

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS**

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2020**

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS
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JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Nassau County School Board:

Report on the Financial Statement

We have audited the accompanying financial statements of the Nassau County School Board Internal Accounts (the Internal Accounts), which comprises the statement of fiduciary net position as of June 30, 2020, and the related statement of changes in fiduciary net position 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 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 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.

Opinion

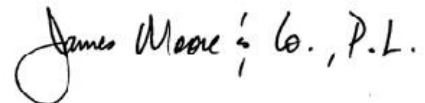
In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Nassau County School Board Internal Accounts as of June 30, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the 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 11, 2020, on our consideration of the Nassau County School Board - 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 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 Nassau County School Board Internal Accounts' internal control over financial reporting and compliance.



Daytona Beach, Florida
August 11, 2020

NASSAU COUNTY SCHOOL BOARD - INTERNAL ACCOUNTS
INTERNAL ACCOUNTS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

| | <u>Total Schools</u> |
|----------------------------------|---------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,009,872 |
| Investments | 464,657 |
| Total Assets | <u>\$ 1,474,529</u> |
| NET POSITION | |
| Restricted for internal accounts | <u>\$ 1,474,529</u> |

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

NASSAU COUNTY SCHOOL BOARD - INTERNAL ACCOUNTS
INTERNAL ACCOUNTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>Total Schools</u> |
|---|---------------------------------|
| Additions: | |
| Athletics | \$ 819,672 |
| Music | 199,303 |
| Classes | 564,317 |
| Clubs | 303,025 |
| Departments | 99,869 |
| Trusts | 162,041 |
| General | 602,575 |
| Total revenues | <u>2,750,802</u> |
| Deductions: | |
| Athletics | 845,622 |
| Music | 174,840 |
| Classes | 542,742 |
| Clubs | 264,465 |
| Departments | 97,065 |
| Trusts | 185,828 |
| General | 588,163 |
| Total expenses | <u>2,698,725</u> |
| Change in net position | <u>52,077</u> |
| Net position , beginning of year | 1,422,452 |
| Net position , end of year | <u><u>\$ 1,474,529</u></u> |

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

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

The following is a summary of the more significant accounting policies and practices of the Nassau County School Board Internal Accounts (the Internal Accounts), which affect significant elements of the accompanying financial statements.

(a) **Organization**—The Nassau County School Board Internal Accounts represent assets collected and expended for providing necessary and proper services and materials for school activities as established and approved by the Nassau County 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/custodial funds in the School Board's comprehensive annual financial report.

(b) **Basis of accounting**—The accompanying statements have been prepared on the accrual basis of accounting. Under this basis, additions are recorded when earned and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows.

(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.

(d) **New accounting pronouncements**—Effective for the fiscal year ended June 30, 2020, the Internal Accounts' financial statements adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*.

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

All Nassau County 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.

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

(3) Investments:

The Internal Accounts is a member of Florida PRIME, the Local Government Surplus Funds Trust Fund Investment Pool (the Pool), that is administered by the State Board of Administration of Florida (SBA). This pool is a “2a-7 like” pool, which has the characteristics of a money market fund. Therefore, the fair value of investments held at the State Board of Administration Pool is the same as the fair value of the pooled shares. The Regulatory Oversight of the Local Government Surplus Funds Trust fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules for the State Board of Administration. These rules provide guidance and establish the general procedure for the administration of the Local Government Surplus Funds Trust Fund. The Local Government Surplus Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedure consistent with the requirements for a 2a-7 fund. As of June 30, 2020, the investment pool had a weighted average of 37 days to maturity.

The Internal Accounts held no assets or investments carried at fair value at June 30, 2020, and subject to the required disclosures of GASB 72.

| <u>Investment Type</u> | <u>Credit Quality Rating (S&P)</u> | <u>Carrying Value</u> | <u>Maturities (in Years)</u> | | |
|------------------------|--|---------------------------|------------------------------|------------|---------------|
| | | | <u>Less Than 1</u> | <u>1-5</u> | <u>Over 5</u> |
| SBA funds | AAAm | \$ 464,657 | \$ 464,657 | \$ - | \$ - |

Custodial Credit Risk: All demand deposits are held with qualified public depositories, as defined above. In the case of investments, this is the risk that, in the event of the failure of the counterparty, the Internal Accounts will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the Internal Accounts’ investment of \$464,657 in SBA funds are backed by the full faith and credit of the State of Florida, or explicitly guaranteed by the State of Florida.

SUPPLEMENTARY INFORMATION

NASSAU COUNTY SCHOOL BOARD - INTERNAL ACCOUNTS
INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - ALL SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2020

| | Bryceville Elementary | Callahan Elementary | Callahan Intermediate | Emma Love Hardee Elementary | Hilliard Elementary | Southside Elementary | Wildlight Elementary | Yulee Elementary | Yulee Primary | Total Elementary |
|--|----------------------------------|--------------------------------|----------------------------------|--|--------------------------------|---------------------------------|---------------------------------|-----------------------------|--------------------------|-----------------------------|
| Additions: | | | | | | | | | | |
| Athletics | \$ - | \$ 3,455 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,455 |
| Music | - | - | 1,980 | - | - | - | 595 | 1,825 | - | 4,400 |
| Classes | 5,644 | 27,577 | 51,801 | 22,178 | 16,934 | 22,696 | 56,569 | 22,621 | 19,023 | 245,043 |
| Clubs | - | - | 7,514 | - | - | - | 35,315 | 53,417 | 54,198 | 150,444 |
| Departments | 4,070 | 5,773 | 13,951 | 12,963 | 10,847 | 6,495 | 4,342 | 10,646 | 4,744 | 73,831 |
| Trusts | - | 16,165 | - | 1,458 | 13,122 | - | 1,520 | 2,131 | - | 34,396 |
| General | 9,816 | 41,907 | 15,301 | 49,337 | 30,906 | 65,801 | 90,924 | 42,215 | 12,038 | 358,245 |
| Total revenues | <u>19,530</u> | <u>94,877</u> | <u>90,547</u> | <u>85,936</u> | <u>71,809</u> | <u>94,992</u> | <u>189,265</u> | <u>132,855</u> | <u>90,003</u> | <u>869,814</u> |
| Deductions: | | | | | | | | | | |
| Athletics | - | 3,716 | - | - | - | 100 | - | - | - | 3,816 |
| Music | - | - | 2,240 | - | - | 485 | 573 | 1,833 | - | 5,131 |
| Classes | 4,826 | 28,072 | 51,139 | 20,704 | 14,662 | 22,637 | 53,649 | 21,565 | 17,311 | 234,565 |
| Clubs | - | - | 5,582 | - | - | - | 34,027 | 50,985 | 48,540 | 139,134 |
| Departments | 7,318 | 6,758 | 11,428 | 10,864 | 8,784 | 8,173 | 6,126 | 10,824 | 4,337 | 74,612 |
| Trusts | - | 27,355 | - | 13,381 | 8,340 | - | 695 | 2,460 | 624 | 52,855 |
| General | 9,830 | 35,352 | 20,604 | 54,341 | 28,491 | 81,274 | 73,040 | 42,794 | 16,140 | 361,866 |
| Total expenses | <u>21,974</u> | <u>101,253</u> | <u>90,993</u> | <u>99,290</u> | <u>60,277</u> | <u>112,669</u> | <u>168,110</u> | <u>130,461</u> | <u>86,952</u> | <u>871,979</u> |
| Change in net position | (2,444) | (6,376) | (446) | (13,354) | 11,532 | (17,677) | 21,155 | 2,394 | 3,051 | (2,165) |
| Net position, beginning of year | 20,706 | 50,933 | 34,840 | 37,781 | 46,116 | 67,866 | 40,081 | 42,436 | 21,057 | 361,816 |
| Net position, end of year | <u>\$ 18,262</u> | <u>\$ 44,557</u> | <u>\$ 34,394</u> | <u>\$ 24,427</u> | <u>\$ 57,648</u> | <u>\$ 50,189</u> | <u>\$ 61,236</u> | <u>\$ 44,830</u> | <u>\$ 24,108</u> | <u>\$ 359,651</u> |

See accompanying notes to financial statements.

NASSAU COUNTY SCHOOL BOARD - INTERNAL ACCOUNTS
INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - ALL SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)

| | <u>Callahan Middle</u> | <u>Fernandina Beach Middle</u> | <u>Yulee Middle</u> | <u>Total Middle</u> | <u>Fernandina Beach High</u> | <u>Hilliard Middle Senior High</u> | <u>West Nassau County High</u> | <u>Yulee High</u> | <u>Total High</u> | <u>District Total</u> |
|--|----------------------------|------------------------------------|-------------------------|-------------------------|----------------------------------|--|------------------------------------|-----------------------|-----------------------|---------------------------|
| Additions: | | | | | | | | | | |
| Athletics | \$ 49,270 | \$ 55,717 | \$ 66,235 | \$ 171,222 | \$ 165,844 | \$ 145,787 | \$ 193,321 | \$ 140,043 | \$ 644,995 | \$ 819,672 |
| Music | 28,932 | 38,769 | 26,303 | 94,004 | 1,491 | 20,095 | 10,440 | 68,873 | 100,899 | 199,303 |
| Classes | 54,420 | 7,434 | 15,089 | 76,943 | 69,740 | 33,170 | 25,554 | 113,867 | 242,331 | 564,317 |
| Clubs | 1,388 | 7,205 | 6,370 | 14,963 | 44,692 | 19,977 | 46,358 | 26,591 | 137,618 | 303,025 |
| Departments | 3,116 | 3,326 | 8,193 | 14,635 | 2,311 | 1,840 | 7,252 | - | 11,403 | 99,869 |
| Trusts | - | 64 | 6,260 | 6,324 | 59,199 | - | 43,800 | 18,322 | 121,321 | 162,041 |
| General | 18,957 | 47,445 | 9,983 | 76,385 | 102,700 | 15,937 | 34,168 | 15,140 | 167,945 | 602,575 |
| Total revenues | <u>156,083</u> | <u>159,960</u> | <u>138,433</u> | <u>454,476</u> | <u>445,977</u> | <u>236,806</u> | <u>360,893</u> | <u>382,836</u> | <u>1,426,512</u> | <u>2,750,802</u> |
| Deductions: | | | | | | | | | | |
| Athletics | 52,994 | 61,556 | 71,174 | 185,724 | 170,371 | 164,285 | 185,266 | 136,160 | 656,082 | 845,622 |
| Music | 14,232 | 41,637 | 20,376 | 76,245 | 3,051 | 15,531 | 9,207 | 65,675 | 93,464 | 174,840 |
| Classes | 50,300 | 6,246 | 13,521 | 70,067 | 68,904 | 33,578 | 27,799 | 107,829 | 238,110 | 542,742 |
| Clubs | 1,060 | 5,132 | 4,312 | 10,504 | 28,942 | 22,023 | 41,119 | 22,743 | 114,827 | 264,465 |
| Departments | 3,296 | 3,187 | 7,011 | 13,494 | 683 | 1,232 | 7,044 | - | 8,959 | 97,065 |
| Trusts | 774 | - | 6,997 | 7,771 | 42,245 | - | 58,906 | 24,051 | 125,202 | 185,828 |
| General | 16,818 | 39,404 | 13,298 | 69,520 | 103,614 | 9,738 | 21,977 | 21,448 | 156,777 | 588,163 |
| Total expenses | <u>139,474</u> | <u>157,162</u> | <u>136,689</u> | <u>433,325</u> | <u>417,810</u> | <u>246,387</u> | <u>351,318</u> | <u>377,906</u> | <u>1,393,421</u> | <u>2,698,725</u> |
| Change in net position | <u>16,609</u> | <u>2,798</u> | <u>1,744</u> | <u>21,151</u> | <u>28,167</u> | <u>(9,581)</u> | <u>9,575</u> | <u>4,930</u> | <u>33,091</u> | <u>52,077</u> |
| Net position, beginning of year | 83,139 | 84,146 | 81,604 | 248,889 | 242,031 | 156,859 | 233,000 | 179,857 | 811,747 | 1,422,452 |
| Net position, end of year | <u>\$ 99,748</u> | <u>\$ 86,944</u> | <u>\$ 83,348</u> | <u>\$ 270,040</u> | <u>\$ 270,198</u> | <u>\$ 147,278</u> | <u>\$ 242,575</u> | <u>\$ 184,787</u> | <u>\$ 844,838</u> | <u>\$ 1,474,529</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 Nassau County 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 statements of fiduciary net position as of June 30, 2020, and changes in fiduciary net position for the year then ended, and the related notes to the financial statement, which collectively comprise the Nassau County School Board Internal Accounts' basic financial statements, and have issued our report thereon dated August 11, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Nassau County School Board Internal Accounts' 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 Nassau County School Board Internal Accounts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Nassau County School Board 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 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2020-001 through 2020-005, which we consider to be significant deficiencies.

Compliance and Other Matters

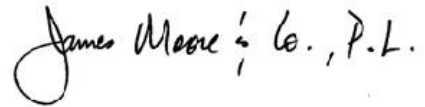
As part of obtaining reasonable assurance about whether the Nassau County School Board Internal Accounts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

Management's Response to Findings

Management's responses to the findings identified in our audit are described starting on page 22. 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 initial 'J'.

Daytona Beach, Florida
August 11, 2020

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

The following is a summary of all findings and recommendations related to the audit of the Internal Accounts for the year ended June 30, 2020.

2020-001 Segregation of Duties

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.

2020-002 Reconciled Bank Reconciliations and Beginning Equity Amounts

We noted that several schools had small variances on June 2020 bank reconciliations and FY2020 beginning equity amounts. All bank reconciliations should agree to the general ledger and all beginning equity amounts should tie directly to the prior year audited financials in the future.

2020-003 Fundraiser Activity

In accordance with Florida Department of Education Financial and Program Cost Accounting and Reporting for Florida Schools, Chapter 8, Section III, 2.3(e), a financial report shall be filed with the principal's office at the close of each fundraising activity associated with classes, clubs, and departments. We noted that several schools do not provide the principal with the results of the fundraiser activity. A financial report should be on file to ensure the principal is overseeing all fundraiser events.

2020-004 Accounting Data

We noted the Nassau County Schools' Accounting System is not properly backed up to a server or cloud. For example, if a bookkeeper damaged his/her computer, then the accounting information would be lost. All accounting data should be backed up to a server or cloud on a daily basis.

2020-005 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:

BRYCEVILLE ELEMENTARY

Approval of Purchases

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.41, II, purchases from internal funds must be authorized in writing by the principal or designee. During our test of 12 disbursements, we noted one instance where the purchase request was missing or incomplete before the payment date.

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of eight cash receipts, we noted two instances where funds were not deposited daily.

CALLAHAN ELEMENTARY

Properly Obtained Three Quotes

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.56, IV, quotations from three or more vendors must be obtained and a recommendation presented to the Board for approval for amounts in excess of \$7,000 but less than \$10,000 prior to issuance of the purchase order. During our test of 25 cash receipts, we noted one instance where three quotations were not obtained.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of nine cash receipts, we noted four instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 nine cash receipts, we noted three instances where money was not turned into the bookkeeper within one business day after receipt.

CALLAHAN INTERMEDIATE

Proper Account Recording

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.55, I, this category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body. During our test of 25 disbursements, we noted one instance where the purchase did not benefit the general welfare of the student body.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of 13 cash receipts, we noted six instances where funds were not deposited daily.

**NASSAU COUNTY SCHOOL BOARD
INTERNAL ACCOUNTS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2020**

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 13 cash receipts, we noted two instances where money was not turned into the bookkeeper within one business day after receipt.

CALLAHAN MIDDLE

Properly Obtained Three Quotes

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.56, IV, quotations from three or more vendors must be obtained and a recommendation presented to the Board for approval for amounts in excess of \$7,000 but less than \$10,000 prior to issuance of the purchase order. During our test of 25 cash receipts, we noted two instances where three quotations were not obtained.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 12 cash receipts, we noted four instances where money was not turned into the bookkeeper within one business day after receipt.

EMMA LOVE HARDEE ELEMENTARY

No findings noted during the current year.

FERNANDINA BEACH HIGH

Proper Account Recording

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.55, I, this category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body. During our test of 25 disbursements, we noted one instance where the purchase did not benefit the general welfare of the student body.

Board Approval of Purchases

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.56, V, purchases in excess of \$7,000 shall require Board approval. During our test of 25 disbursements, we noted three instances where the purchase was missing Board approval.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of eight cash receipts, we noted five instances where funds were not deposited daily.

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Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 eight cash receipts, we noted three instances where money was not turned into the bookkeeper within one business day after receipt.

Completeness and Accuracy of Ticket Inventory

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, VI, all checks, receipt forms and tickets shall be pre-numbered and perpetual inventories of each shall be maintained. Inventories shall show the beginning and ending numbers of all documents acquired and issued. In all cases where tickets are used, ticket reports and unsold tickets must be available for audit. Any pre-numbered documents shall be accompanied by a certified statement of the numbers received. During our test of three events for which tickets were sold, we noted three instances where the Report of Tickets Issued and Sold form was incomplete.

FERNANDINA BEACH MIDDLE

Proper Account Recording

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.55, I, this category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body. During our test of 25 disbursements, we noted one instance where the purchase did not benefit the general welfare of the student body.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of 12 cash receipts, we noted five instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 12 cash receipts, we noted three instances where money was not turned into the bookkeeper within one business day after receipt.

Timeliness of Deposits of Ticketed Events

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of two events for which tickets were sold, we noted one instance where funds were not deposited daily.

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Fund Raising Activity

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.66, II, each fundraising activity shall have the approval of the organization sponsor and the principal. During our test of 12 cash receipts, we noted two instances where fundraiser forms were not properly completed before the event and approved by the principal.

HILLIARD ELEMENTARY

No findings noted during the current year.

HILLIARD MIDDLE SENIOR HIGH

Properly Obtained Three Quotes

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.56, IV, quotations from three or more vendors must be obtained and a recommendation presented to the Board for approval for amounts in excess of \$7,000 but less than \$10,000 prior to issuance of the purchase order. During our test of 25 cash receipts, we noted two instances where three quotations were not obtained.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of six cash receipts, we noted two instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 six cash receipts, we noted four instances where money was not turned into the bookkeeper within one business day after receipt.

Timeliness of Deposits of Ticketed Events

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of two events for which tickets were sold, we noted one instance where funds were not deposited daily.

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Fund Raising Activity

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.66, II, each fundraising activity shall have the approval of the organization sponsor and the principal. During our test of 12 cash receipts, we noted two instances where fundraiser forms were not properly completed before the event and approved by the principal.

SOUTHSIDE ELEMENTARY

Board Approval of Purchases

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.56, V, purchases in excess of \$7,000 shall require Board approval. During our test of 25 disbursements, we noted one instance where the purchase was missing Board approval.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of six cash receipts, we noted one instance where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 six cash receipts, we noted one instance where money was not turned into the bookkeeper within one business day after receipt.

WEST NASSAU COUNTY HIGH

Proper Account Recording

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.55, I, this category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body. During our test of 25 disbursements, we noted one instance where the purchase did not benefit the general welfare of the student body.

Properly Obtained Three Quotes

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.56, IV, quotations from three or more vendors must be obtained and a recommendation presented to the Board for approval for amounts in excess of \$7,000 but less than \$10,000 prior to issuance of the purchase order. Purchases in excess of \$10,000 must be bid in addition to having Board approval prior to issuance of the purchase order. During our test of 25 cash receipts, we noted one instance where three quotations were not obtained.

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Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of nine cash receipts, we noted two instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 nine cash receipts, we noted seven instances where money was not turned into the bookkeeper within one business day after receipt.

Timeliness of Deposits of Ticketed Event

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of three events for which tickets were sold, we noted two instances where funds were not deposited daily.

Unclaimed Property

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.47, II, a check can be declared uncollectible and written off the books only by action of the School Board or designated officer. This action will be taken only after every legal and reasonable effort at collection by the principal has been exhausted. During our test we noted one instance where outstanding checks were on the bank reconciliation that dated prior to December 31, 2018.

WILDLIGHT ELEMENTARY

Proper Account Recording

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.55, I, this category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body. During our test of 25 disbursements, we noted one instance where the purchase did not benefit the general welfare of the student body.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of nine cash receipts, we noted eight instances where funds were not deposited daily.

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Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 nine cash receipts, we noted three instances where money was not turned into the bookkeeper within one business day after receipt.

Unclaimed Property

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.47, II, a check can be declared uncollectible and written off the books only by action of the School Board or designated officer. This action will be taken only after every legal and reasonable effort at collection by the principal has been exhausted. During our test we noted three instances where outstanding checks were on the bank reconciliation that dated prior to December 31, 2018.

YULEE ELEMENTARY

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of nine cash receipts, we noted four instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 nine cash receipts, we noted two instances where money was not turned into the bookkeeper within one business day after receipt.

YULEE HIGH

Proper Account Recording

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.55, I, this category encompasses all other accounts for funds which are to be utilized for the general welfare of the student body. During our test of 25 disbursements, we noted one instance where the purchase did not benefit the general welfare of the student body.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of ten cash receipts, we noted seven instances where funds were not deposited daily.

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Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 ten cash receipts, we noted one instance where money was not turned into the bookkeeper within one business day after receipt.

Timeliness of Deposits of Ticketed Events

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of three events for which tickets were sold, we noted three instances where funds were not deposited daily.

YULEE MIDDLE

Approval of Purchases

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.41, II, purchases from internal funds must be authorized in writing by the principal or designee. During our test of 25 disbursements, we noted eight instances where the purchase request was missing or incomplete before the payment date.

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of eight cash receipts, we noted four instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 eight cash receipts, we noted five instances where money was not turned into the bookkeeper within one business day after receipt.

Timeliness of Deposits of Ticketed Events

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of two events for which tickets were sold, we noted one instance where funds were not deposited daily.

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YULEE PRIMARY

Timeliness of Deposits

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, III, all money collected must be deposited intact to a depository as frequently as feasible and as dictated by sound business practices. In any event, funds collected must be deposited daily. During our test of six cash receipts, we noted three instances where funds were not deposited daily.

Timeliness of Collections Submitted to School Office

In accordance with Nassau County District School Board Internal Accounts Procedure Handbook, Section Chapter 6 – Part II, Code 6.45, II, 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 six cash receipts, we noted two instances where money was not turned into the bookkeeper within one business day after receipt.

MANAGEMENT'S RESPONSE TO FINDINGS

2020-001 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.

2020-002 Reconciled Bank Reconciliations and Beginning Equity Amounts (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.

2020-003 Fundraiser Activity (All Schools)

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

2020-004 Accounting Data (All Schools)

For the 2020-21 school year, the School Board implemented new bookkeeping/accounting software (SBAA). SBAA is a module within Skyward, which is the district's web-based accounting system.

2020-005 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.