

**HARDEE COUNTY DISTRICT SCHOOL BOARD**

**INTERNAL FUND ACCOUNTS  
AUDITED FINANCIAL STATEMENT**

**YEAR ENDED JUNE 30, 2012**

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
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## INDEPENDENT AUDITORS' REPORT

Hardee County District School Board  
Wauchula, Florida

We have audited the accompanying combined statement of cash receipts, disbursements, transfers, and balances – cash basis of the internal fund accounts of the Hardee County District School Board (District) for the year ended June 30, 2012 as listed in the table of contents. This financial statement is the responsibility of the District's management. 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, this financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

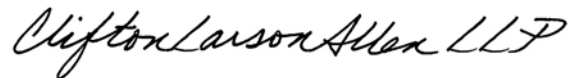
As discussed in Note 1, the financial statement presents only the internal fund accounts and is not intended to present fairly the financial position and results of operations of the District in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements, transfers, and balances for the internal fund accounts of the District for the fiscal year ended June 30, 2012 in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2012 on our consideration of the District's internal fund 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.

Hardee County District School Board  
Wauchula, Florida

Our audit was conducted for the purpose of forming an opinion on the combined statement of cash receipts, disbursements, transfers, and balances – cash basis of the internal fund accounts taken as a whole. The combining statement of cash receipts, disbursements, transfers, and balances – cash basis of the internal fund accounts is presented for purposes of additional analysis and is not a required part of the combined internal fund accounts report of the District. The information has been subjected to the auditing procedures applied in the audit of the combined internal fund accounts financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined internal fund accounts financial statement or to the combined internal fund accounts financial statement 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 combined internal fund account financial statement taken as a whole.



**CliftonLarsonAllen LLP**

Sebring, Florida  
August 22, 2012

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
 COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
 TRANSFERS, AND BALANCES – CASH BASIS  
 OF THE INTERNAL FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2012**

<b>CASH AND CASH EQUIVALENTS - JULY 1, 2011</b>	\$ 473,399
<b>RECEIPTS</b>	
Athletics	277,130
Music	47,986
Class, Club, Departments	388,771
Trust Funds	52,648
General	154,840
Total Receipts	921,375
<b>DISBURSEMENTS</b>	
Athletics	289,728
Music	53,554
Class, Club, Departments	367,859
Trust Funds	40,325
General	155,006
Total Disbursements	906,472
<b>TRANSFERS</b>	
Athletics	(1,737)
Music	(298)
Class, Club, Departments	1,204
Trust Funds	373
General	458
Total Transfers	-
<b>CASH AND CASH EQUIVALENTS - JUNE 30, 2012</b>	<b>\$ 488,302</b>
<b>CASH AND CASH EQUIVALENTS - CONSISTING OF:</b>	
Checking Account	\$ 418,934
Certificate of Deposit	69,368
Total	\$ 488,302

See accompanying Notes to Financial Statement.

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The internal fund accounts of the Hardee County District School Board (the District) are comprised of eight individual accounts. There is an account for each of the seven schools in the District and one for the Hardee Community Recreation Center. This financial statement presents only the internal fund accounts and is not intended to present fairly the financial position and results of operations of the District in conformity with accounting principles generally accepted in the United States of America. The internal fund accounts are included in the District's annual financial report as fiduciary funds.

**Basis of Accounting**

It is the policy of the District to account for the internal fund accounts of the schools on a cash basis of accounting. Accordingly, the internal fund accounts increase when cash receipts are recorded and decrease when cash disbursements are recorded. Non-cash transactions are not recognized.

**Cash and Cash Equivalents**

Cash and cash equivalents are defined to include cash on hand and cash in banks. Internal funds are authorized to invest in certificates of deposit and time deposits of qualified public depositories, securities guaranteed by the U.S. government or other investments authorized by Florida Statutes.

**NOTE 2 DEPOSITS AND INVESTMENTS**

Hardee Senior High's internal account pooled its excess cash resources with other funds of the District for investment purposes. The excess funds are invested in demand deposits and time deposits.

**Custodial Credit Risk**

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of securities that are in the possession of an outside party. At June 30, 2012, the entire amount of demand deposits is deposited in State of Florida qualified depositories and is fully insured.

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
 COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,  
 TRANSFERS, AND BALANCES – CASH BASIS  
 OF THE INTERNAL FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2012**

	Hardee Senior High	Hardee Junior High	Wauchula Elementary	North Wauchula Elementary
<b>CASH AND CASH EQUIVALENTS</b>				
July 1, 2011	\$ 347,630	\$ 17,039	\$ 39,012	\$ 24,914
<b>RECEIPTS</b>				
Athletics	263,033	14,097	-	-
Music	45,459	2,527	-	-
Class, Club, Departments	228,367	82,673	16,460	34,123
Trust Funds	5,978	-	17,585	17,702
General	24,922	33,126	37,921	6,267
Total Receipts	<u>567,759</u>	<u>132,423</u>	<u>71,966</u>	<u>58,092</u>
<b>DISBURSEMENTS</b>				
Athletics	273,701	16,027	-	-
Music	51,037	2,517	-	-
Class, Club, Departments	225,907	76,662	14,166	33,520
Trust Funds	3,645	-	15,497	8,037
General	23,315	34,973	32,174	3,385
Total Disbursements	<u>577,605</u>	<u>130,179</u>	<u>61,837</u>	<u>44,942</u>
<b>TRANSFERS</b>				
Athletics	(1,737)	-	-	-
Music	(298)	-	-	-
Class, Club, Departments	2,068	(143)	-	-
Trust Funds	373	-	-	-
General	(406)	143	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS</b>				
June 30, 2012	<u>\$ 337,784</u>	<u>\$ 19,283</u>	<u>\$ 49,141</u>	<u>\$ 38,064</u>
<b>CASH AND CASH EQUIVALENTS - CONSISTING OF:</b>				
Checking Account	\$ 268,416	\$ 19,283	\$ 49,141	\$ 38,064
Certificate of Deposit	69,368	-	-	-
Total	<u>\$ 337,784</u>	<u>\$ 19,283</u>	<u>\$ 49,141</u>	<u>\$ 38,064</u>

Zolfo Springs Elementary	Bowling Green Elementary	Hilltop Elementary	Community Recreation Center	Total
\$ 16,312	\$ 9,340	\$ 6,244	\$ 12,908	\$ 473,399
-	-	-	-	277,130
-	-	-	-	47,986
9,517	-	17,631	-	388,771
9,463	1,920	-	-	52,648
13,587	871	3,903	34,243	154,840
<u>32,567</u>	<u>2,791</u>	<u>21,534</u>	<u>34,243</u>	<u>921,375</u>
-	-	-	-	289,728
-	-	-	-	53,554
7,346	-	10,258	-	367,859
9,345	3,801	-	-	40,325
14,520	2,954	7,339	36,346	155,006
<u>31,211</u>	<u>6,755</u>	<u>17,597</u>	<u>36,346</u>	<u>906,472</u>
-	-	-	-	(1,737)
-	-	-	-	(298)
-	-	(721)	-	1,204
-	-	-	-	373
-	-	721	-	458
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 17,668</u>	<u>\$ 5,376</u>	<u>\$ 10,181</u>	<u>\$ 10,805</u>	<u>\$ 488,302</u>
\$ 17,668	\$ 5,376	\$ 10,181	\$ 10,805	\$ 418,934
-	-	-	-	69,368
<u>\$ 17,668</u>	<u>\$ 5,376</u>	<u>\$ 10,181</u>	<u>\$ 10,805</u>	<u>\$ 488,302</u>





**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***

Hardee County District School Board  
Wauchula, Florida

We have audited the combined statement of cash receipts, disbursements, transfers, and balances – cash basis of the internal fund accounts of the Hardee County District School Board (District) as of and for the year ended June 30, 2012, and have issued our report thereon dated August 22, 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as 2012-01 and 2011-03 to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 matter that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the District in a separate letter dated August 22, 2012.

The District's responses to the findings in our audit are described in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the School Board, others within the Organization, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Sebring, Florida  
August 22, 2012

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

**CURRENT YEAR**

**2012-01 – Principal’s Report**

**Condition:**

For one school, the Principal’s Report for June 2012 contained an error in the classification of receipts and disbursements between the major student activity/projects reporting categories.

**Criteria:**

Monthly financial reports shall provide the school’s administration with the financial information necessary for decision making.

**Cause:**

The report incorrectly classified student activities/projects.

**Effect:**

Inaccurate financial reporting may affect monitoring and decisions made by management.

**Recommendation:**

We recommend preparing all monthly financial reports using the appropriate activity/project categories.

**Management Response:**

The Principal’s Report has been corrected and re-issued to properly classify transactions involving trust funds.

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

**PRIOR YEAR**

Prior Year Findings		Current Year Status
IC 2011-01 <u>Regular Athletic Ticket Inventory and Reconciliation</u> <i>Summary: Errors occurred in two reports used to track tickets issued and sold. In both instances, the tickets reported as sold were actually returned unsold.</i>	Material Weakness	Cleared
IC 2011-02 <u>Seasonal Athletic Ticket Inventory</u> <i>Summary: Detailed reports of season ticket sold and a perpetual inventory of those tickets for the fiscal year was not maintained.</i>	Material Weakness	Cleared
IC 2011-03 <u>Cash Disbursements</u> <i>Summary: The District was not able to provide supporting documentation for two of 60 disbursements selected for testing during the audit.</i>	Material Weakness	Not Cleared - Refer to Finding 2011-03

**2011-03 – Cash Disbursements**

**Condition:**

The District was not able to provide supporting documentation for 2 of 60 disbursements selected for testing during the audit.

**Criteria:**

Supporting documentation should be retained for all disbursements.

**Cause:**

School staff did not provide the office manager with supporting documentation.

**Effect:**

The risk of errors or unauthorized purchases is increased when disbursements are not properly authorized.

**Recommendation:**

We recommend that all disbursements have supporting documentation as required by Redbook Standards and District policies.

**HARDEE COUNTY DISTRICT SCHOOL BOARD  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

**Status of Finding:**

The finding was noted again in the current year. In one of 60 disbursements selected for testing the District was not able to provide supporting documentation.

**Management Response:**

Hardee High School (HHS) staff will continue to adhere to internal policies regarding proper documentation for disbursements and receipts. For any disbursements made, HHS staff will provide a copy of the original receipt upon request to the club sponsor and will keep the original receipt for its internal records. In addition, HHS staff have implemented a procedure in the 2012-13 school year to scan all checks, receipts and support to ensure that all necessary documentation is available.