

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

JUNE 30, 2011

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

JUNE 30, 2011

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

JUNE 30, 2011

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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, 2011, 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, 2011, 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 December 8, 2011, 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

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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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.

Purvis, Gray and Company, LLP

December 8, 2011
Gainesville, Florida

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA

ASSETS

Assets

Cash and Equivalents	\$ 2,893,605
Accounts Receivable	95,430
Inventory	<u>60,673</u>
Total Assets	<u><u>3,049,708</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	12,461
Due to School Board	67,189
Assets Held for Others	<u>2,970,058</u>
Total Liabilities	<u><u>3,049,708</u></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 \$133,166.

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, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	F.W. Buchholz High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 8,825	\$ 150,734	\$ 127,585	\$ 31,974
Music	71	23,741	23,611	201
Classes	20,596	59,993	52,217	28,372
Clubs	81,527	232,324	230,292	83,559
Departments	50,080	48,238	47,984	50,334
Trusts	2,497	27,286	24,414	5,369
General	2,443	22,285	17,242	7,486
Total Cash	\$ 166,039	\$ 564,601	\$ 523,345	207,295
Accounts Receivable				12,673
Inventory				30,274
Accounts Payable				(12,804)
Assets Held for Others				\$ 237,438

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Eastside High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 24,492	\$ 150,228	\$ 166,273	\$ 8,447
Music	1,624	7,208	8,651	181
Classes	85	38,041	37,155	971
Clubs	12,763	81,052	74,708	19,107
Departments	38,904	93,247	86,941	45,210
Trusts	33,708	59,377	68,677	24,408
General	70,426	26,104	34,759	61,771
Total Cash	<u>\$ 182,002</u>	<u>\$ 455,257</u>	<u>\$ 477,164</u>	160,095
Accounts Receivable				16,821
Inventory				0
Accounts Payable				<u>(2,671)</u>
Assets Held for Others				<u>\$ 174,245</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Gainesville High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 27,203	\$ 161,945	\$ 164,535	\$ 24,613
Music	759	434	551	642
Classes	25,837	40,131	37,358	28,610
Clubs	15,595	50,957	55,087	11,465
Departments	16,263	81,882	77,310	20,835
Trusts	79,279	135,329	140,714	73,894
School Store	1,038	755	226	1,567
General	9,818	5,600	8,526	6,892
Total Cash	<u>\$ 175,792</u>	<u>\$ 477,033</u>	<u>\$ 484,307</u>	168,518
Accounts Receivable				24,004
Inventory				67
Accounts Payable				<u>(100)</u>
Assets Held for Others				<u><u>\$ 192,489</u></u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hawthorne Middle/High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ (8,649)	\$ 54,667	\$ 51,409	\$ (5,391)
Music	773	0	773	0
Classes	3,145	15,273	15,985	2,433
Clubs	504	5,122	3,650	1,976
Departments	4,775	9,594	15,426	(1,057)
Trusts	4,161	14,682	16,961	1,882
General	1,660	12,755	10,128	4,287
Total Cash	\$ 6,369	\$ 112,093	\$ 114,332	4,130
Accounts Receivable				5,970
Inventory				15,199
Accounts Payable				(1,357)
Assets Held for Others				\$ 23,942

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Loften High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 1,965	\$ 0	\$ 0	\$ 1,965
Classes	350	0	0	350
Clubs	1,996	5,015	4,824	2,187
Departments	105,583	29,464	22,152	112,895
Trusts	110,299	2,868	5,250	107,917
General	37,373	232	670	36,935
Total Cash	\$ 257,566	\$ 37,579	\$ 32,896	262,249
Accounts Receivable				0
Inventory				4,059
Accounts Payable				0
Assets Held for Others				\$ 266,308

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 21,113	\$ 81,396	\$ 72,658	\$ 29,851
Music	113	2,889	2,889	113
Classes	3,069	13,450	11,774	4,745
Clubs	17,204	16,085	17,698	15,591
Departments	26,171	47,966	48,455	25,682
Trusts	15,607	13,103	8,732	19,978
General	8,115	721	3,076	5,760
Total Cash	\$ 91,392	\$ 175,610	\$ 165,282	101,720
Accounts Receivable				8,601
Inventory				0
Accounts Payable				(106)
Assets Held for Others				\$ 110,215

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Santa Fe High School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 44,117	\$ 142,605	\$ 138,312	\$ 48,410
Classes	4,464	19,777	22,480	1,761
Clubs	25,793	25,877	29,182	22,488
Departments	26,997	99,505	80,041	46,461
Trusts	15,924	38,158	41,933	12,149
General	45,404	5,282	1,007	49,679
Total Cash	\$ 162,699	\$ 331,204	\$ 312,955	180,948
Accounts Receivable				11,327
Inventory				0
Accounts Payable				(252)
Assets Held for Others				\$ 192,023

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Howard W. Bishop Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 430	\$ 7,703	\$ 6,716	\$ 1,417
Music	340	325	434	231
Classes	9,745	55,675	57,005	8,415
Clubs	858	2,616	2,701	773
Departments	3,119	10,216	7,120	6,215
Trusts	2,006	5,713	3,478	4,241
General	430	2,543	2,212	761
Total Cash	\$ 16,928	\$ 84,791	\$ 79,666	22,053
Accounts Receivable				1,488
Inventory				0
Accounts Payable				(7)
Assets Held for Others				\$ 23,534

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Ft. Clarke Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 4,263	\$ 3,933	\$ 2,590	\$ 5,606
Music	33	0	33	0
Classes	5,504	41,201	42,655	4,050
Clubs	4,082	2,593	3,153	3,522
Departments	18,508	23,429	21,203	20,734
Trusts	16,539	23,474	31,821	8,192
School Store	1,473	0	998	475
General	13,513	526	2,238	11,801
Total Cash	\$ 63,915	\$ 95,156	\$ 104,691	54,380
Accounts Receivable				0
Inventory				169
Accounts Payable				(297)
Assets Held for Others				\$ 54,252

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kanapaha Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 11,827	\$ 4,455	\$ 2,089	\$ 14,193
Music	1,997	0	0	1,997
Classes	6,012	30,127	27,132	9,007
Clubs	5,097	8,366	9,399	4,064
Departments	20,219	26,582	20,381	26,420
Trusts	5,952	28,998	26,227	8,723
School Store	610	163	160	613
General	15,863	7,332	10,751	12,444
Total Cash	<u>\$ 67,577</u>	<u>\$ 106,023</u>	<u>\$ 96,139</u>	77,461
Accounts Receivable				2,313
Inventory				1,009
Accounts Payable				<u>(348)</u>
Assets Held for Others				<u>\$ 80,435</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Abraham Lincoln Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 92	\$ 3,342	\$ 2,918	\$ 516
Music	16	0	0	16
Classes	3,222	6,311	6,671	2,862
Clubs	838	10,293	10,109	1,022
Departments	9,301	71,950	65,216	16,035
Trusts	3,333	6,092	5,755	3,670
General	3,797	50,428	45,822	8,403
Total Cash	\$ 20,599	\$ 148,416	\$ 136,491	32,524
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 32,524

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A.L. Mebane Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 9,099	\$ 3,655	\$ 4,010	\$ 8,744
Music	9	0	0	9
Classes	235	1,370	1,384	221
Clubs	1,475	863	859	1,479
Departments	1,283	10,028	9,714	1,597
Trusts	11,719	24,715	20,798	15,636
Store	1,096	525	794	827
General	7,291	3,125	3,947	6,469
Total Cash	\$ 32,207	\$ 44,281	\$ 41,506	34,982
Accounts Receivable				0
Inventory				0
Accounts Payable				(3,023)
Assets Held for Others				\$ 31,959

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Oak View Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 5,162	\$ 2,044	\$ 4,730	\$ 2,476
Classes	417	0	0	417
Clubs	2,194	10	238	1,966
Departments	5,915	20,123	22,114	3,924
Trusts	5,859	40,268	33,388	12,739
School Stores	1,012	932	679	1,265
General	23,559	27,810	21,585	29,784
Total Cash	\$ 44,118	\$ 91,187	\$ 82,734	52,571
Accounts Receivable				1,030
Inventory				595
Accounts Payable				(206)
Assets Held for Others				\$ 53,990

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Westwood Middle School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 1,448	\$ 1,222	\$ 0	\$ 2,670
Music	1,433	0	438	995
Classes	6,335	7,432	6,646	7,121
Clubs	1,900	355	310	1,945
Departments	7,158	1,916	2,438	6,636
Trusts	9,495	67,463	65,597	11,361
General	5,294	1,689	4,153	2,830
Total Cash	\$ 33,063	\$ 80,077	\$ 79,582	33,558
Accounts Receivable				6,678
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 40,236

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Alachua Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ (1,205)	\$ 20,302	\$ 19,097	\$ 0
Departments	9,288	6,000	6,998	8,290
Trusts	1,042	22,922	22,649	1,315
General	3,816	10,273	10,557	3,532
Total Cash	\$ 12,941	\$ 59,497	\$ 59,301	13,137
Accounts Receivable				0
Inventory				131
Accounts Payable				(407)
Assets Held for Others				\$ 12,861

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Archer Community School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 1,812	\$ 9,779	\$ 11,591	\$ 0
Clubs	194	0	47	147
Departments	2,262	3,805	3,568	2,499
Trusts	9,956	10,345	10,865	9,436
General	16,417	4,570	1,351	19,636
Total Cash	\$ 30,641	\$ 28,499	\$ 27,422	31,718
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 31,718

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lawton Chiles Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 6,852	\$ 18,945	\$ 21,292	\$ 4,505
Departments	3,890	7,086	4,057	6,919
Trusts	4,296	22,387	24,228	2,455
General	11,383	3,865	1,766	13,482
Total Cash	\$ 26,421	\$ 52,283	\$ 51,343	27,361
Accounts Receivable				174
Inventory				0
Accounts Payable				(18)
Assets Held for Others				\$ 27,517

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Charles Duval Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 268	\$ 0	\$ 80	\$ 188
Departments	2,337	111	638	1,810
Trusts	5,281	24,081	25,669	3,693
General	1,415	2,979	2,868	1,526
Total Cash	\$ 9,301	\$ 27,171	\$ 29,255	7,217
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 7,217

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	J.J. Finley Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 130	\$ 4,959	\$ 5,009	\$ 80
Departments	2,668	628	844	2,452
Trusts	1,407	4,852	5,365	894
General	25,490	2,733	3,499	24,724
Total Cash	\$ 29,695	\$ 13,172	\$ 14,717	28,150
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 28,150

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Stephen Foster Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 1,410	\$ 12,706	\$ 12,804	\$ 1,312
Clubs	0	348	111	237
Departments	1,742	848	1,069	1,521
Trusts	3,912	9,567	6,648	6,831
General	5,242	4,394	1,252	8,384
Total Cash	\$ 12,306	\$ 27,863	\$ 21,884	18,285
Accounts Receivable				228
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 18,513

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Glen Springs Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 99	\$ 5,842	\$ 5,763	\$ 178
Clubs	380	500	500	380
Departments	5,524	1,581	2,051	5,054
Trusts	9,800	3,321	9,038	4,083
General	7,497	4,246	3,047	8,696
Total Cash	\$ 23,300	\$ 15,490	\$ 20,399	18,391
Accounts Receivable				109
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 18,500

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hidden Oak Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 473	\$ 22,749	\$ 22,879	\$ 343
Clubs	700	0	0	700
Departments	14,335	7,233	5,408	16,160
Trusts	3,949	2,909	3,911	2,947
General	64,227	6,705	3,027	67,905
Total Cash	\$ 83,684	\$ 39,596	\$ 35,225	88,055
Accounts Receivable				618
Inventory				0
Accounts Payable				(109)
Assets Held for Others				\$ 88,564

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	High Springs Community School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Athletics	\$ 3,936	\$ 4,597	\$ 5,481	\$ 3,052
Music	44	960	957	47
Classes	1,830	15,569	15,065	2,334
Clubs	1,625	15,126	15,012	1,739
Departments	6,578	27,667	26,987	7,258
Trusts	14,407	19,736	19,315	14,828
General	28,422	3,005	9,907	21,520
Total Cash	\$ 56,842	\$ 86,660	\$ 92,724	50,778
Accounts Receivable				0
Inventory				758
Accounts Payable				0
Assets Held for Others				\$ 51,536

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Idylwild Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 0	\$ 10,265	\$ 9,354	\$ 911
Departments	1,374	6,932	7,077	1,229
Trusts	6,432	24,529	26,391	4,570
General	15,785	2,565	3,105	15,245
Total Cash	\$ 23,591	\$ 44,291	\$ 45,927	21,955
Accounts Receivable				560
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 22,515

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.W. Irby Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 775	\$ 4,918	\$ 5,004	\$ 689
Departments	4,661	3,824	2,093	6,392
Trusts	3,270	4,286	5,109	2,447
General	37,947	12,222	14,738	35,431
Total Cash	\$ 46,653	\$ 25,250	\$ 26,944	44,959
Accounts Receivable				40
Inventory				0
Accounts Payable				(43)
Assets Held for Others				\$ 44,956

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lake Forest Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 434	\$ 0	\$ 0	\$ 434
Departments	1,642	2,620	2,321	1,941
Trusts	4,684	10,729	10,111	5,302
General	22,034	1,662	2,768	20,928
Total Cash	\$ 28,794	\$ 15,011	\$ 15,200	28,605
Accounts Receivable				214
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 28,819

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Littlewood Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 2,089	\$ 16,238	\$ 16,223	\$ 2,104
Departments	9,441	4,280	4,324	9,397
Trusts	2,814	5,193	5,311	2,696
General	55,825	24,873	27,562	53,136
Total Cash	\$ 70,169	\$ 50,584	\$ 53,420	67,333
Accounts Receivable				33
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 67,366

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.A. Metcalfe Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 643	\$ 350	\$ 388	\$ 605
Departments	3,646	1,143	1,925	2,864
Trusts	6,938	2,128	4,200	4,866
General	4,229	1,187	727	4,689
Total Cash	\$ 15,456	\$ 4,808	\$ 7,240	13,024
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 13,024

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 255	\$ 5,756	\$ 5,702	\$ 309
Departments	5,540	9,625	10,383	4,782
Trusts	21,837	22,978	15,735	29,080
General	11,809	2,361	2,535	11,635
Total Cash	\$ 39,441	\$ 40,720	\$ 34,355	45,806
Accounts Receivable				355
Inventory				35
Accounts Payable				0
Assets Held for Others				\$ 46,196

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	C.W. Norton Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 2,883	\$ 7,502	\$ 6,892	\$ 3,493
Departments	28,016	10,306	12,656	25,666
Trusts	9,037	6,263	4,084	11,216
General	35,519	5,582	2,421	38,680
Total Cash	\$ 75,455	\$ 29,653	\$ 26,053	79,055
Accounts Receivable				98
Inventory				0
Accounts Payable				(63)
Assets Held for Others				\$ 79,090

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	M.K. Rawlings Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 27	\$ 8,020	\$ 8,047	\$ 0
Departments	2,950	2,149	1,980	3,119
Trusts	6,868	31,952	33,307	5,513
General	314	1,077	922	469
Total Cash	\$ 10,159	\$ 43,198	\$ 44,256	9,101
Accounts Receivable				40
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 9,141

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Chester Shell Elementary School				
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Departments	\$ 1,250	\$ 2,504	\$ 3,002	\$ 752
Trusts	17	12,725	12,465	277
General	4,890	4,444	3,335	5,999
	Total Cash	\$ 19,673	\$ 18,802	7,028
Accounts Receivable				629
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 7,657

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

William S. Talbot Elementary School				
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 6,707	\$ 20,952	\$ 21,098	\$ 6,561
Clubs	86	0	0	86
Departments	4,407	355	1,216	3,546
Trusts	13,368	4,079	13,816	3,631
General	72,070	18,638	14,164	76,544
Total Cash	\$ 96,638	\$ 44,024	\$ 50,294	90,368
Accounts Receivable				211
Inventory				0
Accounts Payable				(20)
Assets Held for Others				\$ 90,559

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Myra Terwilliger Elementary School				
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 1,470	\$ 3,798	\$ 3,687	\$ 1,581
Clubs	297	0	0	297
Departments	4,467	5,702	6,994	3,175
Trusts	9,391	25,287	23,489	11,189
General	33,419	2,747	4,045	32,121
Total Cash	\$ 49,044	\$ 37,534	\$ 38,215	48,363
Accounts Receivable				22
Inventory				0
Accounts Payable				(195)
Assets Held for Others				\$ 48,190

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Waldo Community School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 31	\$ 300	\$ 214	\$ 117
Departments	2,877	3,445	3,770	2,552
Trusts	2,622	2,800	3,380	2,042
General	15,187	4,496	3,556	16,127
Total Cash	\$ 20,717	\$ 11,041	\$ 10,920	20,838
Accounts Receivable				527
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 21,365

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kimball Wiles Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 4,705	\$ 16,720	\$ 17,675	\$ 3,750
Clubs	551	0	551	0
Departments	6,393	18,704	19,098	5,999
Trusts	12,594	33,472	29,915	16,151
General	24,877	4,349	10,700	18,526
Total Cash	\$ 49,120	\$ 73,245	\$ 77,939	44,426
Accounts Receivable				161
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 44,587

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Joseph Williams Elementary School			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 0	\$ 16,581	\$ 16,567	\$ 14
Departments	4,495	7,615	7,792	4,318
Trusts	13,820	53,284	49,109	17,995
General	8,364	3,197	4,634	6,927
Total Cash	\$ 26,679	\$ 80,677	\$ 78,102	29,254
Accounts Receivable				506
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 29,760

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	<u>Anchor Center/Sidney Lanier Center</u>			<u>Balances June 30, 2011</u>
	<u>Cash Balances July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disburse- ments</u>	
Departments	\$ 651	\$ 40	\$ 0	\$ 691
Trusts	20,772	4,490	2,087	23,175
General	4,686	6,669	3,913	7,442
Total Cash	<u>\$ 26,109</u>	<u>\$ 11,199</u>	<u>\$ 6,000</u>	31,308
Accounts Receivable				0
Inventory				0
Accounts Payable				<u>0</u>
Assets Held for Others				<u>\$ 31,308</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Camp Crystal Lake			Balances June 30, 2011
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	
Departments	\$ 492,570	\$ 646,498	\$ 721,963	\$ 417,105
Trusts	134,167	44,991	0	179,158
General	1,686	0	10	1,676
Total Cash	\$ 628,423	\$ 691,489	\$ 721,973	597,939
Accounts Receivable				0
Inventory				8,377
Accounts Payable				<u>(57,624)</u>
Assets Held for Others				<u>\$ 548,692</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Fearnside Family Services Center			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	
Trusts	\$ 19,478	\$ 7,343	\$ 8,281	\$ 18,540
General	2,422	120	120	2,422
Total Cash	\$ 21,900	\$ 7,463	\$ 8,401	20,962
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 20,962

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2011
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A. Quinn Jones Center			
	Cash Balances July 1, 2010	Cash Receipts	Cash Disburse- ments	Balances June 30, 2011
Classes	\$ 509	\$ 0	\$ 25	\$ 484
Clubs	80	0	0	80
Departments	3,456	30	1,000	2,486
Trusts	12,798	11,755	15,007	9,546
School Store	548	1,175	1,108	615
General	4,676	300	482	4,494
Total Cash	\$ 22,067	\$ 13,260	\$ 17,622	17,705
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 17,705

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, 2011, and have issued our report thereon dated December 8, 2011. 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

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
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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
(Concluded)**

Internal Control Over Financial Reporting (Concluded)

■ **Segregation of Duties**

One of the tenets 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 December 8, 2011.

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

December 8, 2011
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, 2011 and have issued our report thereon dated December 8, 2011.

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 December 8, 2011. 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

10-03 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.

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P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
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MANAGEMENT LETTER
(Continued)

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

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.

10-09 Supporting Documentation

Red Book Chapter 7, Section 3.1.4(f) states that “all checks, receipt forms and tickets shall be prenumbered and perpetual inventories of each shall be maintained.” During our audit, certain instances were noted where this policy was not followed. We recommend that bookkeepers maintain a perpetual inventory of checks, receipt forms and tickets and that any irregularities be investigated and properly documented.

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 several schools had deficit balances as of June 30, 2011.

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.

MANAGEMENT LETTER
(Concluded)

Section 10.804(1)(f)5., *Rules of the Auditor General*, requires that we address violations of provision of contract or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statement 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 have an inconsequential effect on the financial statement, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we had the following findings:

11-01 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. 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 and sponsors to obtain and file purchase orders prior to any purchases being made.

Section 10.804(1)(f)7a and 10.805(6), *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 10.806(3)(c), *Rules of the Auditor General*. This does not apply to the Internal Accounts.

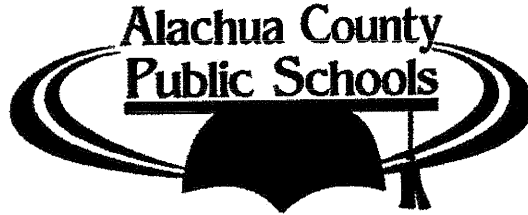
Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the School Board of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

December 8, 2011
Gainesville, Florida

BOARD MEMBERS

April M. Griffin
Carol Oyenarte
Gunnar F. Paulson, Ed.D.
Eileen F. Roy
Barbara Sharpe



620 E. University Avenue
Gainesville, Florida 32601
www.sbac.edu
(352) 955-7300
Fax (352) 955-6700
Suncom 625-7300
Suncom Fax 625-6700

SUPERINTENDENT OF SCHOOLS

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

January 24, 2012

Dear Purvis Gray & Company:

We appreciate your completion of the internal accounts audit for the fiscal year ending June 30, 2011. 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", written over a horizontal line.

Scott Ward
Chief Financial Officer