

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**SCHOOL BOARD OF ALACHUA COUNTY
INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

JUNE 30, 2008

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**SCHOOL BOARD OF ALACHUA COUNTY
INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

JUNE 30, 2008

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**SCHOOL BOARD OF ALACHUA COUNTY
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INDEPENDENT AUDITORS' REPORT

School Board of Alachua County
Alachua County, Florida

We have audited the accompanying statement of fiduciary net assets of the Alachua County Public Schools Internal Accounts (the Internal Accounts) as of June 30, 2008, as listed in the table of contents. This financial statement is the responsibility of the management of the School Board of Alachua County (the School Board). 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 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the note to financial statement, the accompanying financial statement includes only the fiduciary net assets of the Internal Accounts, which are included in the financial reporting entity of the School Board. The financial statement does not include other fiduciary net assets of the School Board and, accordingly, does not purport to, and does not, present the fiduciary net assets of the School Board in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Internal Accounts as of June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis covering the financial statement of the Internal Accounts is included within the management's discussion and analysis of the district-wide annual financial report, which is available at the School Board's administrative offices.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2009, on our consideration of the Internal Accounts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Certified Public Accountants

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

School Board of Alachua County
Alachua County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Our audit was conducted for the purpose of forming an opinion on the statement of fiduciary net assets. The supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statement of the Internal Accounts. Such information has been subjected to the auditing procedures applied in the audit of the statement of fiduciary net assets and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

Purvis, Gray and Company, LLP

March 25, 2009
Gainesville, Florida

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA

ASSETS

Assets

Cash and Equivalents	\$ 2,875,303
Accounts Receivable	71,648
Inventory	<u>50,697</u>
Total Assets	<u><u>2,997,648</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	64,102
Assets Held for Others	<u>2,933,546</u>
Total Liabilities	<u>2,997,648</u>
Net Assets	<u><u>\$ 0</u></u>

See accompanying notes.

**NOTE TO FINANCIAL STATEMENT
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

The financial statement of the Internal Accounts of the School Board of Alachua County (the School Board) have been prepared to conform to generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Pursuant to Florida Statutes, Section 237.01, 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 School Board and its governing board are organized and operated under Section 4, Article IX, of the constitution of Florida and Chapter 230 of the Florida Statutes. The School Board's boundaries are coterminous with those of Alachua County. Management of the School Board is independent of county and city governments. The membership of the governing board of the School Board consists of five members elected by county-wide vote for overlapping four-year terms. The appointed Superintendent of Schools acts as the executive officer for the School Board.

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

The Internal Accounts are a single fiduciary fund of the School Board as follows:

■ **Fiduciary Fund Type**

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

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

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

Basis of Accounting

The accompanying financial statement is prepared on the accrual basis of accounting.

NOTE TO FINANCIAL STATEMENT
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA
(Concluded)

Note 1 - Summary of Significant Accounting Policies (Concluded)

Cash

Cash and equivalents are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes; thus, all bank balances of the School Internal Accounts are fully insured or collateralized.

Accounting Estimates

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

Accounts Receivable

Accounts receivable are reported at estimated net realizable value, net of an allowance for uncollectible accounts of \$235,796.

Inventory

Inventory is reported at cost under the first-in first-out method.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded to reserve an applicable appropriation, is used by the Internal Accounts.

Risk Management

The Internal Accounts are exposed to various risks of loss related to theft of, damage to and destruction of assets. The School Board provides commercial insurance to cover these risks of the Internal Accounts.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	F.W. Buchholz High School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ (34,099)	\$ 234,065	\$ 167,112	\$ 32,854
Music	14	300	246	68
Classes	23,144	52,065	60,262	14,947
Clubs	95,508	234,436	227,515	102,429
Departments	23,565	65,603	64,650	24,518
Trusts	25,456	39,698	59,887	5,267
General	11,142	64,273	54,729	20,686
Total Cash	\$ 144,730	\$ 690,440	\$ 634,401	200,769
Accounts Receivable				15,952
Inventory				27,077
Accounts Payable				0
Assets Held for Others				\$ 243,798

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Eastside High School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 106,415	\$ 127,146	\$ 159,585	\$ 73,976
Music	0	1,326	1,325	1
Classes	821	31,230	31,044	1,007
Clubs	14,664	52,392	47,912	19,144
Departments	35,675	160,849	126,533	69,991
Trusts	38,850	111,616	111,986	38,480
General	38,087	41,813	46,187	33,713
Total Cash	\$ 234,512	\$ 526,372	\$ 524,572	236,312
Accounts Receivable				14,588
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 250,900

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Gainesville High School			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Athletics	\$ 38,904	\$ 152,788	\$ 144,279	\$ 47,413
Music	1,041	489	1,345	185
Classes	3,829	48,597	35,202	17,224
Clubs	10,469	73,463	44,239	39,693
Departments	34,943	109,148	121,891	22,200
Trusts	89,794	329,378	326,523	92,649
School Store	0	1,009	900	109
General	20,207	13,993	17,999	16,201
Total Cash	<u>\$ 199,187</u>	<u>\$ 728,865</u>	<u>\$ 692,378</u>	235,674
Accounts Receivable				23,034
Inventory				131
Accounts Payable				<u>(3,184)</u>
Assets Held for Others				<u>\$ 255,655</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hawthorne Middle/High School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 8,176	\$ 77,840	\$ 80,414	\$ 5,602
Music	716	395	451	660
Classes	3,029	14,817	14,831	3,015
Clubs	2,633	3,117	2,878	2,872
Departments	7,607	16,887	21,057	3,437
Trusts	11,776	21,593	24,209	9,160
General	30	4,125	2,723	1,432
Total Cash	\$ 33,967	\$ 138,774	\$ 146,563	26,178
Accounts Receivable				3,511
Inventory				12,276
Accounts Payable				(1,458)
Assets Held for Others				\$ 40,507

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Loften High School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 2,310	\$ 616	\$ 961	\$ 1,965
Classes	0	350	0	350
Clubs	526	1,250	875	901
Departments	90,269	28,630	31,055	87,844
Trusts	120,997	13,812	13,796	121,013
School Store	9,892	0	9,892	0
General	26,290	13,754	3,616	36,428
Total Cash	<u>\$ 250,284</u>	<u>\$ 58,412</u>	<u>\$ 60,195</u>	248,501
Accounts Receivable				0
Inventory				5,822
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 254,323</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry High School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 37,573	\$ 143,215	\$ 139,896	\$ 40,892
Music	113	1,272	1,272	113
Classes	2,535	15,659	14,630	3,564
Clubs	19,645	10,999	9,821	20,823
Departments	31,378	56,435	56,428	31,385
Trusts	12,241	61,519	51,342	22,418
General	9,919	11,317	8,829	12,407
Total Cash	\$ 113,404	\$ 300,416	\$ 282,218	131,602
Accounts Receivable				3,083
Inventory				0
Accounts Payable				(1,149)
Assets Held for Others				\$ 133,536

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Santa Fe High School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 52,176	\$ 136,474	\$ 150,013	\$ 38,637
Music	265	0	29	236
Classes	3,044	20,957	19,299	4,702
Clubs	27,539	34,974	34,770	27,743
Departments	24,366	109,658	110,102	23,922
Trusts	16,823	54,258	56,533	14,548
General	53,788	12,849	17,764	48,873
Total Cash	\$ 178,001	\$ 369,170	\$ 388,510	158,661
Accounts Receivable				377
Inventory				0
Accounts Payable				(5,540)
Assets Held for Others				\$ 153,498

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Howard W. Bishop Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 2,368	\$ 5,120	\$ 6,445	\$ 1,043
Music	1,551	249	1,494	306
Classes	9,242	58,948	56,004	12,186
Clubs	2,608	6,415	8,125	898
Departments	17,937	11,726	18,204	11,459
Trusts	4,525	22,567	25,897	1,195
General	4,042	6,610	9,784	868
Total Cash	\$ 42,273	\$ 111,635	\$ 125,953	27,955
Accounts Receivable				2,196
Inventory				0
Accounts Payable				(10,915)
Assets Held for Others				\$ 19,236

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Ft. Clarke Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 576	\$ 2,034	\$ 385	\$ 2,225
Music	3,220	3,465	1,862	4,823
Classes	4,073	43,560	39,842	7,791
Clubs	2,551	1,794	1,188	3,157
Departments	15,590	37,902	36,540	16,952
Trusts	22,400	30,421	29,411	23,410
School Store	726	2,442	1,739	1,429
General	10,410	6,660	4,601	12,469
Total Cash	<u>\$ 59,546</u>	<u>\$ 128,278</u>	<u>\$ 115,568</u>	72,256
Accounts Receivable				0
Inventory				1,214
Accounts Payable				<u>(236)</u>
Assets Held for Others				<u>\$ 73,234</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kanapaha Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 5,512	\$ 3,555	\$ 2,193	\$ 6,874
Music	3,197	0	1,465	1,732
Classes	2,388	23,543	22,311	3,620
Clubs	4,511	8,103	5,779	6,835
Departments	19,690	35,862	31,404	24,148
Trusts	9,853	42,899	42,940	9,812
School Store	333	1,049	908	474
General	7,763	4,753	1,610	10,906
Total Cash	\$ 53,247	\$ 119,764	\$ 108,610	64,401
Accounts Receivable				0
Inventory				1,460
Accounts Payable				(885)
Assets Held for Others				\$ 64,976

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Abraham Lincoln Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 224	\$ 3,136	\$ 3,336	\$ 24
Music	0	16	0	16
Classes	1,600	19,010	16,139	4,471
Clubs	3,595	29,639	29,234	4,000
Departments	11,775	86,442	83,124	15,093
Trusts	1,945	22,787	21,434	3,298
General	1,212	10,960	7,663	4,509
Total Cash	\$ 20,351	\$ 171,990	\$ 160,930	31,411
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 31,411

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A.L. Mebane Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 5,609	\$ 7,848	\$ 6,114	\$ 7,343
Music	9	0	0	9
Classes	84	121	0	205
Clubs	1,220	3,774	3,080	1,914
Departments	6,259	16,043	16,574	5,728
Trusts	3,031	26,265	23,476	5,820
General	4,627	9,025	10,860	2,792
Total Cash	\$ 20,839	\$ 63,076	\$ 60,104	23,811
Accounts Receivable				1,331
Inventory				0
Accounts Payable				(5,801)
Assets Held for Others				\$ 19,341

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Oak View Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 4,134	\$ 3,723	\$ 2,010	\$ 5,847
Music	107	0	107	0
Classes	461	1,170	1,214	417
Clubs	4,085	491	1,293	3,283
Departments	12,074	12,374	18,246	6,202
Trusts	1,836	18,690	17,968	2,558
School Stores	2,709	114	1,796	1,027
General	27,392	25,268	18,239	34,421
Total Cash	\$ 52,798	\$ 61,830	\$ 60,873	53,755
Accounts Receivable				1,701
Inventory				544
Accounts Payable				(2,481)
Assets Held for Others				\$ 53,519

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Westwood Middle School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 5,108	\$ 2,566	\$ 870	\$ 6,804
Music	1,708	0	0	1,708
Classes	5,681	4,446	4,315	5,812
Clubs	3,313	990	2,575	1,728
Departments	11,593	8,237	8,372	11,458
Trusts	8,495	52,600	53,388	7,707
General	4,979	2,310	5,833	1,456
Total Cash	\$ 40,877	\$ 71,149	\$ 75,353	36,673
Accounts Receivable				1,703
Inventory				300
Accounts Payable				0
Assets Held for Others				\$ 38,676

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Alachua Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 1,587	\$ 20,774	\$ 22,361	\$ 0
Departments	2,684	8,059	7,826	2,917
Trusts	395	116,804	117,059	140
General	8,036	13,808	18,703	3,141
Total Cash	\$ 12,702	\$ 159,445	\$ 165,949	6,198
Accounts Receivable				54
Inventory				85
Accounts Payable				(467)
Assets Held for Others				\$ 5,870

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Archer Community School			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Classes	\$ 2,817	\$ 9,465	\$ 9,770	\$ 2,512
Clubs	1,015	0	108	907
Departments	1,652	2,538	3,066	1,124
Trusts	6,042	78,330	78,358	6,014
General	21,445	29,177	18,128	32,494
Total Cash	\$ 32,971	\$ 119,510	\$ 109,430	43,051
Accounts Receivable				0
Inventory				0
Accounts Payable				(3,839)
Assets Held for Others				\$ 39,212

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lawton Chiles Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 6,937	\$ 22,052	\$ 20,533	\$ 8,456
Departments	2,478	5,751	3,517	4,712
Trusts	32,501	191,627	214,468	9,660
General	5,144	9,319	11,054	3,409
Total Cash	\$ 47,060	\$ 228,749	\$ 249,572	26,237
Accounts Receivable				0
Inventory				0
Accounts Payable				(790)
Assets Held for Others				\$ 25,447

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Charles Duval Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 317	\$ 1,034	\$ 1,082	\$ 269
Departments	3,069	2,842	2,379	3,532
Trusts	5,393	127,562	120,018	12,937
General	2,092	8,173	9,374	891
Total Cash	\$ 10,871	\$ 139,611	\$ 132,853	17,629
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 17,629

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	J.J. Finley Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 243	\$ 3,472	\$ 3,469	\$ 246
Departments	1,215	346	411	1,150
Trusts	6,092	161,915	163,091	4,916
General	22,609	3,743	2,324	24,028
Total Cash	\$ 30,159	\$ 169,476	\$ 169,295	30,340
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 30,340

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Stephen Foster Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 601	\$ 9,988	\$ 9,416	\$ 1,173
Departments	567	365	205	727
Trusts	9,023	139,337	145,643	2,717
General	6,999	1,897	5,533	3,363
Total Cash	\$ 17,190	\$ 151,587	\$ 160,797	7,980
Accounts Receivable				0
Inventory				0
Accounts Payable				(121)
Assets Held for Others				\$ 7,859

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Glen Springs Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 786	\$ 6,159	\$ 6,088	\$ 857
Departments	3,187	1,693	1,362	3,518
Trusts	14,838	177,888	184,667	8,059
General	4,049	5,341	5,409	3,981
Total Cash	\$ 22,860	\$ 191,081	\$ 197,526	16,415
Accounts Receivable				0
Inventory				0
Accounts Payable				(398)
Assets Held for Others				\$ 16,017

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hidden Oak Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 3,175	\$ 6,037	\$ 5,990	\$ 3,222
Clubs	700	0	0	700
Departments	11,519	479	822	11,176
Trusts	29,483	243,706	249,648	23,541
General	34,598	19,324	10,562	43,360
Total Cash	\$ 79,475	\$ 269,546	\$ 267,022	81,999
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 81,999

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	High Springs Community School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Athletics	\$ 3,583	\$ 5,174	\$ 4,722	\$ 4,035
Music	0	660	434	226
Classes	900	25,784	25,539	1,145
Clubs	384	13,656	13,339	701
Departments	11,707	34,732	31,065	15,374
Trusts	23,885	198,541	200,880	21,546
General	40,793	20,057	24,856	35,994
Total Cash	\$ 81,252	\$ 298,604	\$ 300,835	79,021
Accounts Receivable				0
Inventory				0
Accounts Payable				(176)
Assets Held for Others				\$ 78,845

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Idylwild Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 482	\$ 8,484	\$ 8,691	\$ 275
Departments	9,496	5,049	12,571	1,974
Trusts	15,993	158,860	174,803	50
General	9,155	2,172	1,112	10,215
Total Cash	\$ 35,126	\$ 174,565	\$ 197,177	12,514
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 12,514

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.W. Irby Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 40	\$ 4,029	\$ 3,881	\$ 188
Departments	2,535	1,834	1,960	2,409
Trusts	4,826	119,456	120,091	4,191
General	32,331	25,271	29,061	28,541
Total Cash	\$ 39,732	\$ 150,590	\$ 154,993	35,329
Accounts Receivable				0
Inventory				0
Accounts Payable				(133)
Assets Held for Others				\$ 35,196

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lake Forest Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 1,401	\$ 265	\$ 1,232	\$ 434
Departments	11,161	7,782	5,922	13,021
Trusts	4,301	62,718	62,794	4,225
General	14,665	2,728	1,685	15,708
Total Cash	\$ 31,528	\$ 73,493	\$ 71,633	33,388
Accounts Receivable				680
Inventory				82
Accounts Payable				0
Assets Held for Others				\$ 34,150

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Littlewood Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 4,000	\$ 12,023	\$ 13,039	\$ 2,984
Clubs	7	0	0	7
Departments	14,263	9,832	9,728	14,367
Trusts	10,869	172,593	180,021	3,441
General	38,106	23,529	15,677	45,958
Total Cash	\$ 67,245	\$ 217,977	\$ 218,465	66,757
Accounts Receivable				341
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 67,098

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.A. Metcalfe Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 235	\$ 2,250	\$ 1,314	\$ 1,171
Clubs	0	1,490	1,490	0
Departments	1,998	2,665	2,706	1,957
Trusts	1,602	65,963	65,948	1,617
General	8,202	6,564	6,500	8,266
Total Cash	\$ 12,037	\$ 78,932	\$ 77,958	13,011
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 13,011

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 4,268	\$ 10,080	\$ 13,530	\$ 818
Departments	9,540	9,463	7,332	11,671
Trusts	25,506	223,914	227,340	22,080
General	11,376	4,568	4,512	11,432
Total Cash	\$ 50,690	\$ 248,025	\$ 252,714	46,001
Accounts Receivable				1,826
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 47,827

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	C.W. Norton Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 1,697	\$ 9,802	\$ 10,233	\$ 1,266
Departments	9,118	13,209	9,809	12,518
Trusts	20,119	207,752	219,508	8,363
General	33,518	13,042	24,714	21,846
Total Cash	\$ 64,452	\$ 243,805	\$ 264,264	43,993
Accounts Receivable				473
Inventory				0
Accounts Payable				(54)
Assets Held for Others				\$ 44,412

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Prairie View Academy			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Classes	\$ 19	\$ 1,299	\$ 1,318	\$ 0
Departments	70	3,429	3,499	0
Trusts	4,320	55,394	59,714	0
General	14,774	9,073	1,773	22,074
Total Cash	\$ 19,183	\$ 69,195	\$ 66,304	22,074
Accounts Receivable				586
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 22,660

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	M.K. Rawlings Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 316	\$ 702	\$ 756	\$ 262
Departments	260	3,522	1,941	1,841
Trusts	10,147	36,316	36,061	10,402
General	23,936	2,197	18,715	7,418
Total Cash	\$ 34,659	\$ 42,737	\$ 57,473	19,923
Accounts Receivable				31
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 19,954

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Chester Shell Elementary School			
	Cash		Cash	
	Balances	Cash	Disburse-	Balances
	July 1, 2007	Receipts	ments	June 30, 2008
Departments	\$ 1,711	\$ 2,109	\$ 2,280	\$ 1,540
Trusts	673	41,230	40,864	1,039
General	5,668	1,967	4,247	3,388
Total Cash	\$ 8,052	\$ 45,306	\$ 47,391	5,967
Accounts Receivable				0
Inventory				0
Accounts Payable				(73)
Assets Held for Others				\$ 5,894

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

William S. Talbot Elementary School				
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 4,332	\$ 21,355	\$ 18,840	\$ 6,847
Clubs	86	0	0	86
Departments	9,816	667	3,254	7,229
Trusts	7,082	277,925	252,863	32,144
General	50,500	31,175	24,592	57,083
Total Cash	\$ 71,816	\$ 331,122	\$ 299,549	103,389
Accounts Receivable				0
Inventory				0
Accounts Payable				(84)
Assets Held for Others				\$ 103,305

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Myra Terwilliger Elementary School				
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 1,605	\$ 4,985	\$ 5,504	\$ 1,086
Clubs	297	0	0	297
Departments	2,420	1,173	2,208	1,385
Trusts	17,402	129,599	139,740	7,261
General	28,489	4,440	4,501	28,428
Total Cash	\$ 50,213	\$ 140,197	\$ 151,953	38,457
Accounts Receivable				0
Inventory				0
Accounts Payable				(175)
Assets Held for Others				\$ 38,282

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Waldo Community School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 0	\$ 213	\$ 213	\$ 0
Departments	4,846	8,121	8,131	4,836
Trusts	3,872	59,451	61,231	2,092
General	14,500	9,438	9,055	14,883
Total Cash	\$ 23,218	\$ 77,223	\$ 78,630	21,811
Accounts Receivable				0
Inventory				147
Accounts Payable				0
Assets Held for Others				\$ 21,958

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kimball Wiles Elementary School			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Classes	\$ 8,270	\$ 13,692	\$ 15,079	\$ 6,883
Clubs	810	1,885	1,559	1,136
Departments	8,297	24,150	26,801	5,646
Trusts	14,452	240,905	240,203	15,154
General	9,210	17,413	16,254	10,369
Total Cash	<u>\$ 41,039</u>	<u>\$ 298,045</u>	<u>\$ 299,896</u>	39,188
Accounts Receivable				124
Inventory				0
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 39,312</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Joseph Williams Elementary School			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 0	\$ 17,889	\$ 17,889	\$ 0
Departments	1,389	1,947	1,384	1,952
Trusts	11,591	124,532	122,167	13,956
General	5,075	2,857	3,431	4,501
Total Cash	\$ 18,055	\$ 147,225	\$ 144,871	20,409
Accounts Receivable				57
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 20,466

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	<u>Anchor Center/Sidney Lanier Center</u>			
	<u>Cash Balances July 1, 2007</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	
Departments	\$ 1,033	\$ 5,471	\$ 5,568	\$ 936
Trusts	15,443	47,911	38,196	25,158
General	17,454	1,934	3,810	15,578
Total Cash	<u>\$ 33,930</u>	<u>\$ 55,316</u>	<u>\$ 47,574</u>	41,672
Accounts Receivable				0
Inventory				0
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 41,672</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Camp Crystal Lake			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Departments	\$ 315,990	\$ 537,397	\$ 514,536	\$ 338,851
Trusts	32,688	47,231	25,843	54,076
General	3,001	8,898	10,188	1,711
Total Cash	<u>\$ 351,679</u>	<u>\$ 593,526</u>	<u>\$ 550,567</u>	394,638
Accounts Receivable				0
Inventory				1,559
Accounts Payable				<u>(26,143)</u>
Assets Held for Others				<u>\$ 370,054</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Fearnside Family Services Center			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Trusts	\$ 11,228	\$ 14,871	\$ 4,074	\$ 22,025
General	2,422	39	39	2,422
Total Cash	<u>\$ 13,650</u>	<u>\$ 14,910</u>	<u>\$ 4,113</u>	24,447
Accounts Receivable				0
Inventory				0
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 24,447</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Horizon Center			Balances June 30, 2008
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	
Trusts	\$ 284	\$ 7,886	\$ 8,170	\$ 0
General	655	0	655	0
Total Cash	<u>\$ 939</u>	<u>\$ 7,886</u>	<u>\$ 8,825</u>	0
Accounts Receivable				0
Inventory				0
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 0</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2008
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A. Quinn Jones Center			
	Cash Balances July 1, 2007	Cash Receipts	Cash Disburse- ments	Balances June 30, 2008
Classes	\$ 231	\$ 390	\$ 296	\$ 325
Clubs	80	0	0	80
Departments	1,954	110	0	2,064
Trusts	11,061	28,984	12,836	27,209
School Store	356	1,159	1,341	174
General	5,570	1,398	1,314	5,654
Total Cash	\$ 19,252	\$ 32,041	\$ 15,787	35,506
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 35,506

OTHER REPORTS

**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***

School Board of Alachua County
Alachua County, Florida

We have audited the statement of fiduciary net assets of the Alachua County Public Schools Internal Accounts (the Internal Accounts) as of June 30, 2008, and have issued our report thereon dated March 25, 2009. Our report on the financial statement included a paragraph explaining that the financial statement includes only the fiduciary net assets of the Internal Accounts and does not include other fiduciary net assets of the School Board of Alachua County. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Internal Accounts' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Internal Accounts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Internal Accounts internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Internal Accounts' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Internal Accounts' financial statement that is more than inconsequential will not be prevented or detected by the Internal Accounts' internal control. We consider the deficiency described below to be a significant deficiency in internal control over financial reporting:

Certified Public Accountants

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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

**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**
(Continued)

Internal Control Over Financial Reporting (Concluded)

■ **Segregation of Duties**

One of the tenants of sound internal control is the segregation of incompatible duties among employees. The basic premise is that to minimize control issues, duties should be segregated among employees so that individuals do not perform all of the accounting functions for a single area. During our audit of the internal accounts, we identified instances where the bookkeeper is the sole individual responsible for receiving cash, depositing cash, and recording transactions into the general ledger. This condition is common across internal accounts in school districts across the state of Florida and is not unique to the School Board of Alachua County (the School Board). The School Board has recognized this weakness and has established and implemented controls to mitigate this risk, including monthly review and approval of the principal's report and the bank reconciliation by each principal and the Finance Department.

We recommend that the District continue its existing efforts to mitigate the segregation of duties issue and continue to emphasize the importance of controls over cash receipting and bank deposits.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by the Internal Accounts' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Internal Accounts' financial statement is free of 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*.

We noted certain matters that we reported to management in the accompanying management letter dated March 25, 2009.

School Board of Alachua County
Alachua County, Florida

**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 (Concluded)

The School Board's response to the findings identified in our audit is described in the accompanying management's response. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Board of Alachua County and its management, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 25, 2009
Gainesville, Florida

MANAGEMENT LETTER

School Board of Alachua County
Alachua County, Florida

We have audited the financial statement of the Alachua County Public Schools Internal Accounts (the Internal Accounts) as of and for the year ended June 30, 2008, and have issued our report thereon dated March 25, 2009.

We have issued our report on internal control over financial reporting and compliance and on other matters based on an audit of the financial statement performed in accordance with *Government Auditing Standards* dated March 25, 2009. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.800, *Rules of the Auditor General*, which govern the conduct of the Internal Accounts audits performed in the state of Florida, and require that certain items be addressed in this letter:

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that a statement is made as to whether corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions were taken to address significant findings and recommendations made in the preceding financial audit report.

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires that we comment as to whether the Internal Accounts have met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. The Internal Accounts have not met any of the conditions described in Section 218.503(1).

Section 10.804(1)(f)3., *Rules of the Auditor General*, requires that we include a statement as to whether or not the Internal Accounts complied with Section 218.415, Florida Statutes, regarding the investment of public funds. The Internal Accounts have complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires that we comment as to whether or not we have recommendations to improve the Internal Accounts' financial management, accounting procedures, and internal controls. Our recommendations are as follows:

Certified Public Accountants

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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
2201 Cantu Court, Suite #100 • Sarasota, Florida 34232 • (941) 379-2800 • FAX (941) 379-2899

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

MANAGEMENT LETTER
(Continued)

■ **General Findings in the Current Year**

● **Investments**

The Department of Education allows internal funds which are temporarily idle, to be invested pursuant to policies of the school board using any medium of investment legal for public funds, which may not exceed insurance protection or other legal collateral limits. We noted during our audit that the majority of idle cash that is invested is invested in certificates of deposits and savings accounts. During the audit, it was revealed that in several instances the interest was not being properly recorded on the certificates of deposits. Each school is allowed to make their own investment decisions. Additionally, the diversity that is created makes it difficult to monitor the interest and ensure the Internal Account's are receiving the money it is due. We recommend revising the Internal Account's Investment Policy to either: (1) centralize the investment process so all investments are made and monitored by qualified staff or (2) include specific types and terms of investments so as to allow for easier monitoring by the Finance Department.

In addition, we noted at a number of schools where monies were not being invested during the year. Therefore, no interest was being earned on these funds.

● **Preapproval of Purchases**

Per School Board Policies and Procedures, a purchase order shall be issued and manually signed and dated by the principal or his/her appointed designee to initiate the purchase of any and all equipment, supplies, materials, and services. During our audit, several instances were noted where this policy was not followed. This process helps to ensure that no purchases are made where adequate resources may not be available to fund that purchase. We recommend that the principals, as the person ultimately responsible for all purchases, encourage teachers/sponsors to obtain and file purchase orders prior to any purchases being made.

● **Receipt of Merchandise or Service**

Per School Board Policies and Procedures, obligations for services shall be paid only upon receipt of the itemized invoice or receipt with the document signed and dated by the department head or responsible employee of the area affected, certifying receipt of merchandise or service. We noted during our audit that this policy was not always followed, as there were instances where invoices were either not provided or were missing signatures by the appropriate personnel. Proper implementation of this policy ensures that goods have been received or services have been rendered before an obligation is paid. We recommend that principals, as the person ultimately responsible for all purchases, place an increased emphasis on the review and approval of invoices prior to payment.

● **Timely Deposit of Receipts**

Per School Board Policies and Procedures, money shall be deposited on the next scheduled courier pickup (within three business days if not using a courier). We noted during our audit, several instances where deposits were not made within the allotted time frame as specified by the School Board policy. We recommend that deposits be made in accordance with the School Board policies.

MANAGEMENT LETTER
(Continued)

■ **General Findings in the Current Year (Concluded)**

● **Receipts for Collections More Than \$25.01**

Per School Board District Policies and Procedures, students shall be issued receipts for payments for future delivery of materials or services costing more than \$25.01. We noted instances at some schools where the teacher collected \$25.01 or more and did not issue a prenumbered receipt.

● **Journal Entries**

Journal entries needed for Internal Accounts are made by authorized parties in the Finance Department as needed. There is currently no secondary review and approval of journal entries that are made. In addition, written documentation and explanation to support certain journal entries were not always maintained. The lack of a secondary review and supporting documentation could result in unintentional errors. We recommend that all journal entries be reviewed and approved by someone other than the preparer, and that documentation and explanation be provided for all journal entries.

■ **Specific Findings Found at Individual Schools**

● **Howard W. Bishop Middle**

During the audit, it was noted that the Principal's Report of Activity Event Receipts and Admissions was not completed accurately. Reports are submitted for review after each activity event and should be examined and approved by the sponsor and principal. The mathematical error, albeit immaterial, indicates a potential weakness in the controls to ensure the accurate reporting of gate sales.

● **Camp Crystal Lake**

Per School Board Policies and Procedures, manual signatures are required on all receipts and reports of monies collected. Initials or rubber stamp signatures are not permitted. During testing of cash disbursements, it was noted that a stamp was used by the bookkeeper in place of the Camp Director's signature since he was not available. If the bookkeeper is able to use the stamp, then the possibility exists for checks to be written and signed by only one person.

● **Charles Duval Elementary**

Proper segregation of duties requires an effective system of checks and balances. During the testing of cash disbursements, it was noted that a reimbursement to the principal for supplies relating to a school activity was approved by the principal herself, rather than an alternate authorized designee. We recommend that the principal have a separate, designated person authorize any payments in order to ensure proper segregation of duties.

● **Eastside High**

Per School Board Policies and Procedures, purchases for a school or for any group within a school shall not exceed the cash resources without prior approval of the Deputy Superintendent in charge of business services or his/her designee. It was noted during the audit that two department accounts had deficit balances as of June 30, 2008.

MANAGEMENT LETTER
(Continued)

■ **Specific Findings Found at Individual Schools (Continued)**

● **Fearnside Family Services**

Per School Board Policies and Procedures, money should be kept in the school safe/vault at all times except when actual collection is being made or when doing so would not be practical. It was noted during the audit that cash kept overnight or for a prolonged period is kept in a locked cabinet. However, the key to the cabinet is kept in an unopened drawer in the Bookkeeper/Executive Assistant's office. We recommend having the bookkeeper store the key in a more secure manner, thus preventing outside parties from having potential access to monies collected.

● **J.J. Finley Elementary**

Per School Board Policies and Procedures, two signatures are required on checks drawn on accounts. During testing of cash disbursements, it was noted that two checks had only the signature of the bookkeeper and not the principal or his/her designee.

● **Fort Clarke Middle**

Red Book Chapter 7, Section 3, 4.4 (e) states that "*collections for all school sponsored fundraising activities must be deposited in the internal fund, and all transactions in connection with the activity conducted in accordance with school board rules.*" During the audit, it was noted that a club sponsor collected cash for a school dance and spent the money on various items for the dance without first depositing the collections intact.

● **Gainesville High**

Per School Board Policies and Procedures, the principals of high schools shall require a perpetual inventory and an accounting for activities events ticket stock, on the Inventory of Activity Event Tickets form, showing unused stock from event to event. During the audit, it was noted that there was a box of unused tickets which were not accounted for on the Inventory of Activity Event Tickets form.

Also, it was noted during testing of cash disbursements on two occasions that the principal approved an invoice that exceeded the amount approved on the purchase order.

● **Littlewood Elementary**

During testing of cash disbursements, it was noted that the Bookkeeper/Executive Assistant, but not the principal, approved late charges that exceeded the amount approved on the purchase order.

● **Mebane Middle**

Per School Board Policies and Procedures, purchases for a school or for any group within a school shall not exceed the cash resources without prior approval of the Deputy Superintendent in charge of business services or his/her designee. During the audit, it was noted that an invoice payable caused the School's obligations to exceed its resources by \$1,807.

MANAGEMENT LETTER
(Concluded)

■ **Specific Findings Found at Individual Schools (Concluded)**

● **Santa Fe High**

School Board Policies states "*Obligations for services, equipment, or supplies shall be paid only upon receipt of the itemized invoice or receipt with the document signed and dated by the department head or responsible employee of the area affected.*" While there was a signature noting approval, there was insufficient documentation explaining the amount due for the payment of yearbooks.

School Board Policies states "*If no receipt or invoice is available, a signed, dated, written explanation of the expenditures shall be recorded on or attached, with the school purchase order, to the check requisition. Evidence supporting all disbursements must be kept on file.*" However, there was no calculation shown for the payment of sales tax on consumer cards.

The handling of cash is a high risk area that is vulnerable to both intentional or unintentional misstatement of assets. There were two instances noted during testing of athletic events where the actual money collected was short of the money that should have been collected from ticket sales. While the amounts were not material, the instances may be an indicator that policies are not being effectively followed.

Section 10.804(1)(f)5., *Rules of the Auditor General*, requires that we include a statement as to whether or not violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. There were no such matters that occurred in the current year audit.

Section 10.804(1)(f)6., *Rules of the Auditor General*, requires disclosure in the management letter of the following matters: (a) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred; (b) control deficiencies that are not significant deficiencies, including, but not limited to: (1) improper or inadequate accounting procedures; (2) failures to properly record financial transactions and (3) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. There were no such matters that occurred in the current year audit.

Section 10.804(1)(f)7a., *Rules of the Auditor General*, requires that we include a statement as to whether or not financial condition assessment procedures were applied. This shall include recommendations addressing deteriorating financial conditions disclosed pursuant to section 218.503(1), Florida Statutes. This did not apply to the Internal Accounts.

This management letter is intended solely for the information and use of the School Board of Alachua County, management and the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

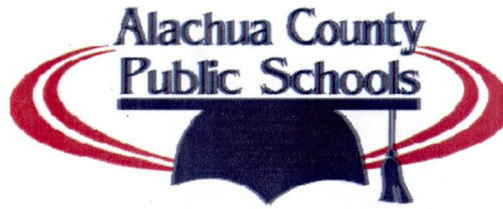
March 25, 2009
Gainesville, Florida

BOARD MEMBERS

Virginia S. Childs
F. Wesley Eubank
Tina Pinkoson
Eileen F. Roy
Barbara J. Sharpe

SUPERINTENDENT OF SCHOOLS

W. Daniel Boyd, Jr., Ed.D.



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March 25, 2009

Dear Purvis Gray & Company:

We appreciate your completion of the internal accounts audit for the fiscal year ending June 30, 2008. We agree with the recommendation to continue existing efforts to mitigate the segregation of duties issue and continue to emphasize the importance of internal controls over cash receipting and bank deposits. We will continue to review procedures to reduce our risk. We also concur with the findings and recommendations listed in the Management Letter. We have communicated each concern with the principals and will continue to review our policies and procedures in regards to these concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Ward", is written over a horizontal line.

Scott Ward
Chief Financial Officer