

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
CITRUS COUNTY DISTRICT SCHOOL BOARD
FIDUCIARY FUNDS [PRIVATE-PURPOSE TRUST FUNDS
AND AGENCY FUNDS (INTERNAL ACCOUNTS)]
CITRUS COUNTY, FLORIDA**

JUNE 30, 2016

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
CITRUS COUNTY DISTRICT SCHOOL BOARD
FIDUCIARY FUNDS [PRIVATE-PURPOSE TRUST FUNDS
AND AGENCY FUNDS (INTERNAL ACCOUNTS)]**

CITRUS COUNTY, FLORIDA

JUNE 30, 2016

TABLE OF CONTENTS

Independent Auditors' Report	1-2
Statement of Fiduciary Net Assets	3
Statement of Changes in Fiduciary Net Position	4
Note to Financial Statements	5-6
Supplementary Information:	
Schedule of Assets Held for Others	
High Schools:	
Citrus High School	7
Crystal River High School.....	8
Lecanto High School	9
Middle Schools:	
Citrus Springs Middle School	10
Citrus River Middle School.....	11
Inverness Middle School	12
Lecanto Middle School	13
Elementary Schools:	
Central Ridge Elementary School	14
Citrus Springs Elementary School.....	15
Crystal River Elementary School	16
Floral City Elementary School	17
Forest Ridge Elementary School.....	18
Hernando Elementary School.....	19
Homosassa Elementary School	20
Inverness Primary School.....	21
Lecanto Primary School	22
Pleasant Grove Elementary School	23
Rock Crusher Elementary School	24
Crest School	25
Marine Science Station	26
Renaissance Center	27
Withlacoochee Technical College	28

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
CITRUS COUNTY DISTRICT SCHOOL BOARD
FIDUCIARY FUNDS [PRIVATE-PURPOSE TRUST FUNDS
AND AGENCY FUNDS (INTERNAL ACCOUNTS)]**

CITRUS COUNTY, FLORIDA

JUNE 30, 2016

**TABLE OF CONTENTS
(Concluded)**

Other Reports

Independent Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	29-30
Schedule of Findings and Other Matters.....	31
District's Response Letter.....	32

INDEPENDENT AUDITORS' REPORT

Citrus County District School Board
Citrus County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Citrus County District School Board's (the District) Fiduciary Funds [Private-Purpose Trust Funds and Agency Funds (Internal Accounts)] (the Fiduciary Funds) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's Fiduciary Funds 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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinion.

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

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Citrus County District School Board
Citrus County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Report on the Financial Statements (Concluded)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fiduciary Funds of the District, as of June 30, 2016, and the respective changes in the financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 of the Notes to Financial Statements, the accompanying financial statements include only the fiduciary net position of the Fiduciary Funds. The financial statements do not include other financial activities of the District School Board and, accordingly, do not purport to, and do not present the fiduciary net position, or changes therein, of the District School Board in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Fiduciary Funds. The information listed in the table of contents as supplementary information, consisting of the Schedules of Assets Held for Others, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the District's Fiduciary Funds and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the District's Fiduciary Funds or to the District's Fiduciary Fund's themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Assets Held for Others are fairly stated in all material respects in relation to the District's Fiduciary Funds as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2016, on our consideration of the District'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 District's internal control over financial reporting and compliance.

Durvis, Gray and Company, LLP

October 17, 2016
Ocala, Florida

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA

ASSETS

	Private- Purpose Trust Fund	Agency Funds
Assets		
Cash and Cash Equivalents	\$ 215,734	\$ 2,343,096
Accounts Receivable	0	110,205
Inventory	0	1,128
Total Assets	215,734	2,454,429

LIABILITIES

Liabilities		
Accounts Payable	0	81,159
Assets Held for Others	0	2,373,270
Total Liabilities	0	2,454,429
Net Position	\$ 215,734	\$ 0

See accompanying note.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA

	ASSETS
	Private-Purpose Trust Fund
Additions	
Contributions	\$ 11,520
Deductions	
Scholarships	(15,533)
Change in Net Position	(4,013)
Net Position, July 1, 2015	219,747
Net Position, June 30, 2016	\$ 215,734

See accompanying note.

NOTE TO FINANCIAL STATEMENTS
CITRUS COUNTY DISTRICT SCHOOL BOARD FIDUCIARY FUNDS
CITRUS COUNTY, FLORIDA

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Student Activity Funds – Fiduciary Funds [Private-Purpose Trust Funds and Agency Funds (Internal Accounts)] of Citrus County District School Board (the District) have been prepared to conform to generally accepted accounting principles, as applied to governmental units. The Governmental Accounting Standards Board 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 accompanying financial statements include the effects of activity relating exclusively to the Fiduciary Funds [Private-Purpose Trust Funds and Agency Funds (Internal Accounts)] of the schools within the District. The financial statements do not include other financial activities of the District. Therefore, the accompanying financial statements do not purport to, and do not, present the net position, or changes therein, of the District in accordance with accounting principles generally accepted in the United States of America.

The Fiduciary Funds are also included in the financial reporting entity of the District.

Within the Fiduciary Funds, the District reports the following fiduciary fund types:

- *Private-Purpose Trust Fund*—to account for various endowments, the earnings of which are held in trust for scholarships to students from Citrus High School.
- *Agency Funds*—to account for resources of the schools' internal funds, which are used to administer monies, collected at the District's schools in connection with student, athletic, class, and club activities. The fund is made up of all of the internal account activity of the District's twenty-three elementary, middle, and high schools, as well as other internal accounts for special schools and programs, 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, as required by the Red Book.

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

The accompanying financial statements are presented on the accrual basis of accounting.

Cash and Cash Equivalents

Cash deposits and certificates of deposits are held by banks qualified as public depositories under Florida law. All deposits and certificates of 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 Funds of the District are fully-insured or collateralized.

NOTE TO FINANCIAL STATEMENTS
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA
(Concluded)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Accounts Receivable

Receivables are recorded for tuition/fees and facility use for Withlacoochee Technical College (WTC) that are earned and unpaid as of year-end. In addition receivables for the Marine Science Station (MSS) are related to a camp that was run on the premises at year-end. An allowance was not recorded for WTC or MSS as this has not been assessed and the direct write-off method has been utilized. There were no write-offs of bad debts in the current period.

Inventory

Inventory consists of various school supplies and is reported at cost under the first-in first-out method.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various 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 ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

	Citrus High School					
	Cash	Cash	Cash	Transfer		Balances
	Balances	Receipts	Disburse-	In	(Out)	June 30, 2016
	July 1, 2015	Receipts	ments			
Athletics	\$ 63,836	\$ 248,108	\$ (238,337)	\$ 23,697	\$ (28,305)	\$ 68,999
Music	0	604	(230)	0	(100)	274
Classes	7,414	51,324	(54,928)	5,118	0	8,928
Clubs	37,288	206,799	(203,717)	16,525	(10,192)	46,703
Departments	7,326	1,507	(1,668)	0	(224)	6,941
Trusts	32,647	51,415	(52,328)	9,028	(2,493)	38,269
General	40,369	32,034	(26,734)	1,838	(16,281)	31,226
Total Cash	\$ 188,880	\$ 591,791	\$ (577,942)	\$ 56,206	\$ (57,595)	201,340
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						201,340
Private Purpose Trust Fund	\$ 219,747	\$ 10,131	\$ (15,533)	\$ 1,389	\$ 0	215,734
Total Assets Held for Others						\$ 417,074

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Crystal River High School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Athletics	\$ 77,626	\$ 212,009	\$ (211,913)	\$ 30,550	\$ (28,494)	\$ 79,778
Music	2,194	21,827	(21,319)	252	(100)	2,854
Classes	39,454	58,125	(47,997)	14,890	(9,290)	55,182
Clubs	31,882	74,499	(65,143)	4,951	(8,327)	37,862
Departments	9,654	12,114	(11,800)	0	(860)	9,108
Trusts	13,176	37,721	(35,582)	1,000	(3,076)	13,239
General	27,024	19,635	(21,690)	1,215	(2,711)	23,473
Total Cash	<u>\$ 201,010</u>	<u>\$ 435,930</u>	<u>\$ (415,444)</u>	<u>\$ 52,858</u>	<u>\$ (52,858)</u>	221,496
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>(4,140)</u>
Assets Held for Others						<u><u>\$ 217,356</u></u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Lecanto High School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Athletics	\$ 43,064	\$ 221,260	\$ (189,402)	\$ 32,591	\$ (35,770)	\$ 71,743
Music	8,237	84,868	(84,736)	2,390	(3,317)	7,442
Classes	15,454	29,950	(29,170)	15	(1,321)	14,928
Clubs	33,768	94,806	(80,549)	337	(5,608)	42,754
Departments	27,845	34,486	(54,748)	9,145	(19)	16,709
Trusts	17,651	16,919	(19,259)	1,000	(2,606)	13,705
General	23,550	61,144	(64,477)	11,019	(7,854)	23,382
Total Cash	<u>\$ 169,569</u>	<u>\$ 543,433</u>	<u>\$ (522,341)</u>	<u>\$ 56,497</u>	<u>\$ (56,495)</u>	190,663
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u><u>\$ 190,663</u></u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Citrus Springs Middle School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Athletics	\$ 6,996	\$ 24,853	\$ (19,555)	\$ 9,699	\$ (11,147)	\$ 10,846
Music	88	2,203	(2,185)	0	0	106
Classes	1,694	890	(1,333)	611	0	1,862
Clubs	1,094	3,229	(3,193)	600	0	1,730
Departments	10,666	11,460	(8,656)	4,030	(2,535)	14,965
Trusts	11,712	29,681	(31,014)	119	(4,119)	6,379
General	25,176	28,684	(38,553)	3,328	(586)	18,049
Total Cash	<u>\$ 57,426</u>	<u>\$ 101,000</u>	<u>\$ (104,489)</u>	<u>\$ 18,387</u>	<u>\$ (18,387)</u>	53,937
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u>\$ 53,937</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Crystal River Middle School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Athletics	\$ 24,988	\$ 30,904	\$ (29,662)	\$ 1,961	\$ (1,961)	\$ 26,230
Music	3,079	0	(1,028)	0	0	2,051
Classes	14,506	8,070	(9,123)	1,456	0	14,909
Clubs	13,103	10,658	(13,069)	1,514	(59)	12,147
Departments	13,801	1,238	(5,407)	4,368	0	14,000
Trusts	10,948	15,469	(15,263)	0	0	11,154
General	42,937	40,883	(37,086)	1,188	(8,468)	39,454
Total Cash	<u>\$ 123,362</u>	<u>\$ 107,222</u>	<u>\$ (110,638)</u>	<u>\$ 10,487</u>	<u>\$ (10,488)</u>	119,945
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u>\$ 119,945</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Inverness Middle School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Athletics	\$ 27,074	\$ 35,400	\$ (35,719)	\$ 1,662	\$ (186)	\$ 28,231
Music	1,779	368	(931)	430	0	1,646
Classes	1,038	27,766	(25,734)	1,678	(478)	4,270
Clubs	27,946	35,754	(36,157)	250	(2,541)	25,252
Departments	2,951	10,852	(7,751)	2,118	(64)	8,106
Trusts	7,977	11,885	(14,673)	1,086	0	6,275
General	32,521	23,826	(23,668)	42	(3,997)	28,724
Total Cash	<u>\$ 101,286</u>	<u>\$ 145,851</u>	<u>\$ (144,633)</u>	<u>\$ 7,266</u>	<u>\$ (7,266)</u>	102,504
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u>\$ 102,504</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Lecanto Middle School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Athletics	\$ 27,825	\$ 35,527	\$ (32,043)	\$ 7,228	\$ (8,569)	\$ 29,968
Music	5,948	23,484	(24,711)	6,581	(6,755)	4,547
Classes	5,674	2,408	(2,265)	916	(620)	6,113
Clubs	15,134	39,442	(36,845)	9,745	(10,575)	16,901
Departments	4,766	11,294	(12,955)	846	(20)	3,931
Trusts	4,897	12,031	(13,131)	2,084	(1,075)	4,806
General	8,665	18,142	(15,506)	707	(494)	11,514
Total Cash	\$ 72,909	\$ 142,328	\$ (137,456)	\$ 28,107	\$ (28,108)	77,780
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 77,780

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Central Ridge Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Classes	\$ 1,254	\$ 2,245	\$ (3,730)	\$ 2,704	\$ (119)	\$ 2,354
Clubs	5,868	7,226	(6,768)	0	0	6,326
Departments	2,570	2,485	(2,707)	462	(10)	2,800
Trusts	8,274	4,128	(2,909)	0	(1,500)	7,993
General	14,817	23,209	(17,343)	20	(1,556)	19,147
Total Cash	<u>\$ 32,783</u>	<u>\$ 39,293</u>	<u>\$ (33,457)</u>	<u>\$ 3,186</u>	<u>\$ (3,185)</u>	38,620
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u>\$ 38,620</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Citrus Springs Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Music	\$ 1,110	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,110
Classes	473	6,465	(5,278)	130	(1,179)	611
Clubs	5,836	8,349	(8,485)	312	(3,005)	3,007
Departments	3,614	6,337	(7,305)	100	0	2,746
Trusts	8,993	13,383	(25,860)	10,500	(1,307)	5,709
General	21,189	20,663	(18,198)	2,242	(7,792)	18,104
Total Cash	\$ 41,215	\$ 55,197	\$ (65,126)	\$ 13,284	\$ (13,283)	31,287
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 31,287

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Crystal River Primary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Music	\$ 91	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91
Classes	3,067	2,001	(779)	100	(626)	3,763
Clubs	1,206	1,656	(2,704)	412	0	570
Departments	1,645	740	(479)	0	0	1,906
Trusts	3,928	5,464	(5,572)	0	0	3,820
General	31,106	16,816	(15,448)	526	(412)	32,588
Total Cash	\$ 41,043	\$ 26,677	\$ (24,982)	\$ 1,038	\$ (1,038)	42,738
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 42,738

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Floral City Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Classes	\$ 5,605	\$ 5,058	\$ (6,003)	\$ 2,806	\$ (850)	\$ 6,616
Clubs	210	525	(461)	0	0	274
Departments	226	1,015	(592)	885	0	1,534
Trusts	1,322	1,163	(1,106)	100	0	1,479
General	7,818	11,377	(6,691)	58	(2,999)	9,563
Total Cash	<u>\$ 15,181</u>	<u>\$ 19,138</u>	<u>\$ (14,853)</u>	<u>\$ 3,849</u>	<u>\$ (3,849)</u>	19,466
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>(277)</u>
Assets Held for Others						<u>\$ 19,189</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Forest Ridge Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Music	\$ 738	\$ 1,140	\$ (1,380)	\$ 0	\$ 0	\$ 498
Classes	9,373	17,056	(17,964)	404	(1,632)	7,237
Clubs	971	594	(1,060)	1,325	0	1,830
Departments	2,547	1,003	(414)	0	(504)	2,632
Trusts	12,162	2,038	(3,468)	3,449	0	14,181
General	47,798	16,722	(13,334)	9,600	(12,641)	48,145
Total Cash	\$ 73,589	\$ 38,553	\$ (37,620)	\$ 14,778	\$ (14,777)	74,523
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 74,523

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Hernando Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Classes	\$ 1,834	\$ 11,899	\$ (12,759)	\$ 971	\$ (1,077)	\$ 868
Clubs	7,545	8,845	(8,398)	479	(396)	8,075
Departments	2,242	952	(1,049)	0	0	2,145
Trusts	12,367	358	(535)	0	0	12,190
General	32,696	9,911	(6,944)	502	(479)	35,686
Total Cash	<u>\$ 56,684</u>	<u>\$ 31,965</u>	<u>\$ (29,685)</u>	<u>\$ 1,952</u>	<u>\$ (1,952)</u>	58,964
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u>\$ 58,964</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Homosassa Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Music	\$ 355	\$ 540	\$ (457)	\$ 0	\$ 0	\$ 438
Classes	2,013	3,883	(4,968)	566	0	1,494
Clubs	5,537	3,261	(2,196)	0	0	6,602
Departments	3,056	1,644	(1,918)	0	0	2,782
Trusts	18,037	10,431	(12,084)	0	0	16,384
General	6,673	12,676	(8,137)	0	(566)	10,646
Total Cash	\$ 35,671	\$ 32,435	\$ (29,760)	\$ 566	\$ (566)	38,346
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 38,346

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Inverness Primary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Music	\$ 938	\$ 13,397	\$ (14,448)	\$ 158	\$ (34)	\$ 11
Classes	12,107	32,885	(33,056)	1,286	(6,189)	7,033
Clubs	327	699	(665)	0	0	361
Departments	794	0	(870)	2,159	0	2,083
Trusts	4,348	2,359	(1,679)	596	0	5,624
General	22,393	37,468	(28,652)	9,942	(7,918)	33,233
Total Cash	\$ 40,907	\$ 86,808	\$ (79,370)	\$ 14,141	\$ (14,141)	48,345
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 48,345

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Lecanto Primary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Music	\$ 199	\$ 0	\$ 0	\$ 0	\$ 0	\$ 199
Classes	323	1,282	(1,056)	0	(227)	322
Clubs	3,617	6,460	(5,300)	0	0	4,777
Departments	2,555	804	(610)	0	0	2,749
Trusts	1,282	6,738	(6,526)	529	0	2,023
General	7,284	11,584	(11,708)	0	(301)	6,859
Total Cash	\$ 15,260	\$ 26,868	\$ (25,200)	\$ 529	\$ (528)	16,929
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 16,929

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Pleasant Grove Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Classes	\$ 6,685	\$ 33,719	\$ (33,594)	\$ 20	\$ 0	\$ 6,830
Clubs	6,885	10,912	(9,511)	0	0	8,286
Departments	10,957	5,834	(3,707)	0	0	13,084
Trusts	23,602	7,301	(5,713)	41	(61)	25,170
General	12,953	12,247	(9,104)	86	(86)	16,096
Total Cash	<u>\$ 61,082</u>	<u>\$ 70,013</u>	<u>\$ (61,629)</u>	<u>\$ 147</u>	<u>\$ (147)</u>	69,466
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>(3,513)</u>
Assets Held for Others						<u>\$ 65,953</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Rock Crusher Elementary School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Music	\$ 974	\$ 2,580	\$ (1,985)	\$ 0	\$ 0	\$ 1,569
Classes	15,619	29,743	(30,395)	265	(285)	14,947
Clubs	3,041	1,248	(1,722)	20	(6)	2,581
Departments	5,034	718	(471)	0	0	5,281
Trusts	6,941	343	(71)	0	0	7,213
General	55,001	7,848	(4,586)	6	0	58,269
Total Cash	\$ 86,610	\$ 42,480	\$ (39,230)	\$ 291	\$ (291)	89,860
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 89,860

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Crest School

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Classes	\$ 1,592	\$ 1,472	\$ (902)	\$ 141	\$ (141)	\$ 2,162
Clubs	2,011	2,442	(2,294)	0	0	2,159
Trusts	18,970	18,766	(25,919)	6	0	11,823
General	989	12,131	(7,516)	2,202	(2,207)	5,599
Total Cash	<u>\$ 23,562</u>	<u>\$ 34,811</u>	<u>\$ (36,631)</u>	<u>\$ 2,349</u>	<u>\$ (2,348)</u>	21,743
Accounts Receivable						0
Inventory						0
Accounts Payable						<u>0</u>
Assets Held for Others						<u><u>\$ 21,743</u></u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Marine Science Station

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Classes	\$ 49,715	\$ 24,995	\$ (29,447)	\$ 12,240	\$ (1,500)	\$ 56,003
Clubs	193	16	(37)	0	0	172
Trusts	17,062	11,007	(14,172)	1,474	(10,740)	4,631
General	6,153	33,686	(34,685)	518	(1,992)	3,680
Total Cash	<u>\$ 73,123</u>	<u>\$ 69,704</u>	<u>\$ (78,341)</u>	<u>\$ 14,232</u>	<u>\$ (14,232)</u>	64,486
Accounts Receivable						9,240
Inventory						0
Accounts Payable						<u>(7,313)</u>
Assets Held for Others						<u>\$ 66,413</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Renaissance Center

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer In	Transfer (Out)	Balances June 30, 2016
Classes	\$ 193	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193
Clubs	63	0	0	0	0	63
Trusts	275	0	0	0	0	275
General	3,733	15	(92)	0	0	3,656
Total Cash	\$ 4,264	\$ 15	\$ (92)	\$ 0	\$ 0	4,187
Accounts Receivable						0
Inventory						0
Accounts Payable						0
Assets Held for Others						\$ 4,187

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2016
CITRUS COUNTY DISTRICT SCHOOL BOARD
CITRUS COUNTY, FLORIDA**

Withlacoochee Technical College

	Cash Balances July 1, 2015	Cash Receipts	Cash Disburse- ments	Transfer		Balances June 30, 2016
				In	(Out)	
Classes	\$ 14,428	\$ 867,585	\$ (804,681)	\$ 2,517	\$ (7,022)	\$ 72,827
Clubs	13,356	14,674	(10,197)	1,370	(412)	18,791
Trusts	118,588	121,615	(138,903)	0	(21,619)	79,681
General	518,771	150,866	(109,631)	27,646	(2,480)	585,172
Total Cash	<u>\$ 665,143</u>	<u>\$ 1,154,740</u>	<u>\$ (1,063,412)</u>	<u>\$ 31,533</u>	<u>\$ (31,533)</u>	756,471
Accounts Receivable						100,965
Inventory						1,128
Accounts Payable						<u>(65,916)</u>
Assets Held for Others						<u>\$ 792,648</u>

OTHER REPORTS

**INDEPENDENT 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***

Citrus County District School Board
Citrus County, 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 Fiduciary Funds [Private-Purpose Trust Funds and Agency Funds (Internal Accounts)] (the Fiduciary Funds) of the Citrus County School Board District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Fiduciary Funds of the District and have issued our report thereon dated October 17, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Districts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and other matters that we consider to be significant deficiencies as 2013-001 and 2016-001.

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
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Citrus County District School Board
Citrus County, Florida

**INDEPENDENT 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*)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

October 17, 2016
Ocala, Florida

**SCHEDULE OF FINDINGS AND OTHER MATTERS
CITRUS COUNTY DISTRICT SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2016**

Significant Deficiencies

2013-001 ***Finding-Lack of Segregation of Duties***

Because of a limited number of personnel, school employees who maintain accounting records also handle cash collections, cosign checks, and reconcile bank statement balances to the accounting records. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation

Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition. We noted that some principals are reviewing bank reconciliations in order to help compensate for the lack of segregation of duties. We continue to encourage all principals to perform this review process. We further encourage the principals to require that the bank statements be routed to them unopened and that they examine the cancelled checks (or check copies) for alterations or unusual payees.

2016-001 ***Finding-Certificate of Deposit (CD)***

In the prior year's audit, we noted that a confirmation for a CD for one of the School's Internal Accounts was not received. The District contacted the Bank and was informed that the CD had been closed-out since 2007. Subsequent to year-end, the School was notified that the CD did exist but had been transferred to another Bank. Management recorded the CD in the accounting records and have notified us of the correct Bank to confirm for the balance.

Recommendation

The District should continue to require reconciliation procedures for all cash and investment accounts performed on a timely monthly basis. Information and backup supporting documents including bank and investment statements should be reviewed by an individual other than the School's bookkeeper for verification. Additionally, documentation of all new or closed cash or investment accounts should be provided to the District management for review.

Other Matters

In addition to the significant deficiencies described above, our audit procedures disclosed the following immaterial instances of noncompliance at various schools, which are hereafter presented for your consideration. For schools that are not specifically identified, our audit procedures did not disclose other conditions that we feel should be brought to your attention.

Chapter 8, Section III of the Florida Department of Education's "Red Book" provides standards, practices, and procedures for Districts to govern internal accounts. Our audit procedures included the review of cash receipts and disbursements. We noted several instances of noncompliance with these standards, practices, and procedures as they related to the transactions of cash receipts and disbursements at the following schools:

Central Ridge Elementary, Citrus High, Citrus Springs Elementary, Citrus Springs Middle, Crest, Crystal River High, Crystal River Middle, Crystal River Primary, Hernando Elementary, Homosassa Elementary, Lecanto High, Lecanto Middle, Marine Science Station, Rock Crusher Elementary, and Withlacoochee Technical College.

We recommend that the District's management continue to monitor and train accounting staff at the Schools to ensure compliance with the Red Books standards.



SANDRA "SAM" HIMMEL – SUPERINTENDENT OF SCHOOLS

*"Where Learning is the Expectation
And Caring is a Commitment"*

THOMAS KENNEDY
DISTRICT 1

VIRGINIA BRYANT
DISTRICT 2

DOUGLAS A. DODD
DISTRICT 3

VACANT
DISTRICT 4

LINDA B. POWERS
DISTRICT 5

October 17, 2016

Purvis, Gray & Company, L.L.P.
Attn: Helen Y. Painter
2347 SE 17th Street
Ocala, Florida 34471
Re: Citrus County Schools' Internal Account Audit

Dear Ms. Painter:

Regarding the above-referenced Audit, the District's Response is as follows:

Significant Deficiencies

2013-001 - Lack of Segregation of Accounting Duties

District's Response – The District acknowledges that due to staffing levels, duties cannot always be adequately separated. The District provides a compensating control of review to help mitigate any control issues. The District will encourage Principals to require that the bank statements be routed to them unopened and that they examine the cancelled checks (or check copies) for alteration or unusual payees.

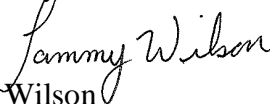
2016-001 – Finding-Certificate of Deposit (CD)

District's Response – The CD has been recorded in the schools accounting records with the correct bank and account information. In addition, District staff will continue to reviews each school's bank statement and monthly reconciliation for accuracy and verification. Additionally, documentation of all new or closed cash or investment accounts will be required to be sent to the District for review.

OTHER MATTERS – Immaterial instances

District's Response – The District will continue to reiterate standards, practices and procedures based on the Florida Department of Education's "Red Book" at annual trainings and through monthly e-mails to Bookkeepers.

Respectfully,


Tammy Wilson
Director of Finance