

**OKEECHOBEE COUNTY
DISTRICT SCHOOL BOARD**

INTERNAL FUNDS FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
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Wicks, Brown, Williams & Co.

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

Charles F. Wicks, C.P.A. (1911 - 1996)
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W. Bruce Stratton, C.P.A., P.A.
Cheryl M. Williams, C.P.A., P.A.
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Corey A. Wheeler, C.P.A.
Charles P. Cox, C.P.A.

Lake Placid
(863) 699-5544

Sebring
(863) 382-1157

INDEPENDENT AUDITOR'S REPORT

Okeechobee County District School Board
Okeechobee, Florida

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, 2014, 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. Management is also responsible for 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 error or fraud.

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.

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

Okeechobee County District School Board (continued)

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, 2014, in accordance with the basis of accounting as described in Note 1.

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.

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 Matters

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 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 are the responsibility of management. 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 financial statement, 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 statement of cash receipts, disbursements, transfers and balances - internal funds taken as a whole.

Wicks, Brown, Williams & Co.

Wicks, Brown, Williams & Co.
Certified Public Accountants
Okeechobee, Florida

November 13, 2014

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

CASH - JULY 1, 2013	<u>\$ 506,902</u>
RECEIPTS:	
Athletics	305,404
Music	123,584
Class, club, departments	649,497
Trust funds	97,710
General	<u>206,040</u>
Total receipts	<u>1,382,235</u>
DISBURSEMENTS:	
Athletics	262,904
Music	108,497
Class, club, departments	617,905
Trust funds	84,599
General	<u>265,052</u>
Total disbursements	<u>1,338,957</u>
TRANSFERS IN (OUT):	
Athletics	(27,610)
Music	(7,775)
Class, club, departments	(14,429)
Trust funds	(3,790)
General	<u>53,604</u>
Total transfers	<u>-</u>
CASH - JUNE 30, 2014	<u><u>\$ 550,180</u></u>
CASH CONSISTING OF:	
Checking accounts	\$ 301,609
Savings accounts	<u>248,571</u>
Total	<u><u>\$ 550,180</u></u>

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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

The internal funds of the Okeechobee County District School Board are comprised of ten individual funds. There is one fund for each of the five elementary schools, two middle schools, and three high schools. For reporting purposes Okeechobee Freshman Campus and Okeechobee Achievement Academy are considered to be high schools. 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 – CASH 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.

NOTE 3 – RELATED PARTY TRANSACTIONS:

During the fiscal year ending June 30, 2014, various schools in the District purchased shirts and other sporting goods from Quality Tee's & Sporting Goods, Inc., a company owned by a school board employee. The schools paid the company a total of \$61,086, which included sales tax for the items purchased for resale. The amounts paid by the schools for the items were at the same per item rate charged other customers.

OKEECHOBEE COUNTY DISTRICT SCHOOL BOARD
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
TRANSFERS, AND BALANCES – INTERNAL FUNDS
ALL SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2014

	Elementary Schools	Middle Schools	High Schools	Total
CASH - JULY 1, 2013	\$ 138,517	\$ 96,447	\$ 271,938	\$ 506,902
RECEIPTS:				
Athletics	-	20,358	285,046	305,404
Music	2,393	43,037	78,154	123,584
Class, club, departments	96,182	252,780	300,535	649,497
Trust funds	52,413	34,899	10,398	97,710
General	127,033	46,319	32,688	206,040
Total receipts	278,021	397,393	706,821	1,382,235
DISBURSEMENTS:				
Athletics	-	16,072	246,832	262,904
Music	1,534	42,771	64,192	108,497
Class, club, departments	91,455	254,515	271,935	617,905
Trust funds	53,653	18,786	12,160	84,599
General	129,225	43,836	91,991	265,052
Total disbursements	275,867	375,980	687,110	1,338,957
TRANSFERS IN (OUT):				
Athletics	-	(293)	(27,317)	(27,610)
Music	(104)	500	(8,171)	(7,775)
Class, club, departments	(6,537)	715	(8,607)	(14,429)
Trust funds	(1,275)	(189)	(2,326)	(3,790)
General	7,916	(733)	46,421	53,604
Total transfers	-	-	-	-
CASH - JUNE 30, 2014	\$ 140,671	\$ 117,860	\$ 291,649	\$ 550,180
CASH CONSISTING OF:				
Checking accounts	\$ 140,671	\$ 102,881	\$ 58,057	\$ 301,609
Savings accounts	-	14,979	233,592	248,571
Total	\$ 140,671	\$ 117,860	\$ 291,649	\$ 550,180

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, 2014

	Central	Everglades	North	Seminole	South	Total
CASH - JULY 1, 2013	\$ 29,685	\$ 29,100	\$ 19,294	\$ 27,517	\$ 32,921	\$ 138,517
RECEIPTS:						
Athletics	-	-	-	-	-	-
Music	-	-	690	-	1,703	2,393
Class, club, departments	25,234	21,461	18,277	1,776	29,434	96,182
Trust funds	7,075	5,321	11,485	21,178	7,354	52,413
General	23,325	22,638	33,094	29,020	18,956	127,033
Total receipts	55,634	49,420	63,546	51,974	57,447	278,021
DISBURSEMENTS:						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	1,534	1,534
Class, club, departments	23,703	22,493	15,457	1,842	27,960	91,455
Trust funds	7,082	8,095	9,417	21,837	7,222	53,653
General	17,728	19,605	39,398	28,411	24,083	129,225
Total disbursements	48,513	50,193	64,272	52,090	60,799	275,867
TRANSFERS IN (OUT):						
Athletics	-	-	-	-	-	-
Music	-	-	-	-	(104)	(104)
Class, club, departments	(5,000)	635	71	-	(2,243)	(6,537)
Trust funds	384	(125)	18	-	(1,552)	(1,275)
General	4,616	(510)	(89)	-	3,899	7,916
Total transfers	-	-	-	-	-	-
CASH - JUNE 30, 2014	\$ 36,806	\$ 28,327	\$ 18,568	\$ 27,401	\$ 29,569	\$ 140,671
CASH CONSISTING OF:						
Checking accounts	\$ 36,806	\$ 28,327	\$ 18,568	\$ 27,401	\$ 29,569	\$ 140,671
Total	\$ 36,806	\$ 28,327	\$ 18,568	\$ 27,401	\$ 29,569	\$ 140,671

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, 2014

	Osceola	Yearling	Total
CASH - JULY 1, 2013	\$ 61,856	\$ 34,591	\$ 96,447
RECEIPTS:			
Athletics	6,718	13,640	20,358
Music	21,074	21,963	43,037
Class, club, departments	154,527	98,253	252,780
Trust funds	12,573	22,326	34,899
General	16,392	29,927	46,319
Total receipts	211,284	186,109	397,393
DISBURSEMENTS:			
Athletics	5,526	10,546	16,072
Music	21,079	21,692	42,771
Class, club, departments	155,287	99,228	254,515
Trust funds	9,588	9,198	18,786
General	12,762	31,074	43,836
Total disbursements	204,242	171,738	375,980
TRANSFERS IN (OUT):			
Athletics	(293)	-	(293)
Music	-	500	500
Class, club, departments	(518)	1,233	715
Trust funds	(189)	-	(189)
General	1,000	(1,733)	(733)
Total transfers	-	-	-
CASH - JUNE 30, 2014	\$ 68,898	\$ 48,962	\$ 117,860
CASH CONSISTING OF:			
Checking accounts	\$ 68,898	\$ 33,983	\$ 102,881
Savings accounts	-	14,979	14,979
Total	\$ 68,898	\$ 48,962	\$ 117,860

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, 2014

	Okeechobee Achievement Academy	Okeechobee Freshman Campus	Okeechobee High School	Total
CASH - JULY 1, 2013	\$ 2,431	\$ 21,253	\$ 248,254	\$ 271,938
RECEIPTS:				
Athletics	-	-	285,046	285,046
Music	-	-	78,154	78,154
Class, club, departments	1,193	8,310	291,032	300,535
Trust funds	3,069	2,554	4,775	10,398
General	531	10,517	21,640	32,688
Total receipts	4,793	21,381	680,647	706,821
DISBURSEMENTS:				
Athletics	-	-	246,832	246,832
Music	-	-	64,192	64,192
Class, club, departments	1,045	7,121	263,769	271,935
Trust funds	3,771	3,960	4,429	12,160
General	144	22,669	69,178	91,991
Total disbursements	4,960	33,750	648,400	687,110
TRANSFERS IN (OUT):				
Athletics	-	-	(27,317)	(27,317)
Music	-	-	(8,171)	(8,171)
Class, club, departments	-	(1,957)	(6,650)	(8,607)
Trust funds	(204)	(2,263)	141	(2,326)
General	204	4,220	41,997	46,421
Total transfers	-	-	-	-
CASH - JUNE 30, 2014	\$ 2,264	\$ 8,884	\$ 280,501	\$ 291,649
CASH CONSISTING OF:				
Checking accounts	\$ 2,264	\$ 8,884	\$ 46,909	\$ 58,057
Savings accounts	-	-	233,592	233,592
Total	\$ 2,264	\$ 8,884	\$ 280,501	\$ 291,649

See independent auditor's report.

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COMMUNICATION OF NO MATERIAL WEAKNESSES

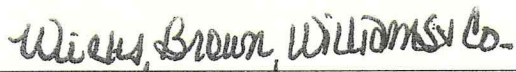
Okeechobee County District School Board
Okeechobee, Florida

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, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered each school's internal control over financial reporting 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.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.
Certified Public Accountants
Okeechobee, Florida

November 13, 2014

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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, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered each school's internal control over internal funds 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 date November 13, 2014, on the combined statement of cash receipts, disbursements, transfers, and balances-internal funds of the Okeechobee County District School Board.

CENTRAL ELEMENTARY SCHOOL

OBSERVATION:

We noted an instance where the report of monies collected form for a fundraiser was not substantiated by individual receipts issued to students by teachers/sponsors or a log for small amounts of \$10 or under.

RECOMMENDATION:

School policy requires that report of monies collected forms be substantiated by individual receipt numbers or logs for small amounts of \$10 or under.

YEARLING MIDDLE SCHOOL

OBSERVATION:

We noted instances in which sales tax was not paid or remitted for items purchased for fundraisers or other taxable items.

RECOMMENDATION:

We recommend that sales tax rules and regulations relevant to the internal funds activities be reviewed by the principal and bookkeeper to ensure compliance with state law.

Okeechobee County District School Board (continued)

YEARLING MIDDLE SCHOOL (continued)

OBSERVATION:

We noted instances in which checks were issued with only one authorized signature.

RECOMMENDATION:

School policy requires that all checks be signed by two authorized signers.

PRIOR YEAR MANAGEMENT LETTER COMMENTS AND MATERIAL WEAKNESSES:

EVERGLADES ELEMENTARY SCHOOL

The prior year comment relating to the Ticket Reconciliation Report and ticket roll inventory appears to have been corrected.

NORTH ELEMENTARY SCHOOL

The prior year comment relating to receipts not turned in to the school bookkeeper within one business day appears to have been corrected.

SOUTH ELEMENTARY SCHOOL

The prior year comments relating to substantiation of amounts collected and receipts not deposited within five working days appear to have been corrected. The prior year finding related to free drink cards was corrected. The prior year finding related to the reconciliation of inventory purchased and sold appears to have been corrected. The prior year findings related to incomplete fundraising applications, Ticket Reconciliation reports, Reports of Monies Collected and monies collected log appear to have been corrected.


YEARLING MIDDLE SCHOOL

The prior year comment relating to the reconciliation of inventory to quantities purchased and sold 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.

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

Sincerely,



Wicks, Brown, Williams & Co.
Certified Public Accountants
Okeechobee, Florida

November 13, 2014