

Board Meeting Agenda Item Executive Summary

Supt.'s Office Use Only

Board Meeting 4-16-13

Agenda Consent

Item No. H. 10.

Board Meeting Date:	4/16/2013
Submitted By:	Scott Ward
Item Description:	Internal Account Auditor's Report

Purpose and Explanation:

An Internal Account Auditor's Report has been prepared by Purvis Gray and Company for the fiscal year ending June 30, 2012, for School Board approval. We are requesting the report be included on the consent agenda to document its acceptance into our Board records.

BUDGETARY IMPACT

Funding Source (Description):	Amount:
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Staff Attorney Review & Approval <i>(For Contracts Only)</i>	Date: _____ Initial: _____	ADDITIONAL INFORMATION Yes: <u> X </u> No: <u> </u>
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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
SCHOOL BOARD OF ALACHUA COUNTY
INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

JUNE 30, 2012

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

JUNE 30, 2012

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

JUNE 30, 2012

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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, 2012, 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 Note 1, 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 entire fiduciary net assets of the School Board, or the School Board as a whole, 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, 2012, 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 October 16, 2012, 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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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

October 16, 2012
Gainesville, Florida

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA

ASSETS

Assets

Cash and Equivalents	\$ 2,969,379
Accounts Receivable	103,616
Inventory	<u>41,453</u>
Total Assets	<u><u>3,114,448</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	46,210
Due to School Board	10,098
Assets Held for Others	<u>3,058,140</u>
Total Liabilities	<u><u>3,114,448</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 \$63,899.

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, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

F.W. Buchholz High School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 31,974	\$ 160,213	\$ 189,337	\$ 2,850
Music	201	1,824	217	1,808
Classes	28,372	47,169	52,443	23,098
Clubs	83,559	306,110	275,719	113,950
Departments	50,334	56,348	62,778	43,904
Trusts	5,369	38,839	37,497	6,711
General	7,486	22,685	12,315	17,856
Total Cash	\$ 207,295	\$ 633,188	\$ 630,306	210,177
Accounts Receivable				9,149
Inventory				29,126
Accounts Payable				(29,985)
Assets Held for Others				\$ 218,467

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Eastside High School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 8,447	\$ 155,954	\$ 144,967	\$ 19,434
Music	181	2,895	2,927	149
Classes	971	26,930	27,192	709
Clubs	19,107	92,355	93,473	17,989
Departments	45,210	114,585	104,732	55,063
Trusts	24,408	63,168	64,291	23,285
General	61,771	24,332	44,405	41,698
Total Cash	\$ 160,095	\$ 480,219	\$ 481,987	158,327
Accounts Receivable				5,930
Inventory				0
Accounts Payable				(2,927)
Assets Held for Others				\$ 161,330

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Gainesville High School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 24,613	\$ 201,569	\$ 202,903	\$ 23,279
Music	642	0	0	642
Classes	28,610	34,439	46,624	16,425
Clubs	11,465	54,783	54,892	11,356
Departments	20,835	85,268	77,724	28,379
Trusts	73,894	107,287	111,660	69,521
School Store	1,567	921	1,126	1,362
General	6,892	24,422	14,899	16,415
Total Cash	\$ 168,518	\$ 508,689	\$ 509,828	167,379
Accounts Receivable				15,828
Inventory				239
Accounts Payable				(3,096)
Assets Held for Others				\$ 180,350

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Hawthorne Middle/High School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ (5,391)	\$ 69,981	\$ 63,208	\$ 1,382
Classes	2,433	18,220	18,312	2,341
Clubs	1,976	2,568	3,219	1,325
Departments	(1,057)	10,178	11,097	(1,976)
Trusts	1,882	8,764	8,005	2,641
General	4,287	7,721	11,753	255
Total Cash	\$ 4,130	\$ 117,432	\$ 115,594	5,968
Accounts Receivable				11,008
Inventory				426
Accounts Payable				0
Assets Held for Others				\$ 17,402

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Loften High School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 1,965	\$ 0	\$ 1,965	\$ 0
Classes	350	0	0	350
Clubs	2,187	11,366	9,572	3,981
Departments	112,895	25,031	28,850	109,076
Trusts	107,917	3,169	5,347	105,739
General	36,935	10,925	12,236	35,624
Total Cash	\$ 262,249	\$ 50,491	\$ 57,970	254,770
Accounts Receivable				0
Inventory				3,924
Accounts Payable				(2,185)
Assets Held for Others				\$ 256,509

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry High School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 29,851	\$ 107,229	\$ 80,986	\$ 56,094
Music	113	2,952	2,952	113
Classes	4,745	17,593	18,929	3,409
Clubs	15,591	17,479	18,453	14,617
Departments	25,682	50,247	59,030	16,899
Trusts	19,978	21,891	12,861	29,008
General	5,760	6,426	6,977	5,209
Total Cash	\$ 101,720	\$ 223,817	\$ 200,188	125,349
Accounts Receivable				7,140
Inventory				0
Accounts Payable				(377)
Assets Held for Others				\$ 132,112

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Santa Fe High School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 48,410	\$ 141,732	\$ 126,594	\$ 63,548
Classes	1,761	26,212	25,283	2,690
Clubs	22,488	19,545	20,254	21,779
Departments	46,461	83,885	87,923	42,423
Trusts	12,149	66,012	53,247	24,914
General	49,679	4,147	15,026	38,800
Total Cash	\$ 180,948	\$ 341,533	\$ 328,327	194,154
Accounts Receivable				15,508
Inventory				0
Accounts Payable				(47)
Assets Held for Others				\$ 209,615

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Howard W. Bishop Middle School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 1,417	\$ 3,972	\$ 5,234	\$ 155
Music	231	0	231	0
Classes	8,415	65,403	67,067	6,751
Clubs	773	2,893	2,408	1,258
Departments	6,215	10,225	11,961	4,479
Trusts	4,241	2,090	4,377	1,954
General	761	5,077	4,804	1,034
Total Cash	\$ 22,053	\$ 89,660	\$ 96,082	15,631
Accounts Receivable				332
Inventory				0
Accounts Payable				(24)
Assets Held for Others				\$ 15,939

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Ft. Clarke Middle School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 5,606	\$ 2,794	\$ 2,395	\$ 6,005
Classes	4,050	48,290	49,507	2,833
Clubs	3,522	2,707	2,605	3,624
Departments	20,734	18,953	25,616	14,071
Trusts	8,192	30,121	25,467	12,846
School Store	475	0	129	346
General	11,801	394	3,726	8,469
Total Cash	\$ 54,380	\$ 103,259	\$ 109,445	48,194
Accounts Receivable				0
Inventory				169
Accounts Payable				(470)
Assets Held for Others				\$ 47,893

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kanapaha Middle School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 14,193	\$ 5,048	\$ 5,881	\$ 13,360
Music	1,997	0	0	1,997
Classes	9,007	31,733	31,606	9,134
Clubs	4,064	13,722	12,596	5,190
Departments	26,420	31,308	23,438	34,290
Trusts	8,723	31,524	30,730	9,517
School Store	613	0	61	552
General	12,444	6,166	7,891	10,719
Total Cash	\$ 77,461	\$ 119,501	\$ 112,203	84,759
Accounts Receivable				5,215
Inventory				1,009
Accounts Payable				(140)
Assets Held for Others				\$ 90,843

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Abraham Lincoln Middle School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 516	\$ 5,265	\$ 5,322	\$ 459
Music	16	6,051	6,067	0
Classes	2,862	14,826	12,500	5,188
Clubs	1,022	8,532	7,317	2,237
Departments	16,035	65,912	62,381	19,566
Trusts	3,670	5,336	7,022	1,984
General	8,403	51,805	47,425	12,783
Total Cash	\$ 32,524	\$ 157,727	\$ 148,034	42,217
Accounts Receivable				0
Inventory				0
Accounts Payable				(1,337)
Assets Held for Others				\$ 40,880

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

A.L. Mebane Middle School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 8,744	\$ 4,801	\$ 6,670	\$ 6,875
Music	9	0	0	9
Classes	221	88	79	230
Clubs	1,479	2,001	2,057	1,423
Departments	1,597	11,644	8,838	4,403
Trusts	15,636	19,693	24,616	10,713
Store	827	0	38	789
General	6,469	4,070	5,469	5,070
Total Cash	\$ 34,982	\$ 42,297	\$ 47,767	29,512
Accounts Receivable				0
Inventory				0
Accounts Payable				(91)
Assets Held for Others				\$ 29,421

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Oak View Middle School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 2,476	\$ 3,369	\$ 1,411	\$ 4,434
Music	0	4,016	4,016	0
Classes	417	0	88	329
Clubs	1,966	260	717	1,509
Departments	3,924	22,203	16,931	9,196
Trusts	12,739	22,832	22,178	13,393
School Stores	1,265	393	62	1,596
General	29,784	25,135	20,892	34,027
Total Cash	\$ 52,571	\$ 78,208	\$ 66,295	64,484
Accounts Receivable				1,726
Inventory				354
Accounts Payable				(4,950)
Assets Held for Others				\$ 61,614

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Westwood Middle School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 2,670	\$ 1,912	\$ 185	\$ 4,397
Music	995	0	593	402
Classes	7,121	6,311	6,236	7,196
Clubs	1,945	239	524	1,660
Departments	6,636	842	2,271	5,207
Trusts	11,361	53,988	52,217	13,132
General	2,830	345	1,232	1,943
Total Cash	\$ 33,558	\$ 63,637	\$ 63,258	33,937
Accounts Receivable				5,793
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 39,730

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Alachua Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 0	\$ 19,381	\$ 19,242	\$ 139
Departments	8,290	5,142	8,477	4,955
Trusts	1,315	26,451	26,885	881
General	3,532	8,576	7,777	4,331
Total Cash	\$ 13,137	\$ 59,550	\$ 62,381	10,306
Accounts Receivable				1,023
Inventory				304
Accounts Payable				(954)
Assets Held for Others				\$ 10,679

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Archer Community School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 0	\$ 7,126	\$ 7,126	\$ 0
Clubs	147	0	147	0
Departments	2,499	3,196	3,779	1,916
Trusts	9,436	10,405	8,130	11,711
General	19,636	6,044	3,185	22,495
Total Cash	\$ 31,718	\$ 26,771	\$ 22,367	36,122
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 36,122

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lawton Chiles Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 4,505	\$ 23,151	\$ 22,048	\$ 5,608
Departments	6,919	21,888	13,697	15,110
Trusts	2,455	15,304	12,735	5,024
General	13,482	3,495	5,657	11,320
Total Cash	\$ 27,361	\$ 63,838	\$ 54,137	37,062
Accounts Receivable				85
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 37,147

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Charles Duval Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 188	\$ 0	\$ 0	\$ 188
Departments	1,810	237	0	2,047
Trusts	3,693	18,507	17,100	5,100
General	1,526	4,298	3,468	2,356
Total Cash	\$ 7,217	\$ 23,042	\$ 20,568	9,691
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 9,691

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	J.J. Finley Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 80	\$ 4,783	\$ 4,766	\$ 97
Departments	2,452	850	444	2,858
Trusts	894	3,586	3,435	1,045
General	24,724	1,801	2,009	24,516
Total Cash	\$ 28,150	\$ 11,020	\$ 10,654	28,516
Accounts Receivable				0
Inventory				0
Accounts Payable				(174)
Assets Held for Others				\$ 28,342

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Stephen Foster Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 1,312	\$ 11,976	\$ 12,030	\$ 1,258
Clubs	237	0	0	237
Departments	1,521	377	586	1,312
Trusts	6,831	10,635	10,384	7,082
General	8,384	4,139	1,984	10,539
Total Cash	\$ 18,285	\$ 27,127	\$ 24,984	20,428
Accounts Receivable				77
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 20,505

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Glen Springs Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 178	\$ 5,599	\$ 5,433	\$ 344
Clubs	380	0	380	0
Departments	5,054	698	1,448	4,304
Trusts	4,083	9,171	10,660	2,594
General	8,696	11,701	6,118	14,279
Total Cash	\$ 18,391	\$ 27,169	\$ 24,039	21,521
Accounts Receivable				215
Inventory				0
Accounts Payable				(798)
Assets Held for Others				\$ 20,938

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Hidden Oak Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 343	\$ 25,744	\$ 25,434	\$ 653
Clubs	700	0	0	700
Departments	16,160	2,139	2,303	15,996
Trusts	2,947	1,921	2,057	2,811
General	67,905	6,282	2,207	71,980
Total Cash	\$ 88,055	\$ 36,086	\$ 32,001	92,140
Accounts Receivable				81
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 92,221

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	High Springs Community School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Athletics	\$ 3,052	\$ 5,967	\$ 4,674	\$ 4,345
Music	47	0	35	12
Classes	2,334	22,024	21,481	2,877
Clubs	1,739	16,298	16,817	1,220
Departments	7,258	32,871	33,242	6,887
Trusts	14,828	30,461	29,886	15,403
General	21,520	9,893	10,171	21,242
Total Cash	\$ 50,778	\$ 117,514	\$ 116,306	51,986
Accounts Receivable				0
Inventory				758
Accounts Payable				0
Assets Held for Others				\$ 52,744

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Idylwild Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 911	\$ 12,213	\$ 12,054	\$ 1,070
Departments	1,229	6,237	6,143	1,323
Trusts	4,570	25,755	25,654	4,671
General	15,245	2,411	3,172	14,484
Total Cash	\$ 21,955	\$ 46,616	\$ 47,023	21,548
Accounts Receivable				0
Inventory				0
Accounts Payable				(15)
Assets Held for Others				\$ 21,533

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.W. Irby Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 689	\$ 5,062	\$ 5,215	\$ 536
Clubs	0	3,000	3,000	0
Departments	6,392	1,390	3,621	4,161
Trusts	2,447	2,380	3,084	1,743
General	35,431	9,569	12,370	32,630
Total Cash	\$ 44,959	\$ 21,401	\$ 27,290	39,070
Accounts Receivable				24
Inventory				0
Accounts Payable				(36)
Assets Held for Others				\$ 39,058

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Lake Forest Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 434	\$ 0	\$ 434	\$ 0
Departments	1,941	1,974	1,781	2,134
Trusts	5,302	6,669	11,465	506
General	20,928	9,065	2,380	27,613
Total Cash	\$ 28,605	\$ 17,708	\$ 16,060	30,253
Accounts Receivable				72
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 30,325

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Littlewood Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 2,104	\$ 16,398	\$ 15,753	\$ 2,749
Departments	9,397	2,969	3,756	8,610
Trusts	2,696	8,625	4,435	6,886
General	53,136	21,442	17,202	57,376
Total Cash	\$ 67,333	\$ 49,434	\$ 41,146	75,621
Accounts Receivable				34
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 75,655

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	W.A. Metcalfe Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 605	\$ 636	\$ 608	\$ 633
Departments	2,864	1,388	1,215	3,037
Trusts	4,866	9,731	8,845	5,752
General	4,689	1,968	2,991	3,666
Total Cash	\$ 13,024	\$ 13,723	\$ 13,659	13,088
Accounts Receivable				46
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 13,134

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Newberry Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 309	\$ 6,321	\$ 6,220	\$ 410
Departments	4,782	10,095	8,386	6,491
Trusts	29,080	18,423	24,935	22,568
General	11,635	2,302	1,700	12,237
Total Cash	\$ 45,806	\$ 37,141	\$ 41,241	41,706
Accounts Receivable				703
Inventory				35
Accounts Payable				0
Assets Held for Others				\$ 42,444

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

C.W. Norton Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 3,493	\$ 6,914	\$ 8,851	\$ 1,556
Departments	25,666	14,672	13,891	26,447
Trusts	11,216	8,802	6,089	13,929
General	38,680	7,461	4,812	41,329
Total Cash	\$ 79,055	\$ 37,849	\$ 33,643	83,261
Accounts Receivable				250
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 83,511

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

M.K. Rawlings Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 0	\$ 5,697	\$ 5,504	\$ 193
Departments	3,119	1,679	3,032	1,766
Trusts	5,513	21,580	20,181	6,912
General	469	608	859	218
Total Cash	\$ 9,101	\$ 29,564	\$ 29,576	9,089
Accounts Receivable				200
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 9,289

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Chester Shell Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Departments	\$ 752	\$ 3,512	\$ 3,274	\$ 990
Trusts	277	15,000	14,876	401
General	5,999	7,464	7,112	6,351
Total Cash	\$ 7,028	\$ 25,976	\$ 25,262	7,742
Accounts Receivable				244
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 7,986

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

William S. Talbot Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 6,561	\$ 29,607	\$ 28,448	\$ 7,720
Clubs	86	0	0	86
Departments	3,546	2,371	2,411	3,506
Trusts	3,631	9,109	9,701	3,039
General	76,544	11,592	13,910	74,226
Total Cash	\$ 90,368	\$ 52,679	\$ 54,470	88,577
Accounts Receivable				571
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 89,148

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Myra Terwilliger Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 1,581	\$ 4,133	\$ 4,057	\$ 1,657
Clubs	297	0	297	0
Departments	3,175	5,399	4,916	3,658
Trusts	11,189	11,942	13,029	10,102
General	32,121	2,206	945	33,382
Total Cash	\$ 48,363	\$ 23,680	\$ 23,244	48,799
Accounts Receivable				54
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 48,853

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Waldo Community School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 117	\$ 628	\$ 694	\$ 51
Clubs	0	11,043	6,778	4,265
Departments	2,552	3,469	3,235	2,786
Trusts	2,042	2,211	2,451	1,802
General	16,127	4,083	5,807	14,403
Total Cash	\$ 20,838	\$ 21,434	\$ 18,965	23,307
Accounts Receivable				312
Inventory				0
Accounts Payable				(590)
Assets Held for Others				\$ 23,029

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Kimball Wiles Elementary School			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 3,750	\$ 13,049	\$ 12,849	\$ 3,950
Departments	5,999	9,979	12,413	3,565
Trusts	16,151	25,098	25,452	15,797
General	18,526	11,287	13,699	16,114
Total Cash	\$ 44,426	\$ 59,413	\$ 64,413	39,426
Accounts Receivable				20,965
Inventory				0
Accounts Payable				(290)
Assets Held for Others				\$ 60,101

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

Joseph Williams Elementary School				
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 14	\$ 21,563	\$ 21,476	\$ 101
Departments	4,318	4,314	4,970	3,662
Trusts	17,995	25,309	21,537	21,767
General	6,927	1,835	2,742	6,020
Total Cash	\$ 29,254	\$ 53,021	\$ 50,725	31,550
Accounts Receivable				359
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 31,909

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	<u>Anchor Center/Sidney Lanier Center</u>			
	<u>Cash</u>		<u>Cash</u>	<u>Balances</u>
	<u>Balances</u>	<u>Cash</u>	<u>Disbursements</u>	<u>June 30, 2012</u>
	<u>July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	
Departments	\$ 691	\$ 5,299	\$ 5,055	\$ 935
Trusts	23,175	5,223	6,658	21,740
General	7,442	11,581	1,931	17,092
Total Cash	<u>\$ 31,308</u>	<u>\$ 22,103</u>	<u>\$ 13,644</u>	39,767
Accounts Receivable				0
Inventory				0
Accounts Payable				<u>(191)</u>
Assets Held for Others				<u>\$ 39,576</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Camp Crystal Lake			
	Cash			Balances
	Balances July 1, 2011	Cash Receipts	Cash Disbursements	June 30, 2012
Departments	\$ 417,105	\$ 739,139	\$ 763,645	\$ 392,599
Trusts	179,158	45,061	24,285	199,934
General	1,676	21,326	18,807	4,195
Total Cash	<u>\$ 597,939</u>	<u>\$ 805,526</u>	<u>\$ 806,737</u>	596,728
Accounts Receivable				0
Inventory				5,109
Accounts Payable				<u>(6,825)</u>
Assets Held for Others				<u>\$ 595,012</u>

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	Fearnside Family Services Center			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Trusts	\$ 18,540	\$ 3,237	\$ 2,640	\$ 19,137
General	2,422	67	92	2,397
Total Cash	\$ 20,962	\$ 3,304	\$ 2,732	21,534
Accounts Receivable				672
Inventory				0
Accounts Payable				(806)
Assets Held for Others				\$ 21,400

**SCHEDULE OF ASSETS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2012
SCHOOL BOARD OF ALACHUA COUNTY INTERNAL ACCOUNTS
ALACHUA COUNTY, FLORIDA**

	A. Quinn Jones Center			
	Cash Balances July 1, 2011	Cash Receipts	Cash Disbursements	Balances June 30, 2012
Classes	\$ 484	\$ 0	\$ 61	\$ 423
Clubs	80	0	0	80
Departments	2,486	33	315	2,204
Trusts	9,546	9,852	11,540	7,858
School Store	615	1,689	1,722	582
General	4,494	384	342	4,536
Total Cash	\$ 17,705	\$ 11,958	\$ 13,980	15,683
Accounts Receivable				0
Inventory				0
Accounts Payable				0
Assets Held for Others				\$ 15,683

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, 2012, and have issued our report thereon dated October 16, 2012. 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

Management of the Alachua County Public Schools (the School Board) is responsible for establishing and maintaining effective 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 auditing 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 of this section 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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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 October 16, 2012.

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

This report is intended solely for the information and use of the School Board 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

October 16, 2012
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, 2012, and have issued our report thereon dated October 16, 2012.

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 October 16, 2012. 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 auditors' 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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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

MANAGEMENT LETTER
(Continued)

■ **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 8, Section III, 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.

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)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.

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 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.

MANAGEMENT LETTER
(Continued)

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:

12-01 Faculty and Staff Fund

In accordance with Redbook Chapter 8, Section I, 7, funds collected shall be expended to benefit students in the school, unless those funds are being collected for a specific documented purpose. While funds collected from faculty and staff may be processed through the school's internal account as an accommodation to the faculty, other monies collected should not be deposited in the Faculty and Staff Trust Fund or otherwise expended to benefit the faculty and staff unless specifically collected for that purpose. During the audit, we noted certain instances in which general funds were expended to benefit the faculty and staff instead of the student body as a whole.

12-02 Dual Signatures

As an important compensating control to the incompatible duties of the bookkeeper, dual signatures are required on all check disbursements. It was noted during the audit that the bookkeeper at one school has access to the principal's signature stamp and the check stock. While no instances of use of the signature stamp on checks were identified, lack of proper controls over the stamp could result in errors or irregularities that may not be detected in a timely manner. We also noted that at another school, checks were issued with only one signature. We recommend that appropriate procedures be followed to ensure that all checks are manually signed by two individuals.

12-03 Athletic Equipment Purchases

As discussed in item 11-01, an approved purchase order is required to initiate the purchase of all equipment, supplies, material, and services. In the current year, three schools' coaches either purchased or accepted approximately \$50,000 of athletic equipment without prior written approval from the principal or School Board. In addition, there were insufficient funds as of the end of the fiscal year to pay for these purchases. We recommend that principals emphasize the importance of obtaining prior approval and ensuring there are available funds prior to obligating school funds.

12-04 Late Deposits

As noted in item 10-03, funds collected should be deposited within five working days after receipt. During the audit, we noted that in three of the schools, bookkeepers or teachers held cash for extended periods of time. In two of the cases, the bookkeepers collected cash from faculty and staff, but did not deposit the money for several months. In the third instance, money collected from 2009-2012 was stored by the librarian and not submitted to the bookkeeper to deposit. Significant lapses from the time money is collected to the time it is deposited increase the risk of misappropriation of cash. We recommend that monthly reports reviewed by the principals include a review of the deposits and disbursements to determine if amounts seem reasonable based on the school's activities.

Alachua County District School Board
Alachua County, Florida

MANAGEMENT LETTER
(Concluded)

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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

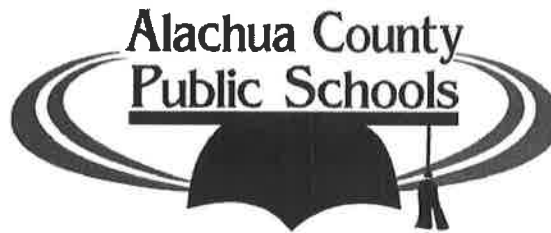
October 16, 2012
Gainesville, Florida

BOARD MEMBERS

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

SUPERINTENDENT OF SCHOOLS

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



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November 1, 2012

Dear Purvis Gray & Company:

We appreciate your completion of the internal accounts audit for the fiscal year ending June 30, 2012. 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