

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS**

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2018**

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
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INDEPENDENT AUDITORS' REPORT

To the Flagler County District School Board:

Report on the Financial Statement

We have audited the accompanying financial statement of the Flagler County District School Board Internal Accounts (the Internal Accounts), which comprises the statement of cash receipts and disbursements and cash balances as of June 30, 2018, and for the year then ended, and the related notes to the financial statements.

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 receipts and disbursements basis of accounting described in Note 1; this includes determining that the cash receipts and disbursements 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.

Auditors' 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 management, as well as evaluating the overall presentation of the financial statement.

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

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Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements and cash balances of Flagler County District School Board Internal Accounts as of and for the year ended June 30, 2018 in accordance with the cash receipts and disbursements basis of accounting 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 receipts and disbursements 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 this matter.

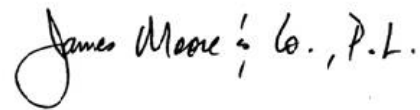
Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2018, on our consideration of the Flagler County District School Board's 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 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 Flagler County District School Board's internal control over financial reporting and compliance.

Daytona Beach, Florida
August 29, 2018



FLAGLER COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Administrative Office	\$ 77,712	\$ 111,001	\$ 63,641	\$ -	\$ 125,072
Adult Education	283,881	322,870	318,523	-	288,228
Belle Terre Elementary School	118,771	194,320	205,298	-	107,793
Buddy Taylor Middle School	186,196	129,056	104,609	-	210,643
Bunnell Elementary School	43,191	78,071	85,580	-	35,682
Community Education	24,275	4,773	14,287	-	14,761
Early Childhood Education	488	736	1,125	-	99
Flagler Palm Coast High School	341,216	827,426	754,884	-	413,758
Indian Trails Middle School	181,286	161,831	172,318	-	170,799
Matanzas High School	466,049	536,336	560,452	-	441,933
Old Kings Elementary School	140,761	162,896	149,442	-	154,215
Rymfire Elementary School	84,394	123,369	129,973	-	77,790
Student Services	13,981	27,498	32,219	-	9,260
Wadsworth Elementary School	101,150	121,695	106,704	-	116,141
Total	<u>\$ 2,063,351</u>	<u>\$ 2,801,878</u>	<u>\$ 2,699,055</u>	<u>\$ -</u>	<u>\$ 2,166,174</u>

The accompanying notes to the statement of cash receipts
and disbursements and cash balances are an integral part of this statement.

FLAGLER COUNTY DISTRICT SCHOOL BOARD
INTERNAL ACCOUNTS
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Flagler County District School Board, which affect significant elements of the accompanying statement of cash receipts and disbursements and cash balances.

(a) **Organization**—The Flagler County District School Board Internal Accounts represent cash collected and expended for providing necessary and proper services and materials for school activities as established and approved by the Flagler County District School Board. Support comes primarily from activity revenue. The cash funds included in the internal activity funds are the property of the various departments, clubs, and projects, and not that of the District. However, once these funds are collected by District personnel and subsequently deposited into the respective internal activity fund bank accounts, the cash receipts and subsequent disposition of all funds must comply with the guidelines and requirements of the Florida Department of Education and the District. The combined balances of all schools and education centers' internal activity accounts are included as agency funds in the School Board's comprehensive annual financial report.

(b) **Basis of accounting**—The accompanying statement of cash receipts and disbursements and cash balances has been prepared on the basis of cash receipts and disbursements. Under this basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

(c) **Cash and cash equivalents**—The Board's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

(2) **Concentrations of Credit Risk:**

All Flagler County District School Board Internal Accounts cash balances were covered by Federal depository insurance or by collateral held by the Board's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

SUPPLEMENTARY INFORMATION

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
ADMINISTRATIVE OFFICE INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Cash Balances, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Net Transfers</u>	<u>Cash Balances, June 30, 2018</u>
Trusts	\$ 37,460	\$ 103,052	\$ 30,360	\$ -	\$ 110,152
General	40,252	7,949	33,281	-	14,920
Total	<u>\$ 77,712</u>	<u>\$ 111,001</u>	<u>\$ 63,641</u>	<u>\$ -</u>	<u>\$ 125,072</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
ADULT EDUCATION INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Classes	\$ 14,521	\$ 23,019	\$ 11,719	\$ 116	\$ 25,937
Trusts	46,276	105,368	127,618	(13,072)	10,954
General	223,084	194,483	179,186	12,956	251,337
Total	<u>\$ 283,881</u>	<u>\$ 322,870</u>	<u>\$ 318,523</u>	<u>\$ -</u>	<u>\$ 288,228</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
 BELLE TERRE ELEMENTARY SCHOOL INTERNAL ACCOUNTS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Music	\$ 907	\$ 2,067	\$ 2,067	\$ (146)	\$ 761
Classes	22,538	99,201	105,759	(435)	15,545
Clubs	11,075	14,651	13,590	(279)	11,857
Departments	40,558	52,971	57,371	1,386	37,544
Trusts	14,291	13,209	4,258	(100)	23,142
General	29,402	12,221	22,253	(426)	18,944
Total	<u>\$ 118,771</u>	<u>\$ 194,320</u>	<u>\$ 205,298</u>	<u>\$ -</u>	<u>\$ 107,793</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
 BUDDY TAYLOR MIDDLE SCHOOL INTERNAL ACCOUNTS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Athletics	\$ -	\$ 1,740	\$ 1,651	\$ 50	\$ 139
Music	8,589	13,143	13,114	165	8,783
Classes	6,033	8,209	4,943	(529)	8,770
Clubs	19,303	16,878	21,453	5,582	20,310
Departments	26,553	5,241	13,284	8,361	26,871
Trusts	115,216	58,247	25,300	(9,912)	138,251
General	10,502	25,598	24,864	(3,717)	7,519
Total	<u>\$ 186,196</u>	<u>\$ 129,056</u>	<u>\$ 104,609</u>	<u>\$ -</u>	<u>\$ 210,643</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
 BUNNELL ELEMENTARY SCHOOL INTERNAL ACCOUNTS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Music	\$ 448	\$ 10,125	\$ 9,909	\$ (187)	\$ 477
Classes	4,626	17,112	19,231	3,090	5,597
Clubs	4,696	13,397	15,459	715	3,349
Departments	12,188	18,058	19,805	3,806	14,247
Trusts	19,889	17,589	20,104	(7,814)	9,560
General	1,344	1,790	1,072	390	2,452
Total	<u>\$ 43,191</u>	<u>\$ 78,071</u>	<u>\$ 85,580</u>	<u>\$ -</u>	<u>\$ 35,682</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
COMMUNITY EDUCATION INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Trusts	\$ 24,275	\$ 4,773	\$ 14,287	\$ -	\$ 14,761

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
 EARLY CHILDHOOD EDUCATION INTERNAL ACCOUNTS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Cash Balances, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Net Transfers</u>	<u>Cash Balances, June 30, 2018</u>
Clubs	\$ 60	\$ -	\$ -	\$ (60)	\$ -
General	428	736	1,125	60	99
Total	<u>\$ 488</u>	<u>\$ 736</u>	<u>\$ 1,125</u>	<u>\$ -</u>	<u>\$ 99</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
FLAGLER PALM COAST HIGH SCHOOL INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Athletics	\$ 55,377	\$ 354,296	\$ 323,789	\$ (5,398)	\$ 80,486
Music	14,099	45,883	41,191	(706)	18,085
Classes	16,731	11,322	10,670	106	17,489
Clubs	131,830	210,681	209,506	(1,046)	131,959
Departments	52,558	52,034	50,881	705	54,416
Trusts	49,870	145,235	109,674	6,431	91,862
General	20,751	7,975	9,173	(92)	19,461
Total	<u>\$ 341,216</u>	<u>\$ 827,426</u>	<u>\$ 754,884</u>	<u>\$ -</u>	<u>\$ 413,758</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
INDIAN TRAILS MIDDLE SCHOOL INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Athletics	\$ 11,286	\$ 10,516	\$ 9,034	\$ (11,815)	\$ 953
Music	16,438	23,095	23,827	34	15,740
Classes	36,547	27,907	26,601	9,837	47,690
Clubs	5,767	45,827	42,402	683	9,875
Departments	49,369	10,420	16,654	2,190	45,325
Trusts	13,375	11,228	16,164	2,898	11,337
General	48,504	32,838	37,636	(3,827)	39,879
Total	<u>\$ 181,286</u>	<u>\$ 161,831</u>	<u>\$ 172,318</u>	<u>\$ -</u>	<u>\$ 170,799</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
MATANZAS HIGH SCHOOL INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Athletics	\$ 55,659	\$ 204,788	\$ 220,437	\$ 3,289	\$ 43,299
Music	6,504	41,537	39,692	(3,588)	4,761
Classes	33,973	53,367	46,587	(919)	39,834
Clubs	99,538	112,061	92,811	2,495	121,283
Departments	112,182	32,774	56,429	(6,278)	82,249
Trusts	73,685	55,993	66,185	987	64,480
General	84,508	35,816	38,311	4,014	86,027
Total	<u>\$ 466,049</u>	<u>\$ 536,336</u>	<u>\$ 560,452</u>	<u>\$ -</u>	<u>\$ 441,933</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
 OLD KINGS ELEMENTARY SCHOOL INTERNAL ACCOUNTS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Music	\$ 4,851	\$ -	\$ 632	\$ (1,297)	\$ 2,922
Classes	3,022	64,188	62,238	4,582	9,554
Clubs	10,458	12,219	11,188	(1,021)	10,468
Departments	24,298	35,773	29,321	(4,059)	26,691
Trusts	19,802	28,220	16,718	4,239	35,543
General	78,330	22,496	29,345	(2,444)	69,037
Total	<u>\$ 140,761</u>	<u>\$ 162,896</u>	<u>\$ 149,442</u>	<u>\$ -</u>	<u>\$ 154,215</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
RYMFIRES ELEMENTARY SCHOOL INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Cash Balances, July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Net Transfers</u>	<u>Cash Balances, June 30, 2018</u>
Music	\$ 41	\$ -	\$ -	\$ -	\$ 41
Classes	11,452	29,040	30,834	3,068	12,726
Clubs	16,050	50,530	48,381	(2,815)	15,384
Departments	8,533	12,746	15,141	411	6,549
Trusts	15,931	21,116	14,105	-	22,942
General	32,387	9,937	21,512	(664)	20,148
Total	<u>\$ 84,394</u>	<u>\$ 123,369</u>	<u>\$ 129,973</u>	<u>\$ -</u>	<u>\$ 77,790</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
STUDENT SERVICES INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Trusts	\$ 5,644	\$ 19,430	\$ 22,469	\$ -	\$ 2,605
General	8,337	8,068	9,750	-	6,655
Total	<u>\$ 13,981</u>	<u>\$ 27,498</u>	<u>\$ 32,219</u>	<u>\$ -</u>	<u>\$ 9,260</u>

See accompanying notes to financial statements.

**FLAGLER COUNTY DISTRICT SCHOOL BOARD
WADSWORTH ELEMENTARY SCHOOL INTERNAL ACCOUNTS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

	Cash Balances, July 1, 2017	Cash Receipts	Cash Disbursements	Net Transfers	Cash Balances, June 30, 2018
Music	\$ 1,431	\$ 430	\$ 416	\$ 701	\$ 2,146
Classes	17,383	27,102	41,320	15,242	18,407
Clubs	1,598	10,073	12,230	4,733	4,174
Departments	17,968	33,412	26,464	1,293	26,209
Trusts	52,346	29,999	16,923	(10,846)	54,576
General	10,424	20,679	9,351	(11,123)	10,629
Total	<u>\$ 101,150</u>	<u>\$ 121,695</u>	<u>\$ 106,704</u>	<u>\$ -</u>	<u>\$ 116,141</u>

See accompanying notes to financial statements.

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

To the Flagler County District School Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of cash receipts and disbursements and cash balances as of June 30, 2018, and for the year then ended, and the related notes to the financial statement, which collectively comprise the Flagler County District School Board Internal Accounts' basic financial statements, and have issued our report thereon dated August 29, 2018.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Flagler County District School Board's (the School Board) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiency in internal control, described on the following page as items 2018-001 and 2018-002, that we consider to be significant deficiencies.

2018-001 Segregation of Duties (All Schools)

Internal account funds are generally administered by a small number of personnel. It is not uncommon to find weaknesses in internal controls due to the small number of personnel performing multiple tasks. For example, school bookkeepers generally handle cash collections, co-sign checks, reconcile bank statements and post the accounting records. Vending machines, school store and concession receipts are usually handled by one individual. An ideal system of internal controls would segregate cash collections from posting of accounting records. The individual responsible for performing reconciliations should not have access to cash collections.

2018-002 Compliance with Policies and Procedures (School-Specific)

We noted various instances of School Board policies not being followed with regard to certain cash receipt and/or disbursement activity at various schools. We recommend the School Board and all individual schools continue to work toward ensuring that all policies and procedures are consistently followed. The items identified in our testing are summarized by school as follows:

ADULT EDUCATION

Proper Check Signatures

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.3(a), all checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy. In accordance with Flagler County District School Board Policy Manual, Chapter 7, 705, VII A., two (2) signatures shall be required for all withdrawals, one (1) of which shall be that of the Principal. During our test of 25 disbursements, we noted 16 instances where the check was not signed by the principal. We suggest the school implement procedures to ensure future compliance.

BUNNELL ELEMENTARY SCHOOL

Support for Receipts

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(a), all money collected by the school must be substantiated by pre-numbered receipts, consecutively numbered class receipt records, reports of monies collected, pre-numbered tickets, reports of tickets issued and sold, or other auditable records. During our test of 25 receipts, we noted 2 instances where there was missing or incomplete supporting documentation. We suggest the school implement procedures to ensure future compliance.

Timeliness of Deposits

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(c), all money collected by the school must be deposited within 5 working days after receipt. During our test of 25 cash receipts, we noted 2 instances where funds were not deposited within 5 days after receipt. We suggest the school implement procedures to ensure future compliance.

Proper Check Signatures

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.3(a), all checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy. In accordance with Flagler County District School Board Policy Manual, Chapter 7, 705, VII A., two (2) signatures shall be required for all withdrawals, one (1) of which shall be that of the Principal. During our test of 25 disbursements, we noted 3 instances where the check was not signed by the principal. We suggest the school implement procedures to ensure future compliance.

Approval of Purchases

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 3.2(a), a signed commitment from the principal or designee(s) must be on file before any purchase is made. During our test of 25 disbursements, we noted 1 instance where the purchase request was missing or incomplete. We suggest the school implement procedures to ensure future compliance.

BELLE TERRE ELEMENTARY SCHOOL

Timeliness of Deposits

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(c), all money collected by the school must be deposited within 5 working days after receipt. During our test of 25 cash receipts, we noted 8 instances where funds were not deposited within 5 days after receipt. We suggest the school implement procedures to ensure future compliance.

Approval of Purchases

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 3.2(a), a signed commitment from the principal or designee(s) must be on file before any purchase is made. During our test of 25 disbursements, we noted 1 instance where the purchase request was missing or incomplete. We suggest the school implement procedures to ensure future compliance.

Timeliness of Collections Submitted to School Office

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(b), collections made outside of the school office must be turned in to the school office no later than the next business day. During our test of 25 cash receipts, we noted 2 instances where money was not turned into the bookkeeper within one business day after receipt. We suggest the school implement procedures to ensure future compliance.

Proper Check Signatures

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.3(a), all checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy. In accordance with Flagler County District School Board Policy Manual, Chapter 7, 705, VII A., two (2) signatures shall be required for all withdrawals, one (1) of which shall be that of the Principal. During our test of 25 disbursements, we noted 3 instances where the check was not signed by the principal. We suggest the school implement procedures to ensure future compliance.

BUDDY TAYLOR MIDDLE SCHOOL

Timeliness of Collections Submitted to School Office

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(b), collections made outside of the school office must be turned in to the school office no later than the next business day. During our test of 25 cash receipts, we noted 2 instances where money was not turned into the bookkeeper within one business day after receipt. We suggest the school implement procedures to ensure future compliance.

Support for Ticket Sales

We noted the common practice of destroying unsold tickets after an event takes place in order to prevent misappropriation of unsold tickets being used at future events. However, in accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(f), for all cases in which tickets are used, ticket reports and unsold tickets must be available for audit. We recommend that faculty and staff maintain unsold tickets along with the ticket log and other backup and support in order for proper audit procedures to be performed and to ensure event cash receipts are accurate and complete.

FLAGLER PALM COAST HIGH SCHOOL

Approval of Purchases

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 3.2(a), a signed commitment from the principal or designee(s) must be on file before any purchase is made. During our test of 25 disbursements, we noted 2 instances where the purchase request was missing or incomplete. We suggest the school implement procedures to ensure future compliance.

Proper Check Signatures

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.3(a), all checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy. In accordance with Flagler County District School Board Policy Manual, Chapter 7, 705, VII A., two (2) signatures shall be required for all withdrawals, one (1) of which shall be that of the Principal. During our test of 25 disbursements, we noted 24 instances where the check was not signed by the principal. We suggest the school implement procedures to ensure future compliance.

Support for Ticket Sales

We noted the common practice of destroying unsold tickets after an event takes place in order to prevent misappropriation of unsold tickets being used at future events. However, in accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(f), for all cases in which tickets are used, ticket reports and unsold tickets must be available for audit. We recommend that faculty and staff maintain unsold tickets along with the ticket log and other backup and support in order for proper audit procedures to be performed and to ensure event cash receipts are accurate and complete.

INDIAN TRAILS MIDDLE SCHOOL

Support for Receipts

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(a), all money collected by the school must be substantiated by pre-numbered receipts, consecutively numbered class receipt records, reports of monies collected, pre-numbered tickets, reports of tickets issued and sold, or other auditable records. During our test of 25 receipts, we noted 22 instances where there was missing or incomplete supporting documentation. We suggest the school implement procedures to ensure future compliance.

Proper Check Signatures

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.3(a), all checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy. In accordance with Flagler County District School Board Policy Manual, Chapter 7, 705, VII A., two (2) signatures shall be required for all withdrawals, one (1) of which shall be that of the Principal. During our test of 25 disbursements, we noted 3 instances where the check was not signed by the principal. We suggest the school implement procedures to ensure future compliance.

Support for Ticket Sales

We noted the common practice of destroying unsold tickets after an event takes place in order to prevent misappropriation of unsold tickets being used at future events. However, in accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(f), for all cases in which tickets are used, ticket reports and unsold tickets must be available for audit. We recommend that faculty and staff maintain unsold tickets along with the ticket log and other backup and support in order for proper audit procedures to be performed and to ensure event cash receipts are accurate and complete.

OLD KINGS ELEMENTARY SCHOOL

Proper Check Signatures

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.3(a), all checks must be signed with two signatures as prescribed by the principal, if not prescribed by district school board policy. In accordance with Flagler County District School Board Policy Manual, Chapter 7, 705, VII A., two (2) signatures shall be required for all withdrawals, one (1) of which shall be that of the Principal. During our test of 21 disbursements, we noted 3 instances where the check was not signed by the principal. We suggest the school implement procedures to ensure future compliance.

WADSWORTH ELEMENTARY SCHOOL

Timeliness of Collections Submitted to School Office

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 1.4(b), collections made outside of the school office must be turned in to the school office no later than the next business day. During our test of 21 cash receipts, we noted 4 instances where money was not turned into the bookkeeper within one business day after receipt. We suggest the school implement procedures to ensure future compliance.

Compliance and Other Matters

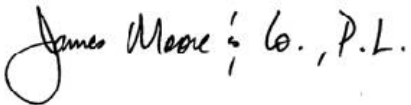
As part of obtaining reasonable assurance about whether the Flagler County District School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could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

Flagler County District School Board's Response to Findings

The Flagler County District School Board's responses to the findings identified in our audit are described starting on page 26. The 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Daytona Beach, Florida
August 29, 2018

MANAGEMENT'S RESPONSE TO FINDINGS

2018-001 Segregation of Duties (All Schools)

The School Board will continue to review and monitor internal control procedures currently in place to mitigate any potential issues that may arise.

2018-002 Compliance with Policies and Procedures (School-Specific)

The School Board and all individual schools will continue to work toward ensuring that all policies and procedures are consistently followed.