

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**STUDENT ACTIVITY FUND - INTERNAL ACCOUNTS
LAKE COUNTY DISTRICT SCHOOL BOARD
TAVARES, FLORIDA**

JUNE 30, 2017

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**STUDENT ACTIVITY FUND - INTERNAL ACCOUNTS
LAKE COUNTY DISTRICT SCHOOL BOARD
TAVARES, FLORIDA**

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

Lake County District School Board and
Superintendent
Tavares, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Student Activity Fund - Internal Accounts of Lake County District School Board (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statement 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 *Governmental 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

As discussed in Note 1, the accompanying financial statements present only the Student Activity Fund - Internal Accounts and are not intended to present fairly the financial position of the District, as of June 30, 2017, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
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Lake County District School Board and
Superintendent
Tavares, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Opinion (Concluded)

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Student Activity Fund - Internal Accounts of the District, as of June 30, 2017, and the respective changes in its assets and liabilities thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Management's discussion and analysis covering the financial statements of the Student Activity Fund - Internal Accounts, is included within the management's discussion and analysis of the district-wide comprehensive annual financial report, which is available at the District's administrative offices.

The schedule of changes in assets and liabilities by the school is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 9, 2018, on our consideration of the District's Student Activity Fund - Internal Accounts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Student Activity Fund - Internal Accounts' internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

January 9, 2018
Ocala, Florida

STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
STUDENT ACTIVITY FUND - INTERNAL ACCOUNTS
JUNE 30, 2017
LAKE COUNTY DISTRICT SCHOOL BOARD - TAVARES, FLORIDA

	Total 2017
Assets	
Cash	\$ 3,066,239
Total Assets	<u>3,066,239</u>
Liabilities	
Due to Students and Student Organizations	\$ <u>3,066,239</u>

See accompanying notes.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
STUDENT ACTIVITY FUND - INTERNAL ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017
LAKE COUNTY DISTRICT SCHOOL BOARD - TAVARES, FLORIDA

	Beginning Balance July 1, 2016	Additions	Deletions	Ending Balance June 30, 2017
Assets				
Cash	\$ 2,918,702	\$ 6,581,196	\$ (6,433,659)	\$ 3,066,239
Total Assets	<u>2,918,702</u>	<u>6,581,196</u>	<u>(6,433,659)</u>	<u>3,066,239</u>
Liabilities				
Due to Students and Student Organizations	\$ 2,918,702	\$ 6,581,196	\$ (6,433,659)	\$ 3,066,239

See accompanying notes.

NOTE TO FINANCIAL STATEMENTS
STUDENT ACTIVITY FUND - INTERNAL ACCOUNTS
LAKE COUNTY DISTRICT SCHOOL BOARD - TAVARES, FLORIDA

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Student Activity Fund - Internal Accounts of Lake County District School Board (the District) have been prepared to conform to generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Florida Statutes, Section 1001.51(11)(f), the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education. The following is a summary of the more significant of these policies:

Reporting Entity

The District and its Governing Board are organized and operated under Section 4, Article IX, of the Constitution of Florida and Chapter 1001 of Florida Statutes. The District's boundaries are coterminous with those of Lake County. Management of the District is independent of county and city governments. The membership of the Governing Board of the District (the Board) consists of five members elected by county-wide vote for overlapping four-year terms. The Superintendent is elected and acts as chief executive officer of the District.

For financial reporting purposes, the accompanying financial statements include only the activity accounted for in the Student Activity Fund - Internal Accounts of the District and do not purport to present financial position and results of operations for the District as a whole. The District does, however, prepare an entity-wide comprehensive annual financial report which also includes the Student Activity Fund - Internal Accounts, which can be obtained from the District's administrative offices.

The Student Activity Fund - Internal Accounts is a single fiduciary fund of the District as follows:

■ **Fiduciary Fund Type**

- **Agency Fund** - to account for resources of the Student Activity Fund - Internal Accounts which are used to administer monies collected at the District's schools in connection with school, student athletic, class, and club activities and financial aid fee collections and expenditures. The fund is made up of all of the internal account activity of the District's elementary, middle, and high schools, and are unbudgeted public funds under the control and supervision of the District, with individual school principals having day-to-day responsibility over their respective schools.

The collection and disbursement of internal accounts is performed in accordance with Florida Statutes, school Board rules, and the financial and program cost accounting and reporting for Florida Schools Manual, published by the Florida Department of Education.

The District accounts for student activity funds in an agency fund because the fund is custodial in nature and does not measure the results of operations.

Measurement Focus and Basis of Accounting

School internal funds reported as an agency fund account for additions and deletions when cash is received and disbursed. These funds have no significant receivables, payables, or fund equity.

NOTE TO FINANCIAL STATEMENTS
STUDENT ACTIVITY FUND - INTERNAL ACCOUNTS
LAKE COUNTY DISTRICT SCHOOL BOARD - TAVARES, FLORIDA
(Concluded)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Cash

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes; thus, all bank balances of the Student Activity Fund - Internal Accounts of the District are fully insured or collateralized. The District does not have investments subject to GASB 72 requirements.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - BY SCHOOL
AGENCY FUND
STUDENT ACTIVITY FUNDS - INTERNAL ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017
LAKE COUNTY DISTRICT SCHOOL BOARD - TAVARES, FLORIDA**

	Beginning Balance	Additions	(Deletions)	Ending Balance
	July 1, 2016			June 30, 2017
Astatula Elementary	\$ 22,689	\$ 104,879	\$ (96,801)	\$ 30,767
Beverly Shores Elementary	4,694	46,845	(41,543)	9,996
Carver Middle	61,835	48,222	(63,294)	46,763
Clermont Elementary	11,826	45,632	(49,398)	8,060
Clermont Middle	68,752	143,895	(137,870)	74,777
Cypress Ridge Elementary	105,126	127,096	(148,735)	83,487
East Ridge High	376,803	691,949	(640,539)	428,213
East Ridge Middle	119,759	189,700	(187,437)	122,022
Eustis Elementary	24,377	58,108	(67,377)	15,108
Eustis Heights Elementary	5,688	55,340	(50,318)	10,710
Eustis High	198,967	405,350	(395,417)	208,900
Eustis Middle	36,022	62,972	(56,462)	42,532
Fruitland Park Elementary	45,334	56,101	(67,540)	33,895
Grassy Lake Elementary	48,312	200,764	(216,251)	32,825
Gray Middle	87,335	172,851	(175,432)	84,754
Griffin Center/Student Services	18,195	9,555	(1,091)	26,659
Groveland Elementary	11,223	92,367	(84,144)	19,446
Lake Hills Center	39,922	43,729	(41,262)	42,389
Lake Minneola High	235,534	528,686	(559,526)	204,694
Leesburg Elementary	36,438	81,622	(81,301)	36,759
Leesburg High	73,544	372,197	(358,105)	87,636
Lost Lake Elementary	29,212	125,037	(137,709)	16,540
Mount Dora High	316,344	444,985	(376,241)	385,088
Mount Dora Middle	35,649	170,793	(163,209)	43,233
Oak Park Middle	23,960	50,235	(46,711)	27,484
Pine Ridge Elementary	66,811	106,438	(111,123)	62,126
Rimes Elementary	13,753	9,487	(10,437)	12,803
Sawgrass Bay Elementary	23,969	118,318	(108,923)	33,364
Seminole Springs Elementary	7,404	33,631	(33,564)	7,471
Sorrento Elementary	21,205	91,032	(80,441)	31,796
South Lake High	184,041	407,220	(389,871)	201,390
Tavares Elementary	31,650	125,044	(128,952)	27,742
Tavares High	112,143	286,012	(279,151)	119,004
Tavares Middle	74,223	122,761	(131,952)	65,032
Treadway Elementary	59,432	112,456	(88,222)	83,666
Triangle Elementary	28,487	20,030	(27,782)	20,735
Umatilla Elementary	29,257	70,808	(69,658)	30,407
Umatilla High	77,605	285,256	(260,307)	102,554
Umatilla Middle	21,024	115,951	(115,404)	21,571
Villages of Lady Lake Elementary	38,882	60,732	(58,682)	40,932
Windy Hill Middle	91,276	287,110	(295,477)	82,909
Total	\$ 2,918,702	\$ 6,581,196	\$ (6,433,659)	\$ 3,066,239

OTHER REPORTS

**INDEPENDENT AUDITORS' 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**

Lake County District School Board and
Superintendent
Tavares, 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 financial statements of the Student Activity Fund - Internal Accounts of Lake County District School Board (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's Student Activity Fund - Internal Accounts basic financial statements and have issued our report thereon dated January 9, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's Student Activities Fund - Internal Accounts' internal control over financial reporting 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 District's Student Activities Fund - Internal Accounts' internal control. Accordingly, we do not express an opinion on the effectiveness of the District's Student Activities Fund - Internal Accounts' 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies.

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P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
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443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
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Lake County District School Board and
Superintendent
Tavares, Florida

**INDEPENDENT AUDITORS' 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
(Concluded)**

Internal Control Over Financial Reporting (Concluded)

■ **2017-01 Segregation of Duties**

One of the tenets of sound internal control is the segregation of incompatible duties among employees. The basic premise is that to minimize employee errors and fraudulent activities, duties should be segregated among employees so that individuals do not perform all of the accounting functions for a single area. During our audit of the internal accounts, we identified instances where the bookkeeper is the sole individual responsible for receiving cash, depositing cash, and recording transactions into the general ledger. This condition is common across internal accounts in school districts across the state of Florida and is not unique to the District. The District has recognized this weakness and has established and implemented detect controls to mitigate this risk including monthly review and approval of the principal's report and the bank reconciliation by each principal, a monthly account review and sign-off by each school sponsor or instructor for their account, and annual reviews performed by the Finance department. We recommend that the District continue its existing efforts to mitigate the segregation of duties issues and continue to emphasize the importance of detect controls over cash receipting and bank deposits. We have no further recommendations for compensating controls; however, we think it is important that we make you aware of this condition.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Student Activities Fund - Internal Accounts' 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 have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items..

The District's Student Activities Fund – Internal Accounts Response to Findings

The District's Student Activities Fund – Internal Accounts' responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's Student Activities Fund – Internal Accounts' 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 results 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.



January 9, 2018
Ocala, Florida

MANAGEMENT LETTER

Lake County District School Board and
Superintendent
Tavares, Florida

Report on the Financial Statements

We have audited the financial statements of the Student Activity Fund - Internal Accounts of Lake County District School Board (the District), as of and for the year ended June 30, 2017, and have issued our report thereon dated January 9, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, which is dated January 9, 2018, and should be considered in conjunction with this Management Letter.

Prior Audit Findings

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. See the significant deficiency in the Independent Auditors' 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* related to the segregation of duties. All other prior year recommendations have been addressed.

Financial Condition

Section 804(1)(f)2., *Rules of the Auditor General*, requires a statement be included as to whether or not the District's Student Activity Fund - Internal Accounts has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the District's Student Activity Fund - Internal Accounts did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
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Lake County District School Board and
Superintendent
Tavares, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition (Concluded)

Pursuant to Sections 10.804(1)(f)5.a. and 10.805(7), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District's Student Activity Fund - Internal Accounts. It is management's responsibility to monitor the District's Student Activity Fund - Internal Accounts financial condition, and our financial condition assessment was based in part on representations made by management and review of the financial information provided by same.

Other Matters

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we address in the Management Letter any recommendations to improve financial management. Recommendations regarding internal controls were made in this letter.

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires that we address noncompliance with provision of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the District School Board members, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Durvis, Gray and Company, LLP

January 9, 2018
Ocala, Florida

MANAGEMENT LETTER COMMENTS

Lake County District School Board and
Superintendent
Tavares, Florida

During the course of our 2017 audit of the Student Activity Fund - Internal Accounts of Lake County District School Board, the following items came to our attention:

Current Year Comments

2017-01 Cash Collections

Per Chapter 7, Section III, 1.4(b) of the Redbook, collections made outside the school office must be turned in to the school office no later than the next business day which is consistent with the Internal Accounts Procedures Manual for the District. During the audit we noted multiple instances where the money was held by a teacher or sponsor for longer than the required time frame. Additionally, we noted instances where the required form for collection of receipts did not include all information that would provide an audit of how and when funds were collected and deposited. Monies Collected Forms are not being dated by teachers, but are being dated by the bookkeeper or the bookkeeper's student assistant for the day of deposit. Monies held by teachers or sponsors are more accessible to third parties and therefore, more susceptible to misappropriation. We recommend that the principals stress the importance of following the policy to minimize the risk of loss or theft of cash.

2017-02 Cash Deposits

Per Chapter 7, Section III, 1.4(c) of the Redbook, all money collected must be deposited within five working days after receipt. During our review, we noted several instances of funds not being deposited to the bank within the five business days. Although the funds are locked away in the safe, there is still a risk of theft. Based on Redbook guidelines of depositing funds every five business days, we recommend strengthening procedures to ensure funds are deposited more timely.

2017-03 Maintain Ticket Registers and Monies Collected Forms

During the review of the Ticket Inventory Log and Tickets Sold forms at each school who has athletic events, it was noted, that the several location's Ticket Inventory Log sheet was not being maintained. The exiting policy states that the Athletic Director's should verify and notate the beginning and ending sequential ticket numbers at the beginning and ending of an athletic event. The Athletic Director should also be ensure the Sponsors signs out the change fund and the Ticket Inventory Log sheet when returning the change fund box. The lack of tracking and documentation presents a vulnerability of ticket inventory theft and potential of change fund theft without documentation of the individual who is responsible for the change fund. We recommend consistently maintaining the Ticket Inventory Log sheet to ensure proper documentation in accordance with the District requirements.

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Lake County District School Board and
Superintendent
Tavares, Florida

MANAGEMENT LETTER COMMENTS
(Concluded)

Current Year Comments *(Concluded)*

2017-04 Cash Disbursements

Per Chapter 7, Section III, 3.2(b) of the Redbook, a signed commitment form from the principal or designee must be on the file before any purchase is made. During the audit, we noted several instances of purchase orders being completed after the requisition and invoice date. In another instance, it was noted a check was issued without a purchase order. We recommend that the principals continue to stress the importance of following the policy to minimize the risk of loss or theft.

These Management Letter Comments are intended solely for the information and use of the District School Board, Superintendent, management, the State of Florida, and other governmental agencies, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to express our appreciation for the courtesies that have been extended to our staff. If you have any questions or comments about the contents of this letter, or the information accompanying this letter, please do not hesitate to contact us.

Purvis, Gray and Company, LLP

January 9, 2018
Ocala, Florida



Superintendent:
Diane S. Kornegay, M.Ed.

School Board Members:
District 1
Bill Mathias
District 2
Kristi Burns, Ph.D.
District 3
Marc Dodd
District 4
Sandy Gamble
District 5
Stephanie Luke

201 West Burleigh Boulevard · Tavares · FL 32778-2496
(352) 253-6500 · Fax: (352) 253-6503 · www.lake.k12.fl.us

January 9, 2018

Mark While, CPA, Partner
Purvis Gray & Company
2347 SE 17th Street
Ocala, FL 34471

Dear Mr. White:

First, we would like to thank you and your staff for the professional manner in which the audit was conducted. We look to the audit process as a valuable tool in our continuous improvement of this area of the school districts operations.

In response to the Independent Auditor's Management Letter Comments related to the audit of the Student Activity Funds - Internal Accounts for the fiscal year ended June 30, 2017, we offer the following:

2017-01 Cash Collections

The Finance Department staff will continue to work with the schools to ensure that Monies Collected Forms are properly filled out by the person collecting the funds, that teachers turns collected funds in to the school office by the required time frame.

2017-02 Cash Deposits

We will meet with the principal's and bookkeepers to discuss the procedures necessary to adhere to the requirement for timely depositing of all funds collected.

2017-03 Maintain Ticket Registers and Monies Collected Forms

The Finance Department staff will discuss the need for consistent use of the Ticket Inventory Log sheet with our Principals, Athletic Directors and bookkeepers, and assist the schools with implementing proper procedures to track and document the change funds and Ticket Inventory Log sheets to assure compliance with sound business procedures and District requirements.

Internal Control Over Financial Reporting
2017-01 Segregation of Duties

We recognize this weakness and have implemented mitigating controls. We will continue our existing efforts mitigate the segregation of duties issues until such time as our schools are funded adequately to meet these requirements.

Please be assured that the district will continue to work with the Principals, Bookkeepers, Teachers and Athletic Directors to target specific training, implement new procedures or correct our processes.

We sincerely appreciate your assistance and review of our systems and look forward to working together in our efforts to continually improve our schools!

Sincerely,



Karen Briggs
Chief Financial Officer