

Adult & Community Education

**Statement of Cash Receipts and Disbursements
of the Internal Funds**

For The Year Ended June 30, 2008

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Independent Auditor's Report

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Carol Vallencourt
Ms. Lisa Graham
Mr. Wayne Bolla

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2008. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2008, on the basis of accounting described in Note 1.

Adams & Harper, PA

Adams & Harper, PA
Certified Public Accountants
August 15, 2008

**Adult and Community Education
Statement of Cash Receipts and Disbursements
of the Internal Funds
For the Year Ended June 30, 2008**

	Cash Balance July 1, 2007	Transactions			Cash Balance June 30, 2008
		Receipts	Disburse- ments	Transfers	
Trust	11,608.48	9,798.20	(9,184.27)	-	12,222.41
General	5,711.97	8,238.45	(7,198.93)	-	6,751.49
Total	\$ 17,320.45	\$ 18,036.65	\$ (16,383.20)	\$ -	\$ 18,973.90

See accompanying notes and independent auditor's report

**Adult & Community Education
Notes to Statement of Cash Receipts
and Disbursements of the Internal Funds
For the Year Ended June 30, 2008**

Note 1 - Summary of Significant Accounting Policies

Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of Adult & Community Education within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at Adult & Community Education.

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning the administration of internal accounts. These rules and regulations state how the internal accounts will be organized, accounted for, and reported.

The internal account balances and transactions are includable as an agency fund on the Clay County District School's Annual Financial Report. Transactions and balances relating to cafeteria food costs, supplies, staff salaries and benefits are not included in the accompanying financial statement because they are accounted for by the Clay County District School Board.

Basis of accounting

The accompanying financial statements are prepared on the cash basis of accounting and, therefore, reflect only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and the Florida State Board of Administration (SBA), Local Government Investment Pool.

Note 2 - Cash

The June 30, 2008, ending cash balance of \$ 18,973.90 consists of \$ 14,254.49 held in the School's non-interest bearing checking account (insured by the FDIC) and \$ 4,719.41 held in an investment account with the Clay County School Board.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$ 178.45 representing an annual return of approximately 3.9%. No interest was earned on the School's checking account.

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Schedule of Accounts Payable and Encumbrances

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Carol Vallencourt
Ms. Lisa Graham
Mr. Wayne Bolla

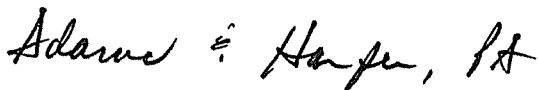
Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2008 of the Adult & Community Education internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2007-2008 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2008.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Copytronics	\$ 131.40
	Copytronics	5.89
	Clay Today	304.50
	TOTAL	\$ 441.79
<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	TOTAL	\$ -

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2008.



Adams & Harper, PA
Certified Public Accountants
August 15, 2008

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Independent Auditor's Report on the Internal Control Structure and Other Matters

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Carol Vallencourt
Ms. Lisa Graham
Mr. Wayne Bolla

Honorable Members:

In planning and performing our audit of the financial statement of Adult & Community Education (the "School") as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Adult & Community Education's internal control over financial reporting (internal control) 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control. We consider the following to be a significant deficiency in internal control.

- Our audit revealed that incompatible employee responsibilities were not always segregated. For example, an employee who maintains the accounting records also handles cash, prepares receipts and the bank deposit, and reconciles the bank statement.

While we acknowledge that personnel may not always be available to permit an acceptable separation of duties and responsibilities, we think it is important to make you aware of this condition. We also wish to inform you that we discovered several compliance violations (listed below) and accordingly, we recommend you note these violations and take mitigating actions to improve the general environment and climate of your operations. Without more attention by your staff and your accountant (bookkeeper) to the compliance requirements as described in the Internal Accounts Manual, you are increasing your risk that errors or other more serious actions may occur and not be detected in the normal course of your business. We encourage you to reinforce the importance of each staff person or teacher to follow the guidelines described in the Internal Accounts Manual and for you to train each person in the required steps of performance.

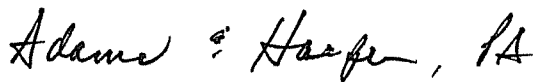
Listed below are the items we discovered which were not in accordance with the rules and regulations presented in the Internal Accounts Manual and the reason accompanying each violation.

- Two "Reports of Monies Collected" reports were completed without totals indicated in the proper location.
- Three "Reports of Monies Collected" reports were submitted with alterations or corrections on the documents.
- One or two instances of monies being held over the weekend per the audit questionnaire completed by Mrs. Dawn Guthrie.

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

We wish to take this opportunity to thank the principal and his staff for the cooperation and courtesies extended during our audit. We have sincerely enjoyed our association with the Clay County District School Board and your school and look forward to a continuing relationship.

Please feel free to contact us if you have any questions or comments concerning the audit or other matters.



Adams and Harper, PA
Orange Park, FL
August 15, 2008



CENTER FOR ADULT AND COMMUNITY EDUCATION
SCHOOL DISTRICT OF CLAY COUNTY

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David L. Owens
Superintendent of Schools
Green Cove Springs 284-6500
Orange Park 272-8170
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September 2, 2008

Adams & Harper, PA
1665 Kingsley Avenue, Suite 100
Orange Park, Florida 32073

Dear Mr. Harper,

Thank you for your thorough and professional audit of our internal accounts for the 2007/2008 school year. We are pleased that the financial statement, which was prepared on the basis of cash receipts and disbursements, has been represented correctly.

The following is a response to the items noted in the auditor's report.

1. Every effort will be made to insure monies collected are not held over the weekend.
2. Since monies are sent to the Adult Education office from other schools in the county, teachers will be reminded that the "Reports of Monies Collected" reports will need to be clearly printed with no alterations or corrections when submitted to the bookkeeper.
3. The Reports of Monies Collected" reports will be completed with the totals in the proper location.

Sincerely,

John Chappell
Supervisor

ARGYLE ELEMENTARY SCHOOL

**STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE
INTERNAL FUNDS**

For the Year Ended June 30, 2008

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INDEPENDENT AUDITOR'S REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Mr. Wayne Bolla
Ms. Lisa Graham
Mr. Charles Van Zant, Sr.
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2008. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my 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 generally accepted accounting principles.

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2008, on the basis of accounting described in Note 1.

Shirley W. Hatcher, CPA, P.A.
SHIRLEY W. HATCHER, CPA, P.A.
August 15, 2008

ARGYLE ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2008

	Cash Balance July 1, 2007	Transactions		Interfund Transfers	Cash Balance June 30, 2008
		Receipts	Disburse- ments		
Music	\$ 411.15	\$ 4,903.74	\$ 4,857.23	\$.00	\$ 457.66
Classes, Clubs & Departments	9,627.50	88,824.11	86,001.69	1,118.41	13,568.33
Trust	26,257.34	44,278.07	66,567.80	177.13	4,144.74
General	5,100.84	33,355.98	35,860.74	(1,295.54)	1,300.54
Outside Organization	<u>640.64</u>	<u>21,811.18</u>	<u>16,136.68</u>	<u>.00</u>	<u>6,315.14</u>
Total	\$ <u>42,037.47</u>	\$ <u>193,173.08</u>	\$ <u>209,424.14</u>	\$ <u>.00</u>	\$ <u>25,786.41</u>

See accompanying notes to statement of cash receipts and disbursements.

ARGYLE ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2008

NOTE 1

The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2

Of the June 30, 2008 cash balance of \$25,786.41 as reported on the Statement of Cash Receipts and Disbursements, \$25,559.13 is being held in a non-interest bearing checking account insured by the FDIC, and \$227.28 in uncollected checks.



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- Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
- Mr. Wayne Bolla
- Ms. Lisa Graham
- Mr. Charles Van Zant, Sr.
- Mrs. Carol Studdard
- Mrs. Carol Vallencourt

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Argyle Elementary School reported no accounts payable or encumbrances at June 30, 2008 for the internal funds. However, during audit testing, I noted the following accounts payable item at June 30, 2008.

Accounts Payable

Publix Supermarkets	29.42
Sportime	939.29
Sam's Club	175.00
Scholastic, Inc.	122.50
Home Depot	29.49
Theresa Roman	30.00
Amsterdam Printing	<u>391.56</u>
Total	<u>\$1,717.26</u>

Encumbrances

None

The above amount does not agree with the list provided by the school at June 30, 2008 or with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 15, 2008



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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Mr. Wayne Bolla
Ms. Lisa Graham
Mr. Charles Van Zant, Sr.
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2008, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

I would like to point out the following items noted during my audit:

1. One check has been outstanding since May 10, 2007. This check should be voided in accordance with the procedures outlined in the Internal Funds Manual.
2. Numerous changes in dates were made on the Report of Monies Collected forms. A number of Report of Monies Collected forms were undated. One receipt did not have a Report of Monies Collected form or any documentation supporting the purpose of the deposit.
3. One teacher receipt book was lost and not returned to the school.
4. At least five checks contained only one signature. All checks require two signatures and more care should be taken to ensure this procedure is followed.
5. No fundraising forms were prepared for PIE popcorn sale, Mother's Day cakes, spring fling or fall book fair. All forms should be completed and approved in accordance with the Internal Funds Manual.

6. Numerous discrepancies and exceptions in disbursement procedures were noted. These include lack of supporting documentation for disbursements, purchase requisitions not containing the principal's signature, undated requisitions, incomplete requisitions, and at least three disbursements had no purchase requisition on file. A list of specific exceptions has been provided to the school administration. Compliance with the Internal Funds Manual procedures for disbursements should be followed in all instances.
7. Two invoices were not listed as accounts payable items at June 30, 2008, and were not included on the Principal's Report.

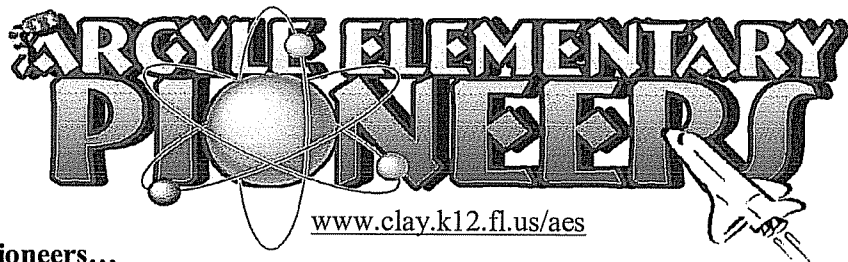
The internal funds accounting records were overall very neat and orderly. I also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were followed by the School.

I commend the principal and bookkeeper for an excellent job. It has been a pleasure to have had this opportunity to serve you.

This report is intended solely for the information and use of the Clay County School Board management and others within the organization.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 15, 2008



We are all Pioneers...

...Pathfinders on the Trail of a New Frontier

Theresa Roman, Principal
troman@mail.clay.k12.fl.us

Sarah Timm, Assistant Principal
sjtimmm@mail.clay.k12.fl.us

September 04, 2008

Shirley W. Hatcher, CPA, P.A.
P.O. Box 541
Middleburg, FL 32050-0541

Dear Ms. Hatcher:

This letter is in response to the audit report of the internal funds of Argyle Elementary School for the year ending June 30, 2008. Steps have been taken to correct the items noted in our audit draft for the 2008-2009 school year.

1. In regards to the check which is outstanding since May 2007: The bookkeeper will send a letter to the payee. Upon receiving verification from the payee, the check will be voided and a new one issued. If no response is received, the bookkeeper will follow the "Abandoned Property" procedures for submitting payment to the District for processing. The bookkeeper will continue to monitor all checks that are outstanding more than six months.
2. In regards to numerous date changes on the Report of Monies Collected forms: On August 11, 2008 the teachers were given written instructions detailing the importance of turning in all monies collected on a daily basis.
3. In regards to a receipt not having supporting documentation for the purpose of the deposit: The bookkeeper will take extreme care to be sure the appropriate documentation is attached to each receipt explaining the reason for the deposit.
4. In regards to the checks that contained only one signature: The bookkeeper will take more care to ensure that each check contains the two required signatures.
5. In regards to no fundraising forms being prepared for the PIE popcorn sales, Mother's day cakes, spring festival, and fall book fair: The bookkeeper will inform the responsible parties that a fundraiser application is required. The bookkeeper will then follow-up with the responsible parties to be sure the application and re-cap is completed.
6. In regards to the numerous discrepancies and exceptions in disbursements procedures: The bookkeeper has reviewed the pertinent pages in the Internal Funds Manual and will ensure all check requests and/or purchase requisitions contain all required information and all disbursement procedures are followed as described in the Internal Funds Manual.

Argyle Elementary appreciates the patience and guidance of our auditor, Shirley Hatcher. We would like to thank Ms Hatcher for being extremely helpful and understanding.

Sincerely,

A handwritten signature in cursive script that reads "Theresa Roman".

Theresa Roman
Principal

R.C. Bannerman Learning Center
Statement of Cash Receipts and Disbursements
of the Internal Funds
For The Year Ended June 30, 2008

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Independent Auditor's Report

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Clay County, Florida
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Carol Vallencourt
Ms. Lisa Graham
Mr. Wayne Bolla

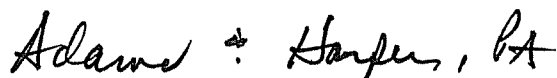
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2008. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2008, on the basis of accounting described in Note 1.



Adams & Harper, PA
Certified Public Accountants
August 15, 2008

**R. C. Bannerman Learning Center
Statement of Cash Receipts and Disbursements
of the Internal Funds
For the Year Ended June 30, 2008**

	Cash	Transactions			Cash
	Balance July 1, 2007	Receipts	Disburse- ments	Transfers	Balance June 30, 2008
Classes, Clubs & Departments	\$ 2,531.38	\$ 6,500.04	\$ (6,392.66)	\$ 235.00	\$ 2,873.76
Trust	14,532.98	28,795.21	(30,399.52)	(235.00)	12,693.67
General	138.99	150.00	(264.00)	-	24.99
Total	\$ 17,203.35	\$ 35,445.25	\$ (37,056.18)	\$ -	\$ 15,592.42

See accompanying notes and independent auditor's report

**R.C. Bannerman Learning Center
Notes to Statement of Cash Receipts
and Disbursements of the Internal Funds
For the Year Ended June 30, 2008**

Note 1 - Summary of Significant Accounting Policies

Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of R.C. Bannerman Learning Center within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at R.C. Bannerman Learning Center.

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning the administration of internal accounts. These rules and regulations state how the internal accounts will be organized, accounted for and reported.

The internal account balances and transactions are includable as an agency fund on the Clay County District School's Annual Financial Report. Transactions and balances relating to cafeteria food costs, supplies, staff salaries and benefits are not included in the accompanying financial statement because they are accounted for by the Clay County District School Board.

Basis of accounting

The accompanying financial statements are prepared on the cash basis of accounting and, therefore, reflect only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and the Florida State Board of Administration (SBA), Local Government Investment Pool.

Note 2 - Cash

The June 30, 2008, ending cash balance of \$ 15,592.42 consists of \$15,592.42 held in the School's non-interest bearing checking account (insured by the FDIC).

Note 3 - Interest Income

There was no interest income.

ADAMS & HARPER, PA

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Kathlyn C. Jordan, CPA

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Schedule of Accounts Payable and Encumbrances

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Carol Vallencourt
Ms. Lisa Graham
Mr. Wayne Bolla

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2008 of the R.C. Bannerman Learning Center internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2007-2008 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2008.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	TOTAL	<u>\$ -</u>
<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	TOTAL	<u>\$ -</u>

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2008.

Adams & Harper, PA

Adams & Harper, PA
Certified Public Accountants
August 15, 2008

ADAMS & HARPER, PA

Certified Public Accountants

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Orange Park, Florida 32073

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Gary O. Harper, CPA
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Members:
American and Florida Institutes
of Certified Public Accountants

Independent Auditor's Report on the Internal Control Structure and Other Matters

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Carol Vallencourt
Ms. Lisa Graham
Mr. Wayne Bolla

Honorable Members:

In planning and performing our audit of the financial statement of Bannerman Learning Center (the "School") as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Bannerman Learning Center's internal control over financial reporting (internal control) 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control. We consider the following to be a significant deficiency in internal control.

- Our audit revealed that incompatible employee responsibilities were not always segregated. For example, an employee who maintains the accounting records also handles cash, prepares receipts and the bank deposit, and reconciles the bank statement.

While we acknowledge that personnel may not always be available to permit an acceptable separation of duties and responsibilities, we think it is important to make you aware of this condition. We also wish to inform you that we discovered many compliance violations (listed below) and accordingly, we recommend you note these violations and take mitigating actions to improve the general environment and climate of your operations. Without more attention by your staff and your accountant (bookkeeper) to the compliance requirements as described in the Internal Accounts Manual, you are increasing your risk that errors or other more serious actions may occur and not be detected in the normal course of your business. We encourage you to reinforce the importance of each staff person or teacher to follow the guidelines described in the Internal Accounts Manual and for you to train each person in the required steps of performance.

Listed below are the items we discovered which were not in accordance with the rules and regulations presented in the Internal Accounts Manual and the reason accompanying each violation.

- The School's name is not generated on the computer generated printouts for cash receipts.
- One instance of a raffle was noted on a deposit receipt.
- Nine Reports of Monies Collected forms have totals in the wrong place.
- One instance of money being kept over a weekend by the School.
- Two Reports of Monies Collected forms were altered.
- Eleven instances of teachers holding money for longer than the allotted time.
- Two transfers of internal funds are not properly numbered.
- One Internal Fund Transfer form did not have proper authorization by either sponsor.
- Five purchase forms have no payee address on form.
- One purchase form has the principal's authorization in the wrong spot.

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

We wish to take this opportunity to thank the principal and her staff for the cooperation and courtesies extended during our audit. We have sincerely enjoyed our association with the Clay County District School Board and look forward to a continuing relationship.

Please feel free to contact us if you have any questions or comments concerning the audit or other matters.

Adams & Harper, PA

Adams and Harper, PA
Orange Park, FL
August 15, 2008

Bannerman Learning Center

608 Mill Street • Green Cove Springs, Florida 32043

Phone: (904) 529-2100

Fax: (904) 529-1025



Linda K. Turner, Principal
Dr. Jeff Blanton, Assistant Principal

September 2, 2008

Adams & Harper,

In response to violations found for Bannerman Learning Center's year end June 30, 2008 audit.

I will use Bannerman Learning Center's stamp for all computer generated printouts for cash receipts. There was no raffle held, hospitality accepts donations. Raffle was inadvertently written down. I will make sure that all money amounts are put on the proper lines. I will not hold money over the weekend. I/we will redo a form if we make mistakes, instead of crossing out and initialing. I will advise teachers to turn money into me when it is received and that receipts are written the same day. I will pay attention to my numbering on Internal Transfers. I will make sure I have all signatures required on Internal Transfers. I will put addresses on all check requisition forms. I will make sure Mrs. Turner's signature is in the proper place on check requisitions.

Thank you,


Renee Taylor

Principal's Secretary

Cc: Roni Campbell

CHARLES E. BENNETT ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE
INTERNAL FUNDS

For the Year Ended June 30, 2008

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**S
H**

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INDEPENDENT AUDITOR'S REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Mr. Wayne Bolla
Ms. Lisa Graham
Mr. Charles Van Zant
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2008. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my 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 generally accepted accounting principles.

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2008, on the basis of accounting described in Note 1.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 15, 2008

CHARLES E. BENNETT ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2008

	Cash Balance July 1, 2007	Transactions		Interfund Transfers	Cash Balance June 30, 2008
		Receipts	Disburse- ments		
Music	\$ 293.91	\$ 421.00	339.48	\$ (14.53)	\$ 360.90
Classes, Clubs & Departments	10,875.91	42,169.12	43,644.26	(113.93)	9,286.84
Trust	28,287.60	20,525.28	21,235.59	46.57	27,623.86
General	4,153.97	27,794.75	29,339.03	1,378.04	3,987.73
Outside Organizations	<u>7,059.51</u>	<u>30,692.38</u>	<u>32,784.71</u>	<u>(1,296.15)</u>	<u>3,671.03</u>
Total	\$ <u>50,670.90</u>	\$ <u>121,602.53</u>	\$ <u>127,343.07</u>	\$ <u>.00</u>	\$ <u>44,930.36</u>

See accompanying notes to statement of cash receipts and disbursements.

CHARLES E. BENNETT ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2008

NOTE 1

The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2

Interest of \$696.98 was earned on the SBA Investment account, at the rate of approximately 3.43%.

NOTE 3

Of the June 30, 2008 cash balance of \$44,930.36 as reported on the Statement of Cash Receipts and Disbursements, \$14,315.50 is being held in a non-interest bearing checking account insured by the FDIC, and \$30,614.86 is being held in an investment account with the School Board.

**S
H**

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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Mr. Wayne Bolla
Ms. Lisa Graham
Mr. Charles Van Zant
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Charles E. Bennett Elementary School reported the following accounts payable or encumbrances at June 30, 2008 for the internal funds.

Accounts Payable

None

Encumbrance

None

The above amount agrees with the list provided by the school at June 30, 2008, and the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 15, 2008



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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Mr. Wayne Bolla
Ms. Lisa Graham
Mr. Charles Van Zant
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2008, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

I would like to point out the following items noted during my audit:

1. While the procedures outlined in the Internal Funds Manual for receipt of funds are being followed as a whole, I noted several instances of monies being held over the weekend, several changes on dates on the Report of Monies Collected forms, and several undated receipts.
2. Several purchases were made prior to approval. All purchases should be approved in compliance with the Internal Funds Manual.

Charles E. Bennett Elementary
Management Letter
Page -2-

The internal funds accounting records were overall very neat and orderly. I also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were followed by the School.

I commend the principal and bookkeeper for an excellent job. It has been a pleasure to have had this opportunity to serve you.

This report is intended solely for the information and use of the Clay County School Board management and others within the organization.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 15, 2008

Charles E. Bennett Elementary School

1 South Oakridge Avenue
Green Cove Springs, FL 32043
(904) 529-2126
(904) 529-2133 – FAX

Monica Bocchieri
Principal

www.clay.k12.fl.us/ceb/

Mark G. Phelps
Assistant Principal

September 2, 2008

Shirley W. Hatcher
Certified Public Accountant
P.O. Box 541
Middleburg, Florida

Dear Ms. Hatcher:

Nicholli Francisco, Pam Thomas, and I thank you for the way you conducted our post audit discussions. We appreciate your thoughtful ideas and comments. We have implemented the changes necessary to correct the two areas of concern found in our audit.

1. Mrs. Francisco has reiterated to the staff the need for all monies to be receipted and turned daily. Receipts must be dated correctly.
2. Approvals will be in compliance with the Internal Funds Manual. The forms will be signed prior to the purchases.

Thank you for the kind comments at the end of your report.

Sincerely,



Monica Bocchieri
Principal

c: Roni Campbell
Nicholli Francisco

COPPERGATE ELEMENTARY SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2008**

**EMILY C. HELMS, CPA, PA
Certified Public Accountant**

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EMILY C. HELMS, CPA, PA
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

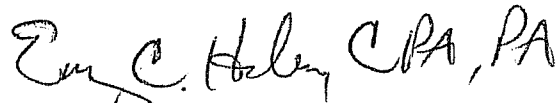
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2008. This financial statement is the responsibility of the School'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts, and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. 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 generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2008, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 14, 2008

COPPERGATE ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2008

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2007	Receipts	ments	Transfers	June 30, 2008
Music	\$ -	\$ 1,793.05	\$ 1,857.55	\$ 95.42	\$ 30.92
Classes, Clubs, Departments	84.00	38,306.81	39,358.18	3,919.66	2,952.29
Trust		22,804.08	20,926.41	175.10	2,052.77
General	773.61	18,272.21	17,808.84	1,881.82	3,118.80
Outside Organizations	500.00	25,308.84	16,684.29	(6,072.00)	3,052.55
Total	\$ 1,357.61	\$ 106,484.99	\$ 96,635.27	\$ -	\$ 11,207.33

See accompanying notes and accountant's report.

COPPERGATE ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2008

NOTE 1 Summary of Significant Accounting Policies

Cash receipts and disbursements method of accounting

The school's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 Cash

The June 30, 2008, total cash balance of \$ 11,207.33 as reported on the statement of cash receipts and disbursements consists of \$11,155.33 being held in a non interest bearing checking account insured by the FDIC and \$ 52.00 held as NSF Funds.

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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Coppergate Elementary School reported the following accounts payable and encumbrances as of June 30, 2008:

Accounts Payable

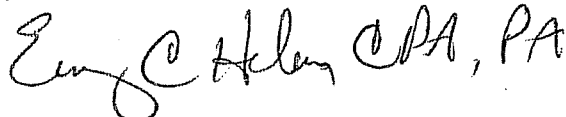
None

Encumbrances

None

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2008.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2007-2008 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Coppergate Elementary School for the year ended June 30, 2008.



Emily C. Helms, CPA, PA
August 14, 2008

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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2008, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

We would like to point out the following items noted during our audit:

1. The Report of Tickets Sold Recap does not agree with receipts deposited in the bank. The recap understates the amount of tickets sold by \$105.00.
2. No June 30, 2008 School Store Inventory was available for audit. The last available school store inventory count was April 29, 2008 and it did not agree with the School Store Account reported in the Principal's Monthly Report. We recommend a review of the Internal Accounts Manual, page 62-65 to insure future inventory counts are both accurate and timely.

It has been a pleasure to have this opportunity to serve Coppergate Elementary School and the Clay County District Schools.

This report is intended solely for the information and use of Clay County School Board, management, and others within the school system.



Emily C. Helms, CPA, PA
August 14, 2008



COPPERGATE ELEMENTARY SCHOOL

2250 CR 209 NORTH
MIDDLEBURG, FL 32068-6627
PHONE (904) 291-5594
FAX (904) 291-5597

David Nix
Principal

Debra Gaynes
Asst. Principal

September 2, 2008

Emily C. Helms, CPA
1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Dear Ms. Helms:

Thank you for your time and effort in your audit of the Coppergate Elementary Internal Accounts. It was a pleasure seeing you again and hearing your assessment of our accounts.

Since you conducted some audits at Ridgeview Elementary during our years there, I know that you are aware of our bookkeeper's record of excellent audits. Ms. Dubberly does a fine job and I have the utmost confidence in her work. She is most conscientious and takes grade pride in keeping accurate records. I am proud, though not surprised, that we had an excellent audit for our first year at Coppergate. I am sure she appreciated, as did I, your kind words and compliments during our exit conference.

As regards the specific comments on your report:

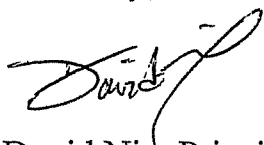
1. The Report Of Tickets Sold Recap did not agree with the receipts deposited in the bank as the recap understated the amount of tickets sold by \$105; we believe that the error was in the recording of ticket numbers and we will take extra care to double check these numbers in the future.
2. The June 30, 2008 School Store Inventory was not available for audit. The last available school store count was April 29, 2008 and it did not agree with the School Store Account reported in the Principal's Monthly Report; we had a parent volunteer in charge of the school store and did not realize she had not provided us with a June inventory and we were unable to reach her to obtain it. If we have a school store this year, we will have an

employee work with any volunteers involved, and will make sure that all pertinent documents are obtained before end of the school year. As for the 10 cent discrepancy between the inventory and the Principal's Report, we will take extra care to double-check the figures on both the inventory and the report in the future.

These two areas have never been a problem in the past, and I believe that this was a one-time oversight in this case. We look forward to an even better audit in 2008-2009!

Again, thank you for your time and we look forward to working with you again in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "David Nix", written in a cursive style.

David Nix, Principal

DN:bd

CLAY HILL ELEMENTARY SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2008**

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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EMILY C. HELMS, CPA, PA
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INDEPENDENT AUDITOR'S REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

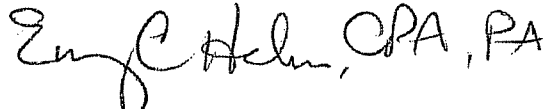
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2008. This financial statement is the responsibility of the School'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts, and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. 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 generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2008, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 19, 2008

CLAY HILL ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2008

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2007	Receipts	ments	Transfers	June 30, 2008
Classes, Clubs, Departments	\$ 16,571.97	\$ 47,326.18	\$ 53,734.61	\$ 1,725.73	\$ 11,889.27
Trust	6,962.10	12,006.74	21,285.48	4,758.44	2,441.80
General	12,800.70	34,886.95	44,010.04	(29.89)	3,647.72
Outside Organizations	6,343.85	24,569.10	18,907.93	(6,454.28)	5,550.74
Total	\$ 42,678.62	\$ 118,788.97	\$ 137,938.06	\$ -	\$ 23,529.53

See accompanying notes and accountant's report.

CLAY HILL ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2008

NOTE 1 Summary of Significant Accounting Policies

Cash receipts and disbursements method of accounting

The school's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 Cash

The June 30, 2008, total cash balance of \$23,529.53 as reported on the statement of cash receipts and disbursements consists of \$11,091.16 being held in a non interest bearing checking account insured by the FDIC and \$12,438.37 held in an investment account through the Clay County School Board.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$470.34. This represents a yield of approximately 3.8 percent. Investment interest is maintained in a separate account

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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay Hill Elementary School reported the following accounts payable and encumbrances as of June 30, 2008:

Accounts Payable

None

Encumbrances

None

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2008.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2007-2008 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay Hill Elementary School for the year ended June 30, 2008.



Emily C. Helms, CPA, PA
August 19, 2008

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2008, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.


We would like to point out the following items noted during our audit:

1. Checks number 8504, 8564, 8565, 8566, 8568, 8591, 8623, and 8627 cleared the bank with only one signature. Disbursement Procedures, page 32, Internal Accounts Manual require all disbursements to have two manual signatures.

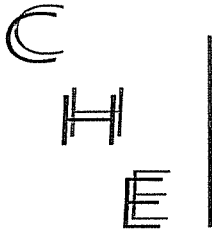
The internal funds accounting records were overall very neat and orderly. We found that the School substantially followed the procedures outlined in the Internal Accounts Manual of the Clay County School Board.

It has been a pleasure to have this opportunity to serve Clay Hill Elementary School and the Clay County District Schools.

This report is intended solely for the information and use of Clay County School Board, management, and others within the school system.



Emily C. Helms, CPA, PA
August 19, 2008



Clay Hill Elementary School

6345 CR 218 West
Jacksonville, Florida 32234



Main Office: 289-7193 ☐ Fax: 289-9667 ☐ Guidance: 289-9947 ☐ Clinic: 289-9163 ☐ Cafeteria: 289-7954

Evelyn Chastain
Principal

www.clay.k12.fl.us/che

Bonnie Barker
Assistant Principal
September 29, 2008

Emily C. Helms, CPA
1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Dear Ms. Helms,

Please accept this letter as my response to the Internal Account audit you conducted during the summer for the 2007-08 school year. I appreciate the time you took at our post audit discussion in order that Mary Ann Padgett, new secretary/bookkeeper, could become familiar with the process.

The lack of a second signature on checks clearing the bank will be addressed this fiscal year by ensuring two signatures are on each check.

We appreciate the opportunity to improve our fiscal responsibility. We will strive to make the adjustment to accommodate this issue. It's been a pleasure working with you.

Sincerely,

Evelyn S. Chastain
Principal

Cc: Roni Campbell

CLAY HIGH SCHOOL

**STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE
INTERNAL FUNDS**

**FOR THE YEAR ENDED
JUNE 30, 2008**

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DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Sr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2008. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from 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 policy of the school is to prepare its financial statement on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2008, on the basis of accounting described in Note 1.

DuVal & Company, CPA's, P.A.
DuVal & Company, CPA's, P.A.
August 13, 2008

Clay High School

Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2008

	Balance July 1, 2007	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2008
Athletics	\$ 60,535.78	\$ 289,249.66	\$ 278,482.35	\$ (1,430.30)	\$ 69,872.79
Music	18,423.65	45,464.79	55,466.52	(666.31)	7,755.61
Classes, Clubs and Departments	38,442.50	163,139.43	161,668.63	7,942.58	47,855.88
Trusts	24,706.35	75,970.74	75,319.46	(2,926.86)	22,430.77
General	19,470.21	116,537.56	112,720.05	(3,185.42)	20,102.30
Outside Organizations	16,337.02	118,912.07	134,329.20	266.31	1,186.20
TOTALS	<u>\$ 177,915.51</u>	<u>\$ 809,274.25</u>	<u>\$ 817,986.21</u>	<u>\$ (0.00)</u>	<u>\$ 169,203.55</u>

See notes to the statement of cash receipts and disbursements of the Internal Funds.

CLAY HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds includes the effects of transactions and balances relating to the internal accounts of Clay High School within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at Clay High School.

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning the administration of internal accounts. These rules and regulations state how the internal accounts will be organized, accounted for, and reported.

The internal account balances and transactions are included as an agency fund on the Clay County District School's Annual Financial Report. Transactions and balances relating to cafeteria food costs, supplies, staff salaries and benefits are not included in the accompanying financial statement because they are accounted for by the Clay County District School Board.

Basis of accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

CLAY HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Investments

The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and the Florida State Board of Administration (SBA), Local Government Investment Pool.

NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2008 cash balance, totaling \$169,203.55 consists of \$22,776.39, in a non-interest bearing checking account with Wachovia Bank, \$146,028.66 in an investment account with the Clay County School Board, and \$398.50 in NSF checks receivable, which are expected to be collected.

The school confirmed that there are no other bank accounts set up other than those listed above.

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2008 was \$7,111.81. This represented a yield of approximately 4.59% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Sr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Clay High School at June 30, 2008.

ACCOUNTS PAYABLE

Baker Sporting Goods	\$ 327.00
Brown & Cartwright	129.99
Custom Ink	439.89
Dell Marketing	1,138.30
Glazier-Mega Clinics	3,780.16
Great American Opportunities	1,156.20
Herff Jones (Yearbooks)	18,287.04
Herff Jones (Diploma)	10.00
Home Depot	56.39
Image Market	2,380.50
Jennifer Eason	1,325.86
Orlando Team Sports	340.00
Protuff Details	537.50
Reel Precision Products	106.80
Schedule Star	500.00
Sam's Direct Club	1,786.72
Winn Dixie	397.27
WalMart	<u>478.95</u>
Total	<u>\$33,178.57</u>

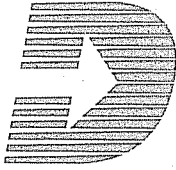
ENCUMBRANCES

Bulb Direct	\$ <u>66.82</u>
Total	\$ <u>66.82</u>

The accounts payable and encumbrances above do not agree with the Principal's Monthly Report for June 30, 2008.

Auditing procedures as we considered necessary were applied to the verification of these accounts payable and encumbrances.

DuVal & Company, CPA's, PA
DuVal & Company, CPA's, P.A.
August 13, 2008



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

Mr. David L. Owens, Superintendent of Schools
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Sr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2008, we considered its internal control structure in order to determine procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure. We did not note any matter that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

Some of the deficiencies noted in the prior year audit and management letter were not corrected.

We would like to point out the following items noted during our current audit:

1. On one (1) occasion, the check amount was "whited-out" and reprinted. The check should have been voided and reprinted on new check stock.
2. During our cash receipts testing we noted four (4) occasions where the Report of Monies Collected were altered. On one (1) occasion, receipt numbers were not written on the Report of Monies Collected. One (1) teacher's receipt book was missing.
3. Although the change fund procedures appear to be substantially in compliance, the check number was not entered through the EPES system as a zero check as per the manual.

The school showed a marked improvement over last year. Many of the problem areas indicated in the prior-year audit report appear to have been corrected. Overall, we found the internal accounting records were neat and orderly. We also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual even though a number of teachers still fail to comply with the requirements as instructed.

This report is intended solely for the information and use of the Clay County School Board management and others within the organization.

It has been a pleasure to have had the opportunity to serve the Clay County School Board during our audit. Should there be any questions concerning the above observations or any other matter, please contact us.

DuVal & Company, CPAs, PA
DuVal & Company, CPA's, P.A.
August 23, 2008

CLAY HIGH SCHOOL

2025 Highway 16 West - Green Cove Springs, FL 32043
Phone (904) 529-3000 - Fax (904) 529-3214

Peter J. McCabe, Principal
Cary Dicks, Assistant Principal



Deborah Segreto, Vice Principal
Matthew L. Lewis, Assistant Principal

DuVal & Company, CPA's, P.A.
428 Walnut Street
Green Cove Springs, FL 32043

August 28, 2008

Dear Sirs:

This letter is in response to Clay High School's 2007-2008 audit comments.

1. If a correction needs to be made to a check the original will be voided and a new check will be issued.
2. The bookkeeper will make sure that Monies Collected forms are not altered without being initialed by the sponsor. She will also check Monies Collected forms for receipt numbers and remind teachers to list them. As receipt books are signed out, the importance of not losing the book will be stressed to the teacher.
3. The bookkeeper will be sure to record all change fund checks.

We are pleased that the audit report this year was exceptional. We will try to improve even more and ensure that the procedures in the Internal Funds Manual are followed.

Sincerely,

Peter J. McCabe
Principal

Doctors Inlet Elementary School

**Statement of Cash Receipts
and
Disbursements of the
Internal Funds**

June 30, 2008

**Doctors Inlet Elementary School
Statement of Cash Receipts
and
Disbursements of the
Internal Funds**

June 30, 2008

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Independent Auditors' Report

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard, Chairman
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2008. This financial statement is the responsibility of the Clay County 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. 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 policy of the school is to prepare its financial statement on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2008, on the basis of accounting described in Note 1.

DDF CPA Group

August 20, 2008

ddfcpa.com

- P.O. Box 996, Starke, Florida 32091
107 Edwards Road, Starke, Florida 32091 | tel 904.964.7404 toll 800.771.7404 fax 904.964.6583
- P.O. Box 9089, Orange Park, Florida 32006
4729 US Highway 17 S, Suite 204, Orange Park, Florida 32003 | tel 904.264.9768 toll 866.811.9701 fax 904.269.7091

Doctors Inlet Elementary School
Statement of Cash Receipts and Disbursements of the Internal Funds
As of and for the Fiscal Year Ended June 30, 2008

	<u>Balances</u> <u>July 1, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund</u> <u>Transfers</u>	<u>Balances</u> <u>June 30, 2008</u>
Music	\$ 1,383.91	\$ 2,586.83	\$ 3,266.16	\$ --	\$ 704.58
Classes, clubs and departments	29,153.76	58,521.23	69,861.76	1,419.63	19,232.86
Trust	7,537.64	20,415.58	22,676.83	(1,319.63)	3,956.76
General	8,168.38	8,811.65	10,301.40	--	6,678.63
Outside organizations	<u>14,381.79</u>	<u>25,314.58</u>	<u>39,226.08</u>	<u>(100.00)</u>	<u>370.29</u>
Total	<u>\$ 60,625.48</u>	<u>\$ 115,649.87</u>	<u>\$ 145,332.23</u>	<u>\$ --</u>	<u>\$ 30,943.12</u>

The accompanying "Notes to the Statement of Cash Receipts and Disbursements" form an integral part of this statement.

Doctors Inlet Elementary School
Notes to Statement of Cash Receipts and Disbursements
As of and for the Fiscal Year Ended June 30, 2008

Note 1 - Summary of Significant Accounting Policies

Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of Doctors Inlet Elementary School (the School) within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at Doctors Inlet Elementary School.

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning the administration of internal accounts. These rules and regulations state how the internal accounts will be organized accounted for and reported.

The internal account balances and transactions are includable as an agency fund on the Clay County District School's Annual Financial Report. Transactions and balances relating to cafeteria food costs, supplies, staff salaries and benefits are not included in the accompanying financial statement because they are accounted for by the Clay County District School Board.

Basis of accounting

The accompanying financial statements are prepared on the cash basis of accounting and, therefore, reflect only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Note 2 - Cash and Cash Equivalents

The June 30, 2008 cash balance, totaling \$30,943.12, which consists of \$15,300.73 in a non-interest bearing checking account with Wachovia Bank and \$12,527.80 in an investment account with the Clay County School Board. The remaining \$3,114.59 is for checks returned for insufficient funds during the school year. The School does not expect to collect the returned checks and is in the process of getting approval to write off the returned check balance.

Note 3 - Interest Income

The School earned \$1,185.32 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 4.13 percent during that period for monies invested with the SBA.

Note 4 - Investments

The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and also with the Florida State Board of Administration (SBA), Local Government Surplus Funds Trust Fund (LGSF).

**Doctors Inlet Elementary School
Notes to Statement of Cash Receipts and Disbursements
As of and for the Fiscal Year Ended June 30, 2008
(Concluded)**

Note 4 – Investments (concluded)

In accordance with GASB Statements No. 40, as of June 30, 2008, the School had the following investment:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration - LGSF	20 Day Average	\$12,528

Interest Rate Risk. The District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District School Board policy limits investments to the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool; interest-bearing time deposits or savings accounts held in qualified public depositories.

As of June 30, 2008, the Schools invested money in the Local Government Surplus Funds Trust Fund investment pool (LGIP). The LGIP is considered a SEC 2a7-like fund and the account balance equals the fair value. The LGIP is rated by Standard and Poors and the current rating is AAAM.

The Schools did not have any investments in the Fund B Surplus Funds Trust Fund. The Fund B investments are not rated by any nationally recognized statistical rating agency.



Schedule of Accounts Payable and Encumbrances

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard, Chairman
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

As requested by the Clay County School Board, we reviewed and tested for accounts payable and encumbrances for Doctors Inlet Elementary School at June 30, 2008.

Vendor	Amounts
Accounts Payable	
None	\$ -
	<u> </u>
Encumbrances	
None	\$ -
	<u> </u>

The accounts payable does agree with the Principal's Report for June 30, 2008. The Principal's Report does not include a spot for encumbrances, however the list of accounts payable and encumbrances provided by the school does agree to the audit procedures performed.

Such auditing procedures as we considered necessary were applied to the verification that the School did not have any accounts payable and encumbrances. If the School had accounts payable and encumbrances at year end they would not have been paid during the year ended June 30, 2008 and, accordingly, would not have been included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

DDF CPA Group

August 20, 2008



Independent Auditors' Report on Internal Control over Financial Reporting

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard, Chairman
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School (the School) as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of cash receipts and disbursements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

- The Internal Accounts Manual of the Clay County School Board requires individual purchases greater than \$8,000 be supported by two documented phone quotations if the purchase is not on state contract. The School purchased fifteen computers at a cost of \$13,200. Documentation of phone quotations or state contract bid was not attached to the check requisition or purchase order. We recommend that the School follow approved procedures and attach the required purchasing information to the check requisition and purchase order.
- We noted that an approved fundraiser form was not filled out for monies collected from the sales of pizza and drinks during school dances. In addition, a fundraiser form for the PFA in which they sold pies did have the inventory section completed by the teacher / sponsor. The Internal Accounts Manual of the Clay County School Board requires every fund raising activity to have a completed fundraiser form and all sections must be properly filled out. We recommend that fundraiser forms are prepared as required and all sections are properly filled out.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses.

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida

Page Two

This communication is intended solely for the information and use of management of the Clay County District Schools, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not, however, intended to limit the distribution of this report, which, upon acceptance, is a matter of public record.

We wish to take this opportunity to thank the Principal, bookkeeper and staff for their cooperation and courtesies extended to us during our examination. We appreciate the opportunity to be of service to the Clay County District Schools and look forward to a continuing relationship.

Please feel free to contact us if you have any questions or comments concerning the audit or other matters.

DDF CPA Group

August 20, 2008

Memo

To: DDF CPA Group
From: Anne Miller, Principal *Anne Miller*
CC: Mr. David Owens, Superintendent of Schools; Clay County School Board
Date: 8/28/2008
Re: Doctors Inlet Elementary School Audit Corrected Response for 2007-2008

*Thanks for the
reminder !!
So sorry!
Ronie
Just trying
to stay above
water!*

These are the procedures that have been implemented to address concerns in c

1. The Reportable Condition that was cited for individual purchases greater than \$8,000 supported by two documented phone quotations if the purchase was not a state contract. This purchase was for classroom computers which were on the State Bid list. The purchase order was approved by Carolyn Grissom in the Information Services department. In the future, we will attach the State Bid.
2. The Reportable Condition that was cited for the fundraiser form not filled out for the sale of pizza and drinks during school dances, and inventory section of sold pies not filled out. I have met with our PFA President and Fund Raiser chairman to make sure this does not happen again in the future. The pizza and drinks were not sold in addition to the tickets that were purchased for the school dance. We did have a list of the students purchasing the tickets for the dance. Food was included in the price of the ticket. There was not an inventory section for sold pies because the pies were ordered and paid for through the catalog sale and were individual catalog orders. There was not inventory that was not ordered and paid for in advance.

Fleming Island Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

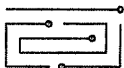
For the Year Ended June 30, 2008



Conner Hubbard & Company, LLC
Certified Public Accountants
Orange Park, Florida

**FLEMING ISLAND ELEMENTARY SCHOOL
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CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Clay County School Board Chairman
Mr. Charles Van Zant, Jr., Vice-Chairman
Ms. Carol Vallencourt, Member
Ms. Lisa Graham, Member
Mr. Wayne Bolla, Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2008. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2008 on the basis of accounting described in Note 1.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 20, 2008

Website: www.connerhubbard.com
Please respond to the office at:

e-mail: firm@connerhubbard.com

1106 Park Avenue
Orange Park, Florida 32073
(904) 278-1040; Fax (904) 278-9444

212 North Davis Street
Nashville, Georgia 31639
(229) 686-3377; Fax (229) 686-3566

FLEMING ISLAND ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2008

	<u>Cash Balance July 1, 2007</u>	<u>Transactions</u>		<u>Transfers</u>	<u>Cash Balance June 30, 2008</u>
		<u>Receipts</u>	<u>Disbursements</u>		
Music	\$ 317.88	\$ 2,000.40	\$ 2,154.67	\$ 627.88	\$ 791.49
Classes, Clubs & Departments	19,756.10	92,915.15	96,040.83	(3,109.60)	13,520.82
Trust	15,669.14	35,226.81	42,325.91	591.52	9,161.56
General	17,718.43	29,778.50	38,795.42	1,890.20	10,591.71
Outside Organizations	27,841.86	60,576.91	72,107.19	-	16,311.58
	<u>\$ 81,303.41</u>	<u>\$ 220,497.77</u>	<u>\$ 251,424.02</u>	<u>\$ -</u>	<u>\$ 50,377.16</u>

See Independent Auditors' Report and Notes to Statement of Cash Receipts and Disbursements.

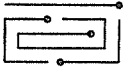
FLEMING ISLAND ELEMENTARY SCHOOL
Notes to Statement of Cash Receipts and Disbursements
For The Year Ended June 30, 2008

NOTE 1 The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 As of June 30, 2008, no interest was being earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$1,104.40 for the fiscal year ended June 30, 2008.

NOTE 3 The cash balance of \$50,377.16 at June 30, 2008, shown on the statement of cash receipts and disbursements consists of \$21,169.78 being held in the checking account and \$29,207.38 invested with the Clay County School Board.

SUPPLEMENTAL INFORMATION



CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Clay County School Board Chairman
Mr. Charles Van Zant, Jr., Vice-Chairman
Ms. Carol Vallencourt, Member
Ms. Lisa Graham, Member
Mr. Wayne Bolla, Member

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2008 of the Fleming Island Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. The following accounts payable and encumbrances were not paid during the 2007-2008 fiscal year and, accordingly, are not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2008.

Accounts Payable

None.

Encumbrances

None.

The above accounts payable were reported on the June 30, 2008 Principal's Monthly Report.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

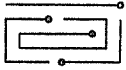
August 20, 2008

Website: www.connerhubbard.com
Please respond to the office at:

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212 North Davis Street
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CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Clay County School Board Chairman
Mr. Charles Van Zant, Jr., Vice-Chairman
Ms. Carol Vallencourt, Member
Ms. Lisa Graham, Member
Mr. Wayne Bolla, Member

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2008, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

We would like to point out the following items noted during our audit:

During our review of a sample of cash receipts, we noted twelve instances where the teacher receipt number was not listed on the "Report of Monies Collected".

We noted the following during our review of a sample of cash disbursements:

Sales tax was charged and paid on one invoice.

One disbursement was supported by a statement instead of an invoice.

One cancelled check could not be located.

We also noted that the bookkeeper and Principal did not sign the June 30, 2008 "Accounts Payable and Encumbrances Report" until August 20, 2008.

The internal funds accounting records were overall very neat and orderly. We also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the School.

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Honorable Members
Clay County School Board
Page 2

We commend the Principal and the bookkeeper for an excellent job. It has been a pleasure to have this opportunity to serve you.

This report is intended solely for the information and use of the Clay County School Board management, and others within the Organization.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 20, 2008

Fleming Island Elementary

4425 Lakeshore Drive
Orange Park, Fl. 32003

Phone: 904-278-2020
Fax: 904-278-2026

Sandra Mead
Principal

Jeanne Hiatt Jones
Assistant Principal

August 26, 2008

Conner Hubbard & Company, LLC
Certified Public Accountants
1106 Park Avenue
Orange Park, Florida 32073

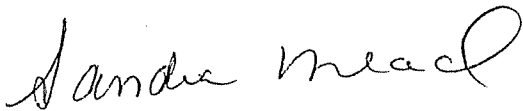
Dear Sirs:

Responding to the audit of internal funds at Fleming Island Elementary School.

1. The teachers will be reminded to add the receipt numbers to the monies collected forms.
2. My bookkeeper will be careful to watch for sales tax.
3. My bookkeeper will support all disbursement with an invoice.
4. My bookkeeper will put all cancelled check in the monthly folders.
5. My bookkeeper will make sure that the Accounts Payables & Encumbrances Report will be signed by the principal and bookkeeper.

Thank you very much for your suggestions.

Sincerely,



Sandra Mead,
Principal

Cc: George Copeland, Assistant Superintended