

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
SCHOOL BOARD OF ALACHUA COUNTY
INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

JUNE 30, 2010

**FINANCIAL STATEMENTS
AND
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INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

JUNE 30, 2010

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**FINANCIAL STATEMENTS
AND
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**SCHOOL BOARD OF ALACHUA COUNTY
INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

Alachua County District School Board
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, 2010, as listed in the table of contents. This financial statement is the responsibility of the management of the Alachua County District School Board (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, 2010, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2010, on our consideration of the Internal Accounts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Alachua County District School Board
Alachua County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

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.

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 is the responsibility of management of the School Board and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Purris, Gray and Company, LLP

November 22, 2010
Gainesville, Florida

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA

ASSETS

Assets

Cash and Equivalents	\$ 2,861,969
Accounts Receivable	90,205
Inventory	<u>57,308</u>
Total Assets	<u><u>3,009,482</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	51,464
Due to School Board	10,382
Assets Held for Others	<u>2,947,636</u>
Total Liabilities	<u>3,009,482</u>
Net Assets	<u><u>\$ 0</u></u>

See accompanying note.

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

Reporting Entity

The School Board and its Governing Board are organized and operated under Section 4, Article IX, of the constitution of Florida and Chapter 1001 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-one centers, communities, and 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 \$146,827.

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, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	F.W. Buchholz High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 34,984	\$ 123,676	\$ 149,835	\$ 8,825
Music	126	8,516	8,571	71
Classes	23,547	52,080	55,031	20,596
Clubs	115,636	229,974	264,083	81,527
Departments	45,053	61,530	56,503	50,080
Trusts	401	27,156	25,060	2,497
General	6,703	26,461	30,721	2,443
Total Cash	\$ 226,450	\$ 529,393	\$ 589,804	166,039
Accounts Receivable				32,309
Inventory				25,929
Accounts Payable				(1,079)
Assets Held for Others				\$ 223,198

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Eastside High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 27,439	\$ 149,430	\$ 152,377	\$ 24,492
Music	81	5,178	3,635	1,624
Classes	(228)	31,905	31,592	85
Clubs	14,647	72,310	74,194	12,763
Departments	66,811	112,071	139,978	38,904
Trusts	30,505	61,110	57,907	33,708
General	68,194	28,311	26,079	70,426
Total Cash	\$ 207,449	\$ 460,315	\$ 485,762	182,002
Accounts Receivable				9,804
Inventory				0
Accounts Payable				(1,512)
Assets Held for Others				\$ 190,294

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Gainesville High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 38,801	\$ 157,896	\$ 169,494	\$ 27,203
Music	654	105	0	759
Classes	19,989	34,012	28,164	25,837
Clubs	15,279	48,298	47,982	15,595
Departments	21,725	71,237	76,699	16,263
Trusts	79,111	102,962	102,794	79,279
School Store	543	857	362	1,038
General	4,296	8,807	3,285	9,818
Total Cash	<u>\$ 180,398</u>	<u>\$ 424,174</u>	<u>\$ 428,780</u>	175,792
Accounts Receivable				15,440
Inventory				246
Accounts Payable				<u>(831)</u>
Assets Held for Others				<u>\$ 190,647</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hawthorne Middle/High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 955	\$ 72,383	\$ 81,987	\$ (8,649)
Music	1,211	372	810	773
Classes	4,108	20,506	21,469	3,145
Clubs	1,124	2,589	3,209	504
Departments	3,371	12,452	11,048	4,775
Trusts	7,822	17,849	21,510	4,161
General	583	6,503	5,426	1,660
Total Cash	\$ 19,174	\$ 132,654	\$ 145,459	6,369
Accounts Receivable				2,815
Inventory				17,448
Accounts Payable				(5,117)
Assets Held for Others				\$ 21,515

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Loften High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 1,965	\$ 0	\$ 0	\$ 1,965
Classes	350	0	0	350
Clubs	782	1,944	730	1,996
Departments	95,897	31,977	22,291	105,583
Trusts	119,442	5,373	14,516	110,299
General	37,271	1,181	1,079	37,373
Total Cash	\$ 255,707	\$ 40,475	\$ 38,616	257,566
Accounts Receivable				0
Inventory				4,160
Accounts Payable				0
Assets Held for Others				\$ 261,726

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 17,225	\$ 104,615	\$ 100,727	\$ 21,113
Music	113	2,868	2,868	113
Classes	1,801	15,230	13,962	3,069
Clubs	22,780	13,683	19,259	17,204
Departments	40,179	31,325	45,333	26,171
Trusts	18,790	11,615	14,798	15,607
General	12,210	1,815	5,910	8,115
Total Cash	\$ 113,098	\$ 181,151	\$ 202,857	91,392
Accounts Receivable				3,033
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 94,425

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Santa Fe High School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 25,381	\$ 141,698	\$ 122,962	\$ 44,117
Music	247	328	575	0
Classes	4,684	17,935	18,155	4,464
Clubs	26,957	24,829	25,993	25,793
Departments	23,610	72,959	69,572	26,997
Trusts	16,543	42,236	42,855	15,924
General	50,543	3,289	8,428	45,404
Total Cash	\$ 147,965	\$ 303,274	\$ 288,540	162,699
Accounts Receivable				11,463
Inventory				0
Accounts Payable				(18,065)
Assets Held for Others				\$ 156,097

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Howard W. Bishop Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 730	\$ 11,009	\$ 11,309	\$ 430
Music	306	34	0	340
Classes	12,814	40,218	43,287	9,745
Clubs	426	2,694	2,262	858
Departments	5,259	4,716	6,856	3,119
Trusts	3,526	2,907	4,427	2,006
General	2,676	5,746	7,992	430
Total Cash	\$ 25,737	\$ 67,324	\$ 76,133	16,928
Accounts Receivable				1,514
Inventory				0
Accounts Payable				(1,146)
Assets Held for Others				\$ 17,296

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Ft. Clarke Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 3,602	\$ 2,737	\$ 2,076	\$ 4,263
Music	33	0	0	33
Classes	7,045	36,052	37,593	5,504
Clubs	3,897	1,047	862	4,082
Departments	19,971	20,003	21,466	18,508
Trusts	27,862	8,029	19,352	16,539
School Store	1,538	776	841	1,473
General	11,493	6,140	4,120	13,513
Total Cash	\$ 75,441	\$ 74,784	\$ 86,310	63,915
Accounts Receivable				0
Inventory				169
Accounts Payable				0
Assets Held for Others				\$ 64,084

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kanapaha Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 8,596	\$ 7,488	\$ 4,257	\$ 11,827
Music	1,997	0	0	1,997
Classes	5,055	29,996	29,039	6,012
Clubs	3,495	10,804	9,202	5,097
Departments	18,044	34,646	32,471	20,219
Trusts	7,432	9,627	11,107	5,952
School Store	610	0	0	610
General	13,738	5,471	3,346	15,863
Total Cash	<u>\$ 58,967</u>	<u>\$ 98,032</u>	<u>\$ 89,422</u>	67,577
Accounts Receivable				1,814
Inventory				1,009
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 70,400</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Abraham Lincoln Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 273	\$ 3,529	\$ 3,710	\$ 92
Music	16	0	0	16
Classes	3,820	10,288	10,886	3,222
Clubs	1,517	6,558	7,237	838
Departments	12,044	63,848	66,591	9,301
Trusts	3,014	20,951	20,632	3,333
General	7,140	44,163	47,506	3,797
Total Cash	\$ 27,824	\$ 149,337	\$ 156,562	20,599
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 20,599

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A.L. Mebane Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 10,027	\$ 4,060	\$ 4,988	\$ 9,099
Music	9	0	0	9
Classes	235	0	0	235
Clubs	1,284	1,411	1,220	1,475
Departments	3,047	10,593	12,357	1,283
Trusts	9,256	25,073	22,610	11,719
Store	16	1,861	781	1,096
General	4,625	3,513	847	7,291
Total Cash	\$ 28,499	\$ 46,511	\$ 42,803	32,207
Accounts Receivable				1,124
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 33,331

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Oak View Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 5,918	\$ 1,912	\$ 2,668	\$ 5,162
Classes	417	0	0	417
Clubs	2,659	455	920	2,194
Departments	5,110	19,499	18,694	5,915
Trusts	6,744	31,835	32,720	5,859
School Stores	1,049	123	160	1,012
General	35,923	5,761	18,125	23,559
Total Cash	\$ 57,820	\$ 59,585	\$ 73,287	44,118
Accounts Receivable				1,117
Inventory				595
Accounts Payable				(7,156)
Assets Held for Others				\$ 38,674

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Westwood Middle School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 7,310	\$ 1,459	\$ 7,321	\$ 1,448
Music	1,433	0	0	1,433
Classes	5,619	7,498	6,782	6,335
Clubs	1,786	1,966	1,852	1,900
Departments	9,224	2,538	4,604	7,158
Trusts	8,919	76,873	76,297	9,495
General	2,240	3,632	578	5,294
Total Cash	\$ 36,531	\$ 93,966	\$ 97,434	33,063
Accounts Receivable				1,385
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 34,448

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	<u>Alachua Elementary School</u>			<u>Balances June 30, 2010</u>
	<u>Cash Balances July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	
Classes	\$ 0	\$ 20,144	\$ 21,349	\$ (1,205)
Departments	5,984	8,521	5,217	9,288
Trusts	792	8,295	8,045	1,042
General	7,934	4,536	8,654	3,816
Total Cash	<u>\$ 14,710</u>	<u>\$ 41,496</u>	<u>\$ 43,265</u>	12,941
Accounts Receivable				783
Inventory				95
Accounts Payable				<u>(857)</u>
Assets Held for Others				<u>\$ 12,962</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Archer Community School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 1,444	\$ 9,956	\$ 9,588	\$ 1,812
Clubs	966	0	772	194
Departments	1,628	4,844	4,210	2,262
Trusts	10,074	10,831	10,949	9,956
General	19,703	3,805	7,091	16,417
Total Cash	\$ 33,815	\$ 29,436	\$ 32,610	30,641
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 30,641

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lawton Chiles Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 7,191	\$ 24,675	\$ 25,014	\$ 6,852
Departments	10,301	12,084	18,495	3,890
Trusts	4,979	11,089	11,772	4,296
General	8,986	24,904	22,507	11,383
Total Cash	\$ 31,457	\$ 72,752	\$ 77,788	26,421
Accounts Receivable				223
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 26,644

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Charles Duval Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 339	\$ 540	\$ 611	\$ 268
Departments	5,904	1,160	4,727	2,337
Trusts	10,123	29,287	34,129	5,281
General	2,344	4,726	5,655	1,415
Total Cash	\$ 18,710	\$ 35,713	\$ 45,122	9,301
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 9,301

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	J.J. Finley Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 143	\$ 4,146	\$ 4,159	\$ 130
Departments	1,056	3,556	1,944	2,668
Trusts	2,200	5,373	6,166	1,407
General	25,305	2,350	2,165	25,490
Total Cash	\$ 28,704	\$ 15,425	\$ 14,434	29,695
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 29,695

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Stephen Foster Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 1,165	\$ 10,858	\$ 10,613	\$ 1,410
Departments	2,900	420	1,578	1,742
Trusts	3,998	4,348	4,434	3,912
General	5,407	8,646	8,811	5,242
Total Cash	\$ 13,470	\$ 24,272	\$ 25,436	12,306
Accounts Receivable				109
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 12,415

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Glen Springs Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 413	\$ 7,271	\$ 7,585	\$ 99
Clubs	0	810	430	380
Departments	5,741	2,325	2,542	5,524
Trusts	6,401	8,345	4,946	9,800
General	5,849	3,661	2,013	7,497
Total Cash	\$ 18,404	\$ 22,412	\$ 17,516	23,300
Accounts Receivable				13
Inventory				0
Accounts Payable				<u>(5,551)</u>
Assets Held for Others				<u>\$ 17,762</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hidden Oak Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 740	\$ 23,800	\$ 24,067	\$ 473
Clubs	700	0	0	700
Departments	11,266	5,444	2,375	14,335
Trusts	5,755	5,535	7,341	3,949
General	68,643	7,513	11,929	64,227
Total Cash	\$ 87,104	\$ 42,292	\$ 45,712	83,684
Accounts Receivable				770
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 84,454

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	High Springs Community School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Athletics	\$ 4,857	\$ 3,363	\$ 4,284	\$ 3,936
Music	531	1,170	1,657	44
Classes	1,576	6,640	6,386	1,830
Clubs	721	16,783	15,879	1,625
Departments	15,170	31,668	40,260	6,578
Trusts	22,679	15,185	23,457	14,407
General	27,855	7,220	6,653	28,422
Total Cash	\$ 73,389	\$ 82,029	\$ 98,576	56,842
Accounts Receivable				0
Inventory				660
Accounts Payable				(259)
Assets Held for Others				\$ 57,243

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Idylwild Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 753	\$ 8,398	\$ 9,151	\$ 0
Departments	1,702	8,984	9,312	1,374
Trusts	1,011	24,912	19,491	6,432
General	13,779	8,875	6,869	15,785
Total Cash	\$ 17,245	\$ 51,169	\$ 44,823	23,591
Accounts Receivable				640
Inventory				0
Accounts Payable				(3,623)
Assets Held for Others				\$ 20,608

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.W. Irby Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 180	\$ 4,988	\$ 4,393	\$ 775
Departments	5,582	1,902	2,823	4,661
Trusts	4,142	3,314	4,186	3,270
General	36,372	17,325	15,750	37,947
Total Cash	\$ 46,276	\$ 27,529	\$ 27,152	46,653
Accounts Receivable				308
Inventory				0
Accounts Payable				(166)
Assets Held for Others				\$ 46,795

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lake Forest Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 434	\$ 1,520	\$ 1,520	\$ 434
Departments	2,351	1,551	2,260	1,642
Trusts	3,960	11,138	10,414	4,684
General	23,402	2,612	3,980	22,034
Total Cash	\$ 30,147	\$ 16,821	\$ 18,174	28,794
Accounts Receivable				577
Inventory				0
Accounts Payable				(40)
Assets Held for Others				\$ 29,331

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Littlewood Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 2,000	\$ 22,454	\$ 22,365	\$ 2,089
Departments	14,047	8,806	13,412	9,441
Trusts	2,774	10,458	10,418	2,814
General	50,341	12,077	6,593	55,825
Total Cash	\$ 69,162	\$ 53,795	\$ 52,788	70,169
Accounts Receivable				468
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 70,637

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.A. Metcalfe Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 600	\$ 3,488	\$ 3,445	\$ 643
Departments	3,765	6,877	6,996	3,646
Trusts	4,578	10,924	8,564	6,938
General	7,535	552	3,858	4,229
Total Cash	\$ 16,478	\$ 21,841	\$ 22,863	15,456
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 15,456

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 654	\$ 6,419	\$ 6,818	\$ 255
Departments	11,731	7,100	13,291	5,540
Trusts	22,091	14,743	14,997	21,837
General	10,671	10,019	8,881	11,809
Total Cash	\$ 45,147	\$ 38,281	\$ 43,987	39,441
Accounts Receivable				717
Inventory				12
Accounts Payable				0
Assets Held for Others				\$ 40,170

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	C.W. Norton Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 2,088	\$ 7,172	\$ 6,377	\$ 2,883
Departments	30,817	14,374	17,175	28,016
Trusts	9,454	4,975	5,392	9,037
General	30,240	7,061	1,782	35,519
Total Cash	\$ 72,599	\$ 33,582	\$ 30,726	75,455
Accounts Receivable				258
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 75,713

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	M.K. Rawlings Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 304	\$ 5,671	\$ 5,948	\$ 27
Departments	3,627	564	1,241	2,950
Trusts	11,514	25,175	29,821	6,868
General	3,826	2,014	5,526	314
Total Cash	\$ 19,271	\$ 33,424	\$ 42,536	10,159
Accounts Receivable				269
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 10,428

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Chester Shell Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Departments	\$ 3,007	\$ 3,905	\$ 5,662	\$ 1,250
Trusts	829	7,086	7,898	17
General	5,227	4,972	5,309	4,890
Total Cash	\$ 9,063	\$ 15,963	\$ 18,869	6,157
Accounts Receivable				308
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 6,465

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

William S. Talbot Elementary School				
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 5,707	\$ 24,408	\$ 23,408	\$ 6,707
Clubs	86	0	0	86
Departments	5,223	251	1,067	4,407
Trusts	18,124	17,440	22,196	13,368
General	66,673	11,028	5,631	72,070
Total Cash	\$ 95,813	\$ 53,127	\$ 52,302	96,638
Accounts Receivable				185
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 96,823

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Myra Terwilliger Elementary School				
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 1,173	\$ 4,313	\$ 4,016	\$ 1,470
Clubs	297	0	0	297
Departments	1,981	5,937	3,451	4,467
Trusts	7,490	18,164	16,263	9,391
General	29,103	6,849	2,533	33,419
Total Cash	\$ 40,044	\$ 35,263	\$ 26,263	49,044
Accounts Receivable				29
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 49,073

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Waldo Community School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 0	\$ 1,398	\$ 1,367	\$ 31
Departments	6,795	5,882	9,800	2,877
Trusts	2,847	4,644	4,869	2,622
General	18,828	2,403	6,044	15,187
Total Cash	\$ 28,470	\$ 14,327	\$ 22,080	20,717
Accounts Receivable				389
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 21,106

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kimball Wiles Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 4,132	\$ 11,985	\$ 11,412	\$ 4,705
Clubs	551	0	0	551
Departments	8,666	18,650	20,923	6,393
Trusts	23,736	45,529	56,671	12,594
General	23,392	26,971	25,486	24,877
Total Cash	\$ 60,477	\$ 103,135	\$ 114,492	49,120
Accounts Receivable				121
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 49,241

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Joseph Williams Elementary School			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 6	\$ 16,824	\$ 16,830	\$ 0
Departments	5,925	501	1,931	4,495
Trusts	20,137	52,153	58,470	13,820
General	9,496	2,451	3,583	8,364
Total Cash	\$ 35,564	\$ 71,929	\$ 80,814	26,679
Accounts Receivable				1,251
Inventory				0
Accounts Payable				(793)
Assets Held for Others				\$ 27,137

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	<u>Anchor Center/Sidney Lanier Center</u>			
	<u>Cash Balances July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	
Departments	\$ 5,344	\$ 13,672	\$ 18,365	\$ 651
Trusts	27,801	5,320	12,349	20,772
General	7,327	4,089	6,730	4,686
Total Cash	<u>\$ 40,472</u>	<u>\$ 23,081</u>	<u>\$ 37,444</u>	26,109
Accounts Receivable				0
Inventory				0
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 26,109</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Camp Crystal Lake			Balances June 30, 2010
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	
Departments	\$ 454,882	\$ 665,032	\$ 627,344	\$ 492,570
Trusts	92,639	41,528	0	134,167
General	1,724	620	658	1,686
Total Cash	<u>\$ 549,245</u>	<u>\$ 707,180</u>	<u>\$ 628,002</u>	628,423
Accounts Receivable				0
Inventory				6,985
Accounts Payable				<u>(15,651)</u>
Assets Held for Others				<u>\$ 619,757</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Fearnside Family Services Center			Balances June 30, 2010
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	
Trusts	\$ 20,725	\$ 6,906	\$ 8,153	\$ 19,478
General	2,422	0	0	2,422
Total Cash	\$ 23,147	\$ 6,906	\$ 8,153	21,900
Accounts Receivable				969
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 22,869

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2010
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A. Quinn Jones Center			
	Cash Balances July 1, 2009	Cash Receipts	Cash Disburse- ments	Balances June 30, 2010
Classes	\$ 459	\$ 50	\$ 0	\$ 509
Clubs	80	0	0	80
Departments	2,124	2,050	718	3,456
Trusts	18,984	12,360	18,546	12,798
School Store	239	1,249	940	548
General	5,269	353	946	4,676
Total Cash	\$ 27,155	\$ 16,062	\$ 21,150	22,067
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 22,067

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**

Alachua County District School Board
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, 2010, and have issued our report thereon dated November 22, 2010. 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 Alachua County District School Board (the School Board). 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.

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.

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

Certified Public Accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
(Concluded)**

Internal Control Over Financial Reporting (Concluded)

■ **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. 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.

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 November 22, 2010.

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 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

November 22, 2010
Gainesville, Florida

MANAGEMENT LETTER

Alachua County District School Board
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, 2010 and have issued our report thereon dated November 22, 2010.

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. We have issued our report on internal control over financial reporting and compliance and other matters based on an audit of the financial statement performed in accordance with *Government Auditing Standards* dated November 22, 2010. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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. This letter includes the following information, which is not included in the aforementioned auditor's reports:

Section 10.804(1)(f)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding financial audit report, except as noted below under the heading Prior Year Findings and Recommendations.

■ Prior Year Findings and Recommendations

10-01 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 in some instances that monies were not being invested during the year. Therefore, no interest was being earned on these funds. Each school is allowed to make their own investment decisions. We recommend revising the Internal Accounts' Investment Policy to either: (1) centralize the investment process so all investments are made and monitored by qualified District staff, or (2) encourage all schools to invest idle funds.

Certified Public Accountants

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MANAGEMENT LETTER
(Continued)

■ **Prior Year Findings and Recommendations (Concluded)**

10-02 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 and, in some instances, by the School Board's purchasing department, 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, including a number of occurrences at Howard Bishop Middle School. In the current year, the School Board paid a significant sum of unpaid invoices on behalf of the middle school for purchases not properly approved.

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 persons ultimately responsible for all purchases, encourage teachers/sponsors to obtain and file purchase orders prior to any purchases being made.

10-03 Timely Deposit of Receipts

Per the *Financial and Program Cost Accounting and Reporting for Florida Schools* manual (the Redbook) incorporated into rule by reference in Rule 6A-1.001, Florida Administrative Code, pursuant to the requirements of Sections 237.01 and 237.02, Florida Statutes, funds collected must be deposited within five working days after receipt. We noted during our audit, several instances where deposits were not made within the allotted time frame. We recommend that deposits be made in accordance with the procedures specified in the Redbook.

10-04 Receipts for Collections Greater Than \$25

Per the School Board's Policies and Procedures, students shall be issued receipts for payments for future delivery of materials or services costing more than \$25. During testing of cash receipts, it was noted in some instances that no receipt was issued where the teacher collected more than \$25.

10-05 Receipt Books

Per School Board Policies and Procedures, the bookkeeper must maintain a control of receipt books and of all types of receipt books issued to teachers, other employees, and students, using the Log/Record of Teacher/Departmental Receipts Books Issued, or other specified log form. Any receipt book used must have been approved by the Chief Financial Officer. Outstanding receipt books of all types shall be recalled at the end of the activity or the school year for inventory and for availability for audit by the internal accounts department and/or designated auditor. During our audit, there were several instances where receipt books were missing from inventory at June 30, 2010.

10-06 Safekeeping of Money

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. During the audit, it was noted in several instances that this policy was not being followed. Additionally, when money was kept in a locked drawer or safe, keys to the lock were not properly safeguarded.

In the current year, significant amounts of cash were stolen from the bookkeeper's office at Howard Bishop Middle School. Several people had keys to the office where the money was held, and the money was stored in a locked filing cabinet, not a safe or vault. We recommend money be kept in a safe or vault as per School Board Policies and Procedures, and that keys to the safe or vault be properly safeguarded.

MANAGEMENT LETTER
(Continued)

Section 10.804(1)(f)2., *Rules of the Auditor General*, requires that a statement be included 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. In connection with our audit, we determined that 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 our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Internal Accounts 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 address in the management letter recommendations to improve the Internal Accounts' financial management. In connection with our audit, we did not have any such recommendations.

Section 10.804(1)(f)5., *Rules of the Auditor General*, requires that we address violations of laws, regulations, provisions of 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. In connection with our audit, we did not have any such findings.

Section 10.804(1)(f)6., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of the financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred; (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures; (b) failures to properly record financial transactions, and; (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we had the following findings:

10-07 Approval of Invoices

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. During our audit, we identified several instances where an invoice was missing a signature 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 the principal, as the person ultimately responsible for all purchases, place an increased emphasis on the review and approval of invoices prior to payment.

10-08 Cash Collections

Per Chapter 7, Section 3.1.4(b) of the Redbook, collections made outside of the school office must be turned in to the school office no later than the next business day. School Board policy allows teachers three days to submit collections to the bookkeeper. During the audit we noted several instances where the money was held by a teacher for more than three days. Monies held by teachers are more accessible to third parties and therefore, more susceptible to misappropriation. We recommend that principals stress the importance of following School Board policy to minimize the risk of loss or theft of cash. We also recommend that the School Board review its policy for conformity with State laws and regulations.

MANAGEMENT LETTER
(Concluded)

10-09 Supporting Documentation

During the audit, we noted that a check was unaccounted for at one elementary school, and the inventory of unused athletic tickets as of June 30, 2010, was not available at the time of the audit at one high school. The Redbook requires that all checks, receipt forms and tickets be prenumbered and that perpetual inventories of each be maintained. Failure to follow this policy could result in errors or irregularities that will not be prevented, or detected and corrected, on a timely basis. We recommend that bookkeepers maintain a perpetual inventory of checks, receipt forms and tickets and that any irregularities be investigated and properly documented.

10-10 Internal Account Activity

Per Chapter 7, Section 3,1.4(f) of the Redbook, collections for all sponsored fund-raising activities must be deposited in the internal fund. During the audit we noted one instance in which a check collected during a fund-raising event was made payable to the employee responsible for Alachua County District School Board collecting the donations, rather than the school. Failure to request that all checks be made payable to the school increases the risk that monies are not deposited intact in the internal fund, which may result in inaccurate accounting records and increased susceptibility to misappropriation. We recommend that the importance of depositing funds intact be properly communicated to employees.

10-11 Deficit Balances

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 a number of subaccounts for two schools had deficit balances as of June 30, 2010.

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 does not apply to the Internal Accounts.

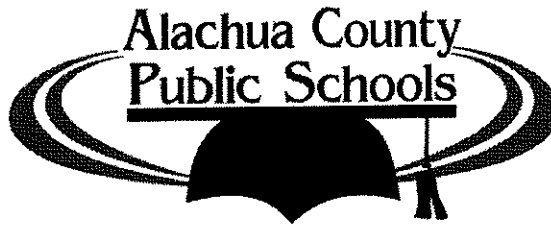
Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the School Board of 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

November 22, 2010
Gainesville, Florida

BOARD MEMBERS

April M. Griffin
Carol Oyenarte
Gunnar F. Paulson, Ed.D.
Eileen F. Roy
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SUPERINTENDENT OF SCHOOLS

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

January 19, 2011

Dear Purvis Gray & Company:

We appreciate your completion of the internal accounts audit for the fiscal year ending June 30, 2010. 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 cursive script, appearing to read "Scott Ward", is written over a horizontal line.

Scott Ward
Chief Financial Officer