipts are recorded, and decrease when cash disbursements are recorded. Noncash transactions are not recognized.

***Cash:***

Cash is defined to include cash funds on hand and demand deposits.

***Inventories:***

Inventories of school stores and FFA livestock are recognized as expenditures when initially purchased by the schools; therefore, cash disbursements include amounts expended for inventories.

***Fixed Assets:***

Any fixed assets purchased from the internal accounts are recorded as expenditures and capitalized as additions in the District’s government-wide Statement of Net Position.

**NOTE 2 – DEPOSITS AND INVESTMENTS:**

District policies require that all internal funds be deposited into qualified public depositories approved by the District. Custodial Credit Risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. At year end, all deposits were entirely insured by federal depository insurance or guaranteed by qualified public depositories in Florida pursuant to chapter 280.07, Florida Statutes.

**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**TRANSFERS, AND BALANCES – INTERNAL FUNDS**  
**ALL SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Elementary Schools	Middle Schools	High Schools	Total
CASH - JULY 1, 2019	\$ 122,877	\$ 122,784	\$ 313,561	\$ 559,222
RECEIPTS:				
Athletics	-	23,192	230,544	253,736
Music	-	44,538	86,525	131,063
Class, club, departments	98,475	195,257	201,979	495,711
Trust funds	52,444	11,689	3,859	67,992
General	108,603	17,444	32,180	158,227
Total receipts	259,522	292,120	555,087	1,106,729
DISBURSEMENTS:				
Athletics	-	28,211	182,539	210,750
Music	-	50,027	77,000	127,027
Class, club, departments	100,757	195,967	194,219	490,943
Trust funds	44,488	10,618	4,400	59,506
General	108,612	19,641	67,254	195,507
Total disbursements	253,857	304,464	525,412	1,083,733
TRANSFERS IN (OUT):				
Athletics	-	45	16,800	16,845
Music	-	-	8,591	8,591
Class, club, departments	(187)	(320)	4,863	4,356
Trust funds	(180)	320	12	152
General	367	(45)	(30,266)	(29,944)
Total transfers	-	-	-	-
CASH - JUNE 30, 2020	\$ 128,542	\$ 110,440	\$ 343,236	\$ 582,218
CASH CONSISTING OF:				
Checking accounts	\$ 128,542	\$ 95,371	\$ 72,569	\$ 296,482
Savings accounts	-	15,069	270,667	285,736
Total	\$ 128,542	\$ 110,440	\$ 343,236	\$ 582,218

See independent auditor's report.

**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**TRANSFERS, AND BALANCES – INTERNAL FUNDS**  
**ELEMENTARY SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Central	Everglades	North	Seminole	South	Total
CASH - JULY 1, 2019	\$ 20,574	\$ 23,926	\$ 30,526	\$ 28,978	\$ 18,873	\$ 122,877
RECEIPTS:						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	-	-
Class, club, departments	19,087	23,789	12,097	1,774	41,728	98,475
Trust funds	11,276	14,328	10,028	11,706	5,106	52,444
General	22,369	23,618	44,598	8,218	9,800	108,603
Total receipts	52,732	61,735	66,723	21,698	56,634	259,522
DISBURSEMENTS:						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	-	-
Class, club, departments	13,872	27,925	11,755	2,331	44,874	100,757
Trust funds	10,053	14,394	3,536	10,022	6,483	44,488
General	17,928	26,357	42,739	11,452	10,136	108,612
Total disbursements	41,853	68,676	58,030	23,805	61,493	253,857
TRANSFERS IN (OUT):						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	-	-
Class, club, departments	(39)	142	-	774	(1,064)	(187)
Trust funds	-	(99)	2	387	(470)	(180)
General	39	(43)	(2)	(1,161)	1,534	367
Total transfers	-	-	-	-	-	-
CASH - JUNE 30, 2020	\$ 31,453	\$ 16,985	\$ 39,219	\$ 26,871	\$ 14,014	\$ 128,542
CASH CONSISTING OF:						
Checking accounts	\$ 31,453	\$ 16,985	\$ 39,219	\$ 26,871	\$ 14,014	\$ 128,542
Total	\$ 31,453	\$ 16,985	\$ 39,219	\$ 26,871	\$ 14,014	\$ 128,542

See independent auditor's report.



**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**TRANSFERS, AND BALANCES – INTERNAL FUNDS**  
**MIDDLE SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Osceola	Yearling	Total
CASH - JULY 1, 2019	\$ 71,117	\$ 51,667	\$ 122,784
RECEIPTS:			
Athletics	7,284	15,908	23,192
Music	34,849	9,689	44,538
Class, club, departments	119,962	75,295	195,257
Trust funds	9,876	1,813	11,689
General	1,644	15,800	17,444
Total receipts	<u>173,615</u>	<u>118,505</u>	<u>292,120</u>
DISBURSEMENTS:			
Athletics	10,164	18,047	28,211
Music	38,033	11,994	50,027
Class, club, departments	121,562	74,405	195,967
Trust funds	9,131	1,487	10,618
General	2,660	16,981	19,641
Total disbursements	<u>181,550</u>	<u>122,914</u>	<u>304,464</u>
TRANSFERS IN (OUT):			
Athletics	-	45	45
Music	-	-	-
Class, club, departments	(320)	-	(320)
Trust funds	320	-	320
General	-	(45)	(45)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
CASH - JUNE 30, 2020	<u>\$ 63,182</u>	<u>\$ 47,258</u>	<u>\$ 110,440</u>
CASH CONSISTING OF:			
Checking accounts	\$ 63,182	\$ 32,189	\$ 95,371
Savings accounts	-	15,069	15,069
Total	<u>\$ 63,182</u>	<u>\$ 47,258</u>	<u>\$ 110,440</u>

See independent auditor's report.

**OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD**  
**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,**  
**TRANSFERS, AND BALANCES – INTERNAL FUNDS**  
**HIGH SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Okeechobee Achievement Academy	Okeechobee High School	Total
CASH - JULY 1, 2019	\$ 2,421	\$ 311,140	\$ 313,561
RECEIPTS:			
Athletics	-	230,544	230,544
Music	-	86,525	86,525
Class, club, departments	2,255	199,724	201,979
Trust funds	525	3,334	3,859
General	802	31,378	32,180
Total receipts	3,582	551,505	555,087
DISBURSEMENTS:			
Athletics	-	182,539	182,539
Music	-	77,000	77,000
Class, club, departments	2,010	192,209	194,219
Trust funds	1,102	3,298	4,400
General	1,457	65,797	67,254
Total disbursements	4,569	520,843	525,412
TRANSFERS IN (OUT):			
Athletics	-	16,800	16,800
Music	-	8,591	8,591
Class, club, departments	250	4,613	4,863
Trust funds	-	12	12
General	(250)	(30,016)	(30,266)
Total transfers	-	-	-
CASH - JUNE 30, 2020	\$ 1,434	\$ 341,802	\$ 343,236
CASH CONSISTING OF:			
Checking accounts	\$ 1,434	\$ 71,135	\$ 72,569
Savings accounts	-	270,667	270,667
Total	\$ 1,434	\$ 341,802	\$ 343,236

See independent auditor's report.

# Wicks, Brown, Williams & Co., CPA's LLP

504 Northwest Fifth Avenue, Okeechobee, Florida 34972-2570  
(863) 763-2354 • Fax: (863) 467-4519

Charles F. Wicks, C.P.A. (1911 - 1996)  
J. Richard Brown, C.P.A. (1940 - 1997)  
W. Bruce Stratton, C.P.A., Retired  
Cheryl M. Williams, C.P.A., P.A.  
C. Mark Cox, C.P.A., P.A.  
John W. Davis, C.P.A., P.A.  
Charles P. Cox, C.P.A., P.A.

---

April D. Harris, C.P.A.

Lake Placid  
(863) 699-5544

Sebring  
(863) 382-1157

## COMMUNICATION OF SIGNIFICANT DEFICIENCY

Okeechobee County District School Board  
Okeechobee, Florida

In planning and performing our audit of the combined statement of cash receipts, disbursements, transfers, and balances – internal funds of the Okeechobee County District School Board for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered each school's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statement, but not for the purpose of expressing an opinion on the effectiveness of each school's internal control. Accordingly, we do not express an opinion on the effectiveness of each school's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the combination of the following deficiencies in depositing, receipting, and bank reconciliations (Finding 2020-001) to be a significant deficiency at North Elementary School.

## NORTH ELEMENTARY SCHOOL

### 2020-001, Controls over Depositing, Receipting, and Bank Reconciliations

#### Timeliness of Deposits to Bank

**Condition:** Of the individual receipts tested, we noted (7) deposits throughout the year that included (47) receipts that were not deposited within five business days of the day collected by the teacher or sponsor. These receipts were deposited between one and eleven days late. Additionally, when we compared the bank statements and front office monies collected log, we noted several instances where the deposit date on the bank statement was 1 to 22 days later than the deposit date on the monies collected log.

**Criteria or specific requirement:** Section III 1.4 (c) of the Red Book requires that all money collected must be deposited as frequently as feasible, and no later than five working days after receipt. School Board policy requires that deposits be made sooner than five working days after receipt when collections on hand exceed \$200 or more for elementary schools, \$500 or more for middle schools and \$1,000 or more for the high school.

**Effect:** When receipts are not deposited timely, money collected is not adequately safeguarded.

**Cause:** The bookkeeper failed to make the deposits in a timely manner.

**Recommendation:** We recommend that deposits be made within five business days of the day collected or more frequently depending on the amount of receipts that have been collected and is on hand in accordance with School Board policy.

**Views of Responsible Officials:** This is an issue that was noted on our audit finding from 2018-19. Steps were taken to improve the bookkeeping at NES, including a disciplinary action as well as next steps (finalized on January 24, 2020). Since January 24, we are agreeing with 2 instances of bank deposits that were not made in a timely manner. We will address the situation and take the responsibility of making bank deposits as required.

#### Timeliness of Receipting to School Office

**Condition:** We noted (2) instances where monies collected by a teacher or sponsor were not turned into the office within the one (1) working day limit. One receipt for \$100 was turned in to the office 20 days after receipt and another receipt for \$370 was turned into the office 41 days after receipt.

**Criteria or specific requirement:** Section III 1.4 (b) of the Red Book and School Board policy requires that money collected outside of the school office be turned in by the next working day.

**Effect:** When receipts are not turned into the office timely, money collected is not adequately safeguarded.

**Cause:** Teachers collected the money and issued receipts, and failed to turn the monies in the same day. The bookkeeper did not check the date to monitor the timeliness of money being turned in by the teachers.

**Recommendation:** We recommend that all monies collected forms be turned in to the bookkeeper on a daily basis.

**Views of Responsible Officials:** This is an issue that was noted on our audit finding from 2018-19. Steps were taken to improve the bookkeeping at NES, including a discussion with all staff members on the findings, and how these impacted our school as well as the District. We will further emphasize the importance of following the policy requirements in accepting money and completing the monies collected forms.

2020-001, Controls over Depositing, Receipting, and Bank Reconciliations (continued)

Proper Completion of Report of Monies Collected

**Condition:** During our audit procedures, we noted that Report of Monies Collected (“RMC”) forms were not being completed properly by the teacher/sponsor. We noted (1) instance where receipt numbers were not listed or attached for amounts greater than \$10. We noted (1) instance where there was no list of student names for amounts less than \$10. We noted (1) instance where the receipt was recorded in Skyward with the wrong date, and we noted (1) instance where the report of monies collected was \$20 less than the amount deposited.

**Criteria or specific requirement:** According to School Board policy, “A receipt shall be issued for all monies collected by teachers/sponsors. The only exceptions to this procedure are for petty amounts \$10 and under... monies collected forms shall be completed indicated the total amount collected, the receipt or ticket numbers issued, or explanation of logged receipts.”

**Effect:** When RMC forms are not properly completed, no documentation exists to support the source of funds.

**Cause:** The teacher/sponsor and/or bookkeeper were not aware of the requirements to properly complete the RMC form.

**Recommendation:** We recommend that the school follow School Board policy in issuing receipts and completing monies collected forms.

**Views of Responsible Officials:** This is an issue that was noted on our audit finding from 2018-19. Steps were taken to improve the bookkeeping at NES, including a discussion with all staff members on the findings, and how these impacted our school as well as the district. We will further emphasize the importance of following the policy requirements in accepting money and completing the monies collected forms.

Documentation of Monies Collected by Office

**Condition:** We noted that (6) receipts totaling \$1,393 collected in the school office in November 2019 were not recorded in the monies collected log by the person collecting the money and the report of monies collected forms were not properly completed at the time of collection. The money and partially completed monies collected forms were found in a drawer by the bookkeeper. It was unclear who collected this money and the exact date of collection was undetermined.

**Criteria or specific requirement:** School Board policy requires that the monies collected form and money must be turned in to the bookkeeper or other designated person by the next day and recorded in a logbook provided by the bookkeeper.

**Effect:** When money collected is not adequately safeguarded, there is an opportunity for theft.

**Cause:** Due to absences of office staff members, there was no properly trained individual who could serve as a backup for collecting money. The bookkeeper found the money in the secretary’s drawer when she was covering the office.

**Recommendation:** Anyone collecting money should be fully trained in completing monies collected forms and handling money in accordance with the Red Book and School Board policy.

2020-001, Controls over Depositing, Receipting, and Bank Reconciliations (continued)

Documentation of Monies Collected by Office

**Views of Responsible Officials:** This is an issue that was noted on our audit finding from 2018-19. Steps were taken to improve the bookkeeping at NES. We are not aware of any new instances of monies collected that were not reported.

Timeliness of Bank Reconciliations

**Condition:** We noted that bank reconciliations for (4) months were not completed timely. These reconciliations were 5 to 30 days late.

**Criteria or specific requirement:** School Board policy requires bank statements to be reconciled and reviewed by the principal as soon as received, but no later than the end of the following month.

**Effect:** Not performing reconciliations timely could result in possible financial losses occurring from fraudulent transactions not being detected and reported to the financial institution in a timely manner.

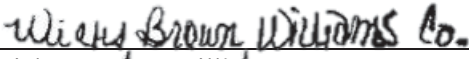
**Cause:** The bookkeeper did not complete the reconciliations on time.

**Recommendation:** We recommend that monthly bank reconciliations be prepared no later than the time required by School Board policy. The preparer and reviewer should sign and date the reconciliations as evidence of timely completion and review.

**Views of Responsible Officials:** This is an issue that was noted on our audit finding from 2018-19. Steps were taken to improve the bookkeeping at NES, including a discussion with all staff members on the findings, and how these impacted our school as well as the District. Since the issue was addressed with the bookkeeper, there are no instances of late bank reconciliations (January 24 and on).

The District's response to the findings identified in our audit is described above. The District'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.

This communication is intended solely for the information and use of the School Board, management, others within the organization, 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.

  
\_\_\_\_\_  
Wicks, Brown, Williams & Co., CPA'S LLP  
Certified Public Accountants  
Okeechobee, Florida

December 3, 2020

# Wicks, Brown, Williams & Co., CPA's LLP

504 Northwest Fifth Avenue, Okeechobee, Florida 34972-2570  
(863) 763-2354 • Fax: (863) 467-4519

Charles F. Wicks, C.P.A. (1911 - 1996)  
J. Richard Brown, C.P.A. (1940 - 1997)  
W. Bruce Stratton, C.P.A., Retired  
Cheryl M. Williams, C.P.A., P.A.  
C. Mark Cox, C.P.A., P.A.  
John W. Davis, C.P.A., P.A.  
Charles P. Cox, C.P.A., P.A.  

---

April D. Harris, C.P.A.

Lake Placid  
(863) 699-5544

Sebring  
(863) 382-1157

## MANAGEMENT LETTER

Okeechobee County District School Board  
Okeechobee, Florida

In planning and performing our audit of the combined statement of cash receipts, disbursements, transfers, and balances – internal funds of the Okeechobee County District School Board for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered each school's internal control over internal funds (internal control) as a basis for designing auditing 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 internal funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the internal funds' internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 3, 2020, on the combined statement of cash receipts, disbursements, transfers, and balances-internal funds of the Okeechobee County District School Board.

### OSCEOLA MIDDLE SCHOOL

#### 2020-002, Authorization for Disbursements

**Condition:** We noted (104) refund checks totaling \$10,390 were issued to parents for canceled fieldtrips. There were no check requisitions or other written authorizations from the sponsors or principal on file for these checks. The refunds were supported by spreadsheets listing all students' names and addresses. However, there were no signatures on the spreadsheets indicating authorization for payment.

**Criteria or specific requirement:** School Board policy requires the teacher/sponsor and principal to sign all check requisitions before disbursements are made from internal funds. All purchases from internal funds must have some form of written authorization from the principal.

**Effect:** Checks issued without an approved check request or purchase order could result in internal funds being used for unauthorized purposes.

**Cause:** Due to the global pandemic, the superintendent issued a mandate to cancel out-of-county school field trips for the remainder of the school year, effective March 18, 2020. At that point in time, money had been collected for two out-of-county field trips to Gradventure and to Sea World.

OSCEOLA MIDDLE SCHOOL (continued)

2020-002, Authorization for Disbursements (continued)

**Recommendation:** We recommend that all disbursements be authorized in writing by a teacher/sponsor and principal prior to disbursement. We recommend preparing one check requisition for each set of refunds and attaching the RMC forms as support for the source of funds to the supporting spreadsheet as authorization for the refunds.

**Views of Responsible Officials:** Due to school closure and the bookkeeper being out (65 and over workers were directed to work remotely), it was common knowledge that we needed to refund parents' money. As of the time of the school closure and trip cancellation, we had cut a check to Sea World, but had not cut a check to Universal Studios/Gradventure. In order to refund parent money for Gradventure, we needed only to write a check from our internal accounts to reimburse parents. In doing so, there is written documentation of requesting the funds for the repayment to parents. Due to the unprecedented time and circumstances as it pertains to this event, I cannot find any record of written documentation to support the writing of the Gradventure refund checks.

CENTRAL ELEMENTARY SCHOOL

2020-003, Payments Made in Excess of Available Funds

**Condition:** We noted that seven accounts had negative account balances that ranged from \$2 to \$384 at the end of the year.

**Criteria or specific requirement:** Chapter 8, Section I, 10 of the Red Book, states, "Purchases from internal accounts shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items authorized by district school board rules."

**Effect:** Purchases are being made when there are not enough available resources to pay for the purchase, resulting in certain internal fund accounts having negative balances and, therefore, borrowing from accounts with positive balances.

**Cause:** These accounts were not balanced because the individual responsible for balancing the accounts failed to transfer the funds prior to her leaving her position.

**Recommendation:** We recommend the teacher/sponsor review the account balance to confirm sufficient funds are available prior to making any purchases.

**Views of Responsible Officials:** Central Elementary School agrees with the finding. Procedures will be in place for the principal to be notified of the balance in the account prior to approving any purchases. There will be no accounts in the negative at the end of the school year.

2020-004, Activity Reports

**Condition:** Our audit procedures noted six instances where student activity operating reports were not completed by the sponsor at the conclusion of the fundraiser or event.

**Criteria or specific requirement:** The Financial and Program Cost Accounting for Florida Schools ("Red Book"), Chapter 8, Section III, 2.3(e) states "A financial report shall be filed with the principal's office at the close of each fundraising activity."



CENTRAL ELEMENTARY SCHOOL (continued)

2020-004, Activity Reports (continued)

**Effect:** When activity reports are not completed, the misappropriation of assets would not be discovered or discovered in a timely manner.

**Cause:** The bookkeeper was responsible for making sure sponsors completed all activity reports at the end of each event. She failed to do so on these six instances.

**Recommendation:** When there is turnover in the bookkeeper position it should be communicated that it is the responsibility of the bookkeeper to ensure the timely completion of student activity operating reports by sponsors for fundraisers and events and someone should be designated to ensure the timely completion of student activity operating reports by sponsors for fundraisers and events when there is a vacancy in the bookkeeper position.

**Views of Responsible Officials:** Central Elementary School agrees with the finding. Procedures are in place to assure that there will be no reoccurrence in 2020-2021. Any fundraiser that has a profit and loss will have a final student activity operating report prepared at the conclusion of the event.

2020-005, Checks Signed by Only One Authorized Check Signer

**Condition:** During our audit procedures, we noted three (3) instances in which checks were issued with only one authorized signature. Additional procedures performed on these disbursements verified that each disbursement was a proper use of internal funds.

**Criteria or specific requirement:** Chapter 8, Section III, 1.3(a) of the Red Book states, "All checks must be signed with two signatures as prescribed by the principal if not prescribed by school board rule."

**Effect:** Checks issued with only one authorized signature could result in internal funds being used for unauthorized purposes.

**Cause:** The individual responsible for processing the check and invoice for mailing did not review the checks to ensure two authorized signatures were obtained before mailing.

**Recommendation:** To ensure all checks have two signatures before mailing, we recommend the person responsible for mailing checks for paid invoices review all checks before mailing.

**Views of Responsible Officials:** Central Elementary School is in agreement with this finding. The school will review its procedures to ensure that all checks have two signatures before mailing.

2020-006, Supporting Documentation for Disbursements

**Condition:** We noted (4) instances where the check request, invoice or other support was either incomplete or could not be located for a disbursement selected for testing. We reviewed the check images for these checks and confirmed the vendor, amount and two authorized signatures.

**Criteria or specific requirement:** Support for every disbursement should be maintained to ensure that all expenditures are appropriate, checks are issued for the correct amount, and no duplicate payments are made.

**Effect:** Checks issued without proper support could result in internal funds being used for unauthorized purposes.

CENTRAL ELEMENTARY SCHOOL (continued)

2020-006, Supporting Documentation for Disbursements (continued)

**Cause:** The individual responsible for providing supporting documents for disbursements left the school and others had to step in to close out the 2019-2020 school year.

**Recommendation:** We recommend that you improve the filing and maintenance of documents and records.

**Views of Responsible Officials:** Central Elementary School signers will not sign a check for disbursement unless all supporting documentation accompanies the request.

2020-007, Timeliness of Bank Reconciliations

**Condition:** Our audit procedures noted bank reconciliations for 3 out of twelve months were not completed by the end of the next month as required by school policy.

**Criteria or specific requirement:** Chapter 8, Section II, 8 of the Red Book states, “bank statements shall be reconciled as soon as received, preferably by a person other than the person who receives and disburses funds.” In addition, School Board policy requires bank statements to be reconciled as soon as received, but no later than the end of the following month.

**Effect:** Not performing reconciliations timely could result in possible financial losses occurring from fraudulent transactions not being detected and reported to the financial institution in a timely manner.

**Cause:** Due to a vacancy in the bookkeeping position which was not immediately filled, there was a delay in reconciling the bank statements.

**Recommendation:** We recommend that monthly bank reconciliations be completed by the end of the following month in accordance with the School District’s policy.

**Views of Responsible Officials:** Central Elementary School agrees with the finding and procedures will be put in place to ensure that bank reconciliations are done by the end of the following month.

EVERGLADES ELEMENTARY SCHOOL

2020-008, Payments Made in Excess of Available Funds

**Condition:** We noted that three accounts had negative account balances that ranged from \$22 to \$205 at the end of the year.

**Criteria or specific requirement:** Chapter 8, Section I, 10 of the Red Book, states, “Purchases from internal accounts shall not exceed the resources of the applicable student activity/project account, except for items acquired for resale or items authorized by district school board rules.”

**Effect:** Purchases are being made when there are not enough available resources to pay for the purchase, resulting in certain internal fund accounts having negative balances and, therefore, borrowing from accounts with positive balances.

**Cause:** Transfers were not made prior to disbursements to cover excess spending of grant money. Two accounts had negative balances at the beginning of the year due to excess spending in a prior year.

EVERGLADES ELEMENTARY SCHOOL (continued)

2020-008, Payments Made in Excess of Available Funds (continued)

**Recommendation:** We recommend the teacher/sponsor review the account balance to confirm sufficient funds are available prior to making any purchases.

**Views of Responsible Officials:** Everglades Elementary School agrees with the findings. In the future we will review account balances prior to making any disbursements. We will also review accounts at the end of the year to verify that all accounts have a positive balance.

2020-009, Improper Completion of Individual Receipts

**Condition:** During our audit procedures, we noted numerous instances where receipts issued for the collection of deposits for the 5<sup>th</sup> grade fieldtrip were not being dated by the teacher/sponsor. Collections for the 5<sup>th</sup> grade fieldtrip during the year totaled \$10,266 and a large majority of the receipts issued for these collections were not dated. As a result, we could not verify that these receipts were being turned into the office by the next business day.

**Criteria or specific requirement:** Chapter 8, Section III, 1.4 (a) of the Red Book states “All money collected by the school must be substantiated by pre-numbered receipts.” In addition, Chapter 8, Section III, 1.4 (b) of the Red Book states “Collections made outside the school office must be turned in to the school office no later than the next business day.”

**Effect:** When receipts are not dated, there is no way to monitor the safeguarding of money.

**Cause:** Due to lack of training, sponsors are not always dating individual receipts.

**Recommendation:** We recommend that when monies are collected from individual students, receipts are dated on the day they are issued, and all monies collected outside of the school office must be turned into the office by the next business day.

**Views of Responsible Officials:** Everglades Elementary School agrees with the finding. In the future, all teachers/sponsors collecting money will be properly trained in receipting money. The bookkeeper will verify that individual receipts are dated when they are turned into the office.

NORTH ELEMENTARY SCHOOL

2020-010, Disbursement Supporting Documentation

**Condition:** We noted (1) instance where a check for \$110 issued to US Postmaster was not supported by an invoice or check request. We noted (1) instance where the check request for a \$96 purchase from Publix was not signed by the teacher/sponsor.

**Criteria or specific requirement:** Invoices or receipts should be obtained and check requests properly completed to ensure that all expenditures are appropriate, checks are issued for the correct amount, and no duplicate payments are made.

**Effect:** Checks issued without invoices or receipts and check requests or purchase order could result in internal funds being used for unauthorized purposes.

NORTH ELEMENTARY SCHOOL (continued)

2020-010, Disbursement Supporting Documentation (continued)

**Cause:** The stamps were requested by the ESE resource specialist to avoid having to come on campus to use the stamp machine, due to COVID restrictions. At that time, a limited number of staff members was allowed on campus. The bookkeeper worked two days a week, for limited hours. The check request and the receipt from the Post Office were left in the office must have been misplaced. The check request has now been re-created, and the bookkeeper will contact Okeechobee Post Office to see if an additional receipt can be obtained.

**Recommendation:** We recommend that you obtain invoices or receipts before a check is written and improve the filing and maintenance of documents. We also recommend that disbursements be authorized in writing by a teacher/sponsor and principal prior to disbursement.

**Views of Responsible Officials:** We agree with the findings. We are in the process of attempting to obtain the missing receipt. In the future, we will make sure that all check requests are properly signed.

SOUTH ELEMENTARY SCHOOL

2020-011, Activity Reports and Fundraisers

**Condition:** Our audit procedures noted (2) instances where student activity operating reports were not completed by the sponsor at the conclusion of the fundraiser or event. In addition, no ticket inventory or ticket reconciliation was provided for the Winter Carnival. We also noted that the school shirt fundraiser showed a loss of \$4,453, due to having a large amount of unsold shirts. The remaining shirts are currently being sold for \$5, which is less than the original cost.

**Criteria or specific requirement:** The Financial and Program Cost Accounting for Florida Schools (“Red Book”), Chapter 8, Section III, 2.3(e) states “A financial report shall be filed with the principal’s office at the close of each fundraising activity.”

**Effect:** When activity reports are not completed, the misappropriation of assets would not be discovered or discovered in a timely manner.

**Cause:** Activity operating reports and ticket reconciliations were not completed or were not provided for audit.

**Recommendation:** It is the responsibility of the bookkeeper to ensure the timely completion of student activity operating reports and ticket reconciliations by sponsors for fundraisers and events. The bookkeeper should update a ticket inventory for each event in which tickets are utilized. Fundraisers and inventory should be monitored to ensure that inventory on hand is not excessive and that each fundraiser is reasonable and results in a profit.

**Views of Responsible Officials:** The Principal will speak to the entire staff and remind team leaders of appropriate procedures when wanting to complete a fundraiser. The first step must be filling out a fundraiser application. The Principal let teachers know this in August 2020. The bookkeeper will stay in communication with the Principal to ensure fundraiser are completed in a timely and appropriate manner.

SOUTH ELEMENTARY SCHOOL (continued)

2020-012, Checks Signed by Only One Authorized Check Signer

**Condition:** During our audit procedures, we noted seven (7) instances in which checks were issued with only one authorized signature. Additional procedures performed on these disbursements verified that each disbursement was a proper use of internal funds.

**Criteria or specific requirement:** Chapter 8, Section III, 1.3(a) of the Red Book states, “All checks must be signed with two signatures as prescribed by the principal if not prescribed by school board rule.”

**Effect:** Checks issued with only one authorized signature could result in internal funds being used for unauthorized purposes.

**Cause:** The individual responsible for processing the check and invoice for mailing did not review the checks to ensure two authorized signatures were obtained before mailing.

**Recommendation:** To ensure all checks have two signatures before mailing, we recommend the person responsible for mailing checks for paid invoices review all checks before mailing.

**Views of Responsible Officials:** This was an oversight. There was a large amount of refund checks needed due the global pandemic canceling a school trip for 5th graders. The bookkeeper worked quickly to process these checks. There was only one signature due to this oversight. The Principal spoke to the bookkeeper after receiving the audit findings and told her to always double check for two signatures on the checks.

2020-013, Disbursement Supporting Documentation

**Condition:** We noted that when the school transferred the money from the old bank account to the new bank account a temporary check was handwritten to Cash for \$17,193. This transfer was not supported by a check request or purchase order, and it was only signed by one authorized signer. Additional procedures showed that the entire amount was deposited into the new bank account on the same day.

**Criteria or specific requirement:** Invoices or receipts should be obtained and check requests and purchase orders properly completed to ensure that all expenditures are appropriate, checks are issued for the correct amount, and no duplicate payments are made.

**Effect:** Checks issued without an approved check request or purchase order could result in internal funds being used for unauthorized purposes.

**Cause:** The transfer of cash to the new account was not supported by written authorization from the principal.

**Recommendation:** We recommend that you obtain invoices or receipts before a check is written and improve the filing and maintenance of documents.

**Views of Responsible Officials:** The bookkeeper went directly to the old bank to request the account be closed. The old bank issued a temporary check for the balance of the account, which was immediately taken to the new bank and deposited. Since closing an account is not a normal transaction, the bookkeeper did not realize she needed a check request or purchase order.

**STATUS OF PRIOR YEAR MANAGEMENT LETTER COMMENTS:**

**OKEECHOBEE COUNTY SCHOOL BOARD**

The prior year comment related to due dates for activity reports was satisfactorily resolved.

**OKEECHOBEE HIGH SCHOOL**

The prior year comment related the tagging of tangible property appears to have been corrected.

**NORTH ELEMENTARY SCHOOL**

The prior year material weakness regarding controls over depositing, receipting and bank reconciliations reported in our Communication of Material Weaknesses was partially cleared and reported this year as a significant deficiency. The prior year comment related to the supporting documentation for disbursements was repeated this year.

**SEMINOLE ELEMENTARY SCHOOL**

The prior year comment related to the timely deposit of receipts appears to have been corrected.

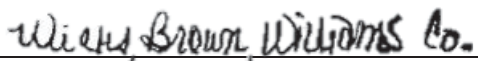
**SOUTH ELEMENTARY SCHOOL**

The prior year comment related to the timely deposit of receipts appears to have been corrected.

This report is intended solely for the information and use of the School Board, management, others within the entity, 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.

The District's response to the findings identified in our audit is described above. The District'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.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and suggestions with various School Board personnel. We will be pleased to discuss them in further detail at your convenience, or to assist you in implementing the recommendations.

  
\_\_\_\_\_  
Wicks, Brown, Williams & Co., CPA's LLP  
Certified Public Accountants  
Okeechobee, Florida

December 3, 2020