

LAKESIDE JUNIOR HIGH SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2007

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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EMILY C. HELMS, CPA, PA
Certified Public Accountant

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Certified Public Accountant

1279 Kingsley Avenue, Suite 103
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Kingsley Center

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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 Lakeside Junior High School for the year ended June 30, 2007. 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 Lakeside Junior High School for the year ended June 30, 2007, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 15, 2007

LAKESIDE JUNIOR HIGH SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2007

	Cash	Transactions			Cash
	Balance July 1, 2006	Receipts	Disburse- ments	Interfund Transfers	Balance June 30, 2007
Athletics	\$ 65,330.90	\$ 79,956.15	\$ 66,897.12	\$ (2,219.70)	\$ 76,170.23
Music	22,772.31	60,898.45	60,857.95	(1,944.79)	20,868.02
Classes, Clubs, Departments	61,266.49	92,321.70	92,684.99	860.65	61,763.85
Trust	10,634.64	39,248.94	30,001.74	(2,936.67)	16,945.17
General	17,725.79	23,751.15	24,579.86	4,240.51	21,137.59
Outside Organizations	6,780.65	19,326.80	22,895.95	2,000.00	5,211.50
Total	\$ 184,510.78	\$ 315,503.19	\$ 297,917.61	\$ -	\$202,096.36

See accompanying notes and independent auditor's report.

LAKESIDE JUNIOR HIGH SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2007

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, 2007, total cash balance of \$ 202,096.36 as reported on the statement of cash receipts and disbursements consists of \$17,248.63 being held in a interest bearing checking account insured by the FDIC, \$184,080.93 held in an investment account with the Clay County School and \$766.80 held as uncollected NSF Funds.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$9,638.17. This represents a yield of approximately 5.4 percent. Investment interest is maintained in a separate fund account.

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Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Lakeside Junior High School reported the following accounts payable and encumbrances as of June 30, 2007:

Accounts Payable

Publix	\$ 119.82
Home Depot	96.76
Wal-Mart	9.62
Sam's Club	75.04
	<u>\$ 301.24</u>

Encumbrances

BSN	\$ 3,780.98
BSN	365.00
BSN	80.00
Orlando Team Sports	3,622.50
Orlando Team Sports	689.45
Orlando Team Sports	482.00
Orlando Team Sports	871.00
Award Gallery	100.00
Wal-Mart	50.00
Riddle	1,500.00
Riddle	2,000.00
Fun N Folly	980.00
Baker Sporting Goods	980.00
Gopher	394.74
Recorded Books	1,004.59

Varsity Spirit Fashion	6,414.92
OMNI Cheer	2,408.81
Crowd Control Experts.Com	<u>935.50</u>
	<u>\$ 26,659.49</u>

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2007.

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 2006-2007 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Lakeside Junior High School for the year ended June 30, 2007.



Emily C. Helms, CPA, PA
August 15, 2007

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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 Lakeside Junior High School for the year ended June 30, 2007, 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 item noted during our audit:

1. Account 2160 has a year end encumbrance of \$6,414.92. The account balance as of year end is \$4,506.61. The cash shortage at the time of the purchase approval was \$1,908.31. The Internal Accounts Manual, Disbursement Procedures, page 34, states in part, "Each account with in the internal funds should be operated with in a plan....The principal shall not approve a request for supplies, equipment, or services for which a group does not have the necessary cash resources available within its account structure to make the required expenditure." We recommend a review of the Internal Accounts Manual, Disbursement Procedures, page 34 to ensure that all purchasing requirements of the Clay County School Board have been followed.
2. Request for Purchase Approval and Check Requisition for check number 8915 properly attached the Request for Written (Phone) Quotation and the request was approved for the low bidder. The request was later altered and a higher dollar amount was approved for the original low bidder. However, this vender's adjusted quote no longer represented the low bidder. Internal Accounts Manual, Purchasing Policies, page 26 states in part,...If in any of the above purchases (three written (phone) quotations) the low bidder is not awarded the purchase contract, all documentation associated with the purchase shall be forwarded to the Superintendent for approval prior to the contracting for purchase of the item." A review of the Purchasing Policies with the faculty and staff is recommended.

3. Checks over six months old are included on the outstanding checks list. We recommend a review of the Internal Accounts Manual, Void Check Procedures, page 46, in order to comply with Clay County School Board Policy.
4. Insufficient Funds Checks Procedures are not being completed. The insufficient funds account includes funds uncollected from the school year ended June 30, 2006. NSF check for Receipt 12529 was left in the Chorus Boosters Account. Documentation was not available to support steps taken to collect the funds or obtain permission to write off the dishonored checks. We recommend a review of the Internal Accounts Manual, Procedures for Insufficient Funds Checks, page 24, in order to comply with Clay County School Board Policy.

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

It has been a pleasure to have this opportunity to serve Lakeside Junior High 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 15, 2007

LAKESIDE JUNIOR HIGH SCHOOL

Accredited

Southern Association of Colleges and Schools

2750 Moody Avenue * Orange Park, Florida 32073 * (904) 213-2980 * Fax (904) 213-2987

Randall G. Oliver
Principal

Catherine Richardson
Vice-Principal 213-2980

John W. Green, Jr.
Assistant Principal 213-2982

Lloyd Patterson
Activities Director 213-2980

September 4, 2007

Emily C. Helms
Certified Public Accountant
1279 Kingsley Ave.
Suite #103
Orange Park, Florida 32073

Dear Ms. Helms:

Your firm made the following comments in the August 23, 2007 letter to the Superintendent, Mr. David Owens, and the Clay County School Board Members concerning the audit of the Internal Funds of Lakeside Junior High School:

In response to Item #1:

In regards to Account #2160, I followed the procedure on page 3, number 9, which states, "Purchases from internal fund accounts will not exceed the resources of that account, except for items for resale".

In response to Item #2:

Please see attached letter

In response to Item #3:

The State of Florida Abandoned Property Laws are the guidelines we are following which states that in one year you will attempt to contact the owner of the funds. If the owner of the funds does not respond, you will send the funds to the State of Florida Abandoned Property.

In response to Item #4:

I am in the process of generating a letter to the Clay County School Board asking for permission to write off the dishonored checks.

September 4, 2007
Page 2

Thank you again for your audit of our Internal Accounts. We appreciate your comments and will make every effort to be more assiduous in the areas mentioned above.

Sincerely,

A handwritten signature in cursive script that reads "Randall G. Oliver".

Randall G. Oliver
Principal

RGO/ltk

Attachment

LAKESIDE JUNIOR HIGH BAND

Grades 7 and 8

Jim Layton –Director

2750 Moody Avenue Orange Park, Florida 32073

904-213-2980 Ext. 2302 FAX 904-213-2987

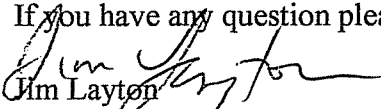
8/23/07

To whom it may concern:

This letter is in response to question from the school audit concerning a Baritone Sax purchased during school year 2006-07. The cost was increased from the original bid because the company sold out of the model in question and they substituted a more expensive/better model.

Our paper work did not reach the company fast enough for the original model to be available.

If you have any question please call/fax me at the above numbers.


Jim Layton
LJHS Band Director

AUDIT REPORT

McRAE ELEMENTARY SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2007

**McRae Elementary School
June 30, 2007**

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Independent Auditors' Report

District School Board
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of McRae Elementary School Internal Accounts for the year ended June 30, 2007. This financial statement is the responsibility of the School Board'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 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 of the Notes to Financial Statement, the accompanying financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement includes only the financial activities of the School internal accounts. The financial statement does not include other financial activities of the District School Board.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of McRae Elementary School Internal Accounts for the year ended June 30, 2007, on the basis of accounting described in Note 1.

Davis, Monk & Company

August 17, 2007
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2007
McRae Elementary School Internal Accounts**

	<u>Cash Balances July 1, 2006</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2007</u>
Music	\$ 1	\$ 1,031	\$ 633	\$ (60)	\$ 339
Classes, Clubs & Departments	13,989	33,990	37,626	(1,809)	8,544
Trust	3,192	18,937	18,497	-	3,632
General	11,968	18,725	18,896	1,969	13,766
Outside Organizations	3,264	10,777	12,829	(100)	1,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$ 32,414</u>	<u>\$ 83,460</u>	<u>\$ 88,481</u>	<u>\$ -</u>	<u>\$ 27,393</u>

**Notes to Financial Statement
For the Year Ended June 30, 2007
McRae Elementary School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statement includes the effects of transactions and balances relating exclusively to the internal account activities of McRae Elementary School.

The financial statement does not include other financial activities of 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. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, this statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 – CASH BALANCES

The cash balance of \$27,393 at June 30, 2007, consists of \$12,842 being held in the checking account, \$51 cash on hand, \$13,926 invested with the State Board of Administration, and \$574 in checks returned by the bank for insufficient funds and awaiting redeposit.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of McRae Elementary School (the "School") for the year ended June 30, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered the School'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 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 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 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 deficiency 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 a separation of employee duties and responsibilities, we think it is important that we make you aware of this condition.

In addition to the significant deficiency described above, we also noted the following matters which we feel should be brought to your attention.

We noted that several accounts had ending balances in excess of the maximum amounts allowed as determined by the formula provided in the Internal Funds Manual. Greater care should be exercised to ensure that monies are receipted and expended in amounts accorded by the District School Board.

We noted certain instances whereby monies collected outside the school office were not controlled by pre-numbered documents. We recommend that all collections be substantiated by pre-numbered receipts, consecutively numbered class receipts records, and reports of monies collected.

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 and 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 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.

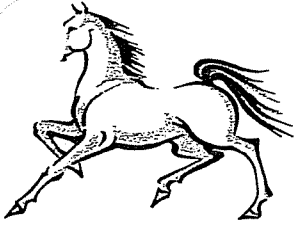
Davis, Monk & Company

August 17, 2007
Gainesville, Florida

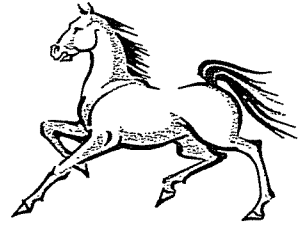
McRae Elementary School

"Home of the Mavericks"

*6770 County Road 315C
Keystone Heights, Florida 32656
Phone: 352-473-5686
Fax: 352-473-5148*



*Marcus C. Dooley
Principal*



*Kimberly E. Dugger
Assistant Principal*

September 28, 2007

Davis, Monk & Company
Certified Public Accountants
P. O. Box 13494
Gainesville, FL 32604

Dear Ms. Cook:

This is the response to the 2007 Audit of McRae Elementary School completed by your firm of Davis, Monk and Company.

I am quite pleased with the results of our annual audit at McRae Elementary School. We work diligently to maintain accounting records and collections that are in line with the Clay County School Board policies. Through our existing staff at McRae we will strive to segregate procedures involved with our internal accounts to the fullest extent possible.

Personnel at McRae Elementary are eager to expend funds to enrich the educational experience for all our students. Unfortunately, some designated time lines were missed, resulting in the excess carry over of funds.

In an attempt to follow policies with regard to the collection of monies by teachers, throughout the school year the administration will address proper procedures at faculty meetings.

Thank you for your efforts in providing McRae with recommendations that will improve the efficiency of our internal accounts.

Sincerely,

Marcus Dooley
Principal

MIDDLEBURG ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2007

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 Middleburg Elementary School for the year ended June 30, 2007. 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 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 Middleburg Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 17, 2007

MIDDLEBURG ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS

For the year Ended June 30, 2007

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2006	Receipts	ments	Transfers	June 30, 2007
Music	\$ 244.13	\$ 855.00	\$ 1,011.70		\$ 87.43
Classes, Clubs, Departments	4,945.21	30,700.90	29,625.22	(109.84)	5,911.05
Trust	4,312.58	18,577.63	17,403.25	(2,150.25)	3,336.71
General	3,267.86	16,497.10	17,476.12	2,583.09	4,871.93
Outside Organizations	6,157.54	65,771.51	68,208.39	(323.00)	3,397.66
Total	\$ 18,927.32	\$ 132,402.14	\$ 133,724.68	\$ -	\$ 17,604.78

See accompanying notes and accountant's report.

MIDDLEBURG ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2007

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, 2007, total cash balance of \$17,604.78 as reported on the statement of cash receipts and disbursements consists of \$12,155.43 being held in a non interest bearing checking account insured by the FDIC and \$5,434.35 held in an investment account through the Clay County School Board and \$ 15.000 held as uncollected NSF Funds.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$284.53. This represents a yield of approximately 5.4 percent. Investment interest is maintained in a separate account

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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, Middleburg Elementary School reported the following accounts payable and encumbrances as of June 30, 2007:

Accounts Payable

Clay County School Board	\$ 622.29
Park Avenue Florist	43.95
Hagan Ace Hardware	24.82
Copyfax	<u>85.50</u>
	<u>\$ 776.56</u>

Encumbrances

Florida Times-Union	<u>\$ 77.33</u>
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The above accounts payable list agrees with the General Ledger Report as of June 30, 2007.

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 2006-2007 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Middleburg Elementary School for the year ended June 30, 2007.



Emily C. Helms, CPA, PA
August 17, 2007

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Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Middleburg Elementary School for the year ended June 30, 2007, 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 item noted during our audit:

1. Report of Monies Collected Forms are not being properly completed. Forms will state the source of collection and a total amount, ie: Yearbooks Pre-Sales, \$870.00. The students name and receipt number if required are not stated; however, the deposit ticket will have numerous checks and cash listed with no method to trace the transaction to the form, sponsor, or teacher. In order to comply with Clay County School Board Policy, we recommend reviewing with your teachers the procedures outlined in the Internal Accounts Manual, Collection Procedures, page 16.
2. Disbursement Procedures are not being followed.
 - a. The following checks were issued for the purchase of gift cards: 3512, 3513, 3586, 3634, 3676, 3677, 3677, 3702, 3738 and 3808. The Request for Approval would attach the receipt for the purchase of the gift card to the request. No receipts or requests for purchase approval were attached for additional purchases using the gift card.
 - b. Request for Purchase Approval for check 3747 was approved not to exceed \$13,000.00 for cafeteria tables on August 3, 2006. However, the PFA fund balance at the time of the approval was \$10,229.49. The Internal Accounts Manual, Disbursement Procedures, page 34, states in part, "Each account within the internal funds should be operated within a plan....The principal shall not approve a request for supplies, equipment, or services for which a group does not have the necessary cash resources available within its account structure to make the required expenditure."

- c. The Requisition for Purchase Approval for check number 3586 was approved to Wal-Mart, not to exceed \$650.00. The check requisition was for \$624.60. However, the support was for the purchase of \$482.33 for fruit snacks and a gift card was issued from Wal-Mart for the balance. No support was available to review future purchases or what the remainder of the funds were used to purchase. The Internal Accounts Manual, Disbursement Procedures, page 35 states in part..."The payment may only be made from the original invoice..." We recommend a review of the Internal Accounts Manual, Disbursement Procedures, page 34-38 to ensure that all purchasing requirements of the Clay County School Board have been followed.

We recommend a review of the Internal Accounts Manual, Disbursement Procedures, pages 34 through 38, to ensure that these procedures are followed in its entirety.

3. No Fund Raising Application and Financial Recaps were attached to purchase requisitions nor were they available as a file for review to ensure the Clay County School Board Internal Accounts Manual procedures are being followed. We recommend a review of Internal Accounts Manual, Fund Raising, page 10-13 to ensure that all fund raising requirements of the Clay County School Board have been followed.

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 Middleburg 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 17, 2007



Middleburg Elementary School

3958 Main Street

Middleburg, Florida 32068

Phone: (904) 291-5485 Fax: (904) 291-5491

Becky Wilkerson
Principal

"Nothing Less Than The Best"

Amy Kennedy
Assistant Principal

August 23, 2007

Emily C. Helms
Certified Public Accountant
1279 Kingsley Avenue, Suite 103
Orange Park, Florida 32073

Dear Ms. Helms:

Thank you for your thorough and professional audit of the receipts and disbursements of the internal accounts for Middleburg Elementary School.

In response to your comments:

1. Receipting procedures will be reviewed with the teachers to ensure that each student's name, receipt number and the amount paid are listed on the Report of Monies Collected form so that each transaction can be traced to the form and the teacher or sponsor.
2. Disbursement Procedures
 - a. In the future there will be no approval given for the purchase of gifts cards to be used for the purchase of merchandise.
 - b. In the future no approval for purchase will be approved without sufficient funds available to pay for merchandise. Approval was given with the knowledge that funds would be available to pay for the merchandise before it would be received.
 - c. We will ensure that any differences between the check amount and the final cost is redeposited back into the proper account. In the event that a gift card is given for any differences between check amount and final costs, receipts will be kept to support purchases made with the card.

3. Fundraising Applications were completed for each fundraiser done at the school, but were inadvertently left out of the materials sent to the auditor. In the future the bookkeeper will be sure the applications are sent to the auditor.

Sincerely,

A handwritten signature in cursive script that reads "Becky Wilkerson".

Becky Wilkerson
Principal

c: Clay County School Board

Middleburg High School

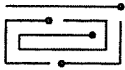
Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2007

**Conner, Hubbard & Company, P.A.
Certified Public Accountants
Orange Park, Florida**

**MIDDLEBURG HIGH SCHOOL
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CONNER, HUBBARD & COMPANY, P.A.
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 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 Middleburg High School for the year ended June 30, 2007. 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 Middleburg High School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

Conner, Hubbard & Company, CPA's
CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

August 13, 2007

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MIDDLEBURG HIGH SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2007

	Cash Balance	Transactions			Cash Balance
	July 1, 2006	Receipts	Disbursements	Transfers	June 30, 2007
Athletics	\$67,619.88	\$234,316.89	\$210,979.65	\$7,563.02	\$98,520.14
Music	5,372.45	103,516.16	119,652.10	1,616.82	(9,146.67)
CC&D	52,583.90	292,049.66	311,263.97	14,353.62	47,723.21
Trust	36,862.70	80,422.98	93,496.68	5,584.80	29,373.80
General	49,319.13	255,642.59	211,349.94	(24,913.81)	68,697.97
Outside Org	25,893.09	122,470.13	108,961.60	(4,204.45)	35,197.17
	<u>\$237,651.15</u>	<u>\$1,088,418.41</u>	<u>\$1,055,703.94</u>	<u>\$0.00</u>	<u>\$270,365.62</u>

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

MIDDLEBURG HIGH SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For The Year Ended June 30, 2007

- 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, 2007, 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 \$15,396.12 for the fiscal year ended June 30, 2007.
- NOTE 3 The cash balance of \$270,365.62 at June 30, 2007, shown on the statement of cash receipts and disbursements consists of \$47,035.30 being held in the checking account and \$223,330.32 invested with the Clay County School Board.



CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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, listed below is a schedule of the accounts payable and encumbrances at June 30, 2007 of the Middleburg High 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. These accounts payable and encumbrances were not paid during the 2006-2007 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, 2007.

Accounts Payable

<u>VENDOR</u>	<u>Amount</u>
Libby Haydu	\$ 9.79
Hagan Ace Hardware of Middleburg	22.40
Ingram Library Services	51.26
Wabash Valley Manfg.	1,250.92
Pride Enterprises	11,534.00
Varsity Spirit Fashions	<u>21,424.15</u>
Total	<u>\$ 34,292.52</u>

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Mr. David Owens, Superintendents of Schools,
Clay County, Florida
Page Two

Encumbrances

<u>VENDOR</u>	<u>Amount</u>
Total	<u>None</u>

The above accounts payable were reported on the June 30, 2007, Principal's Monthly Report.

Conner, Hubbard & Company, CPA's
CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

August 13, 2007



CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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 Middleburg High School for the year ended June 30, 2007, 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:

We noted that three activity accounts had an ending balance in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. These accounts were numbers 3402(FCA), 3417(School Advisory Council) and 5111(Recovery Fees). Account 3402 was discontinued after a year of inactivity. The school does have written documentation as to the specific purpose for which the funds in Account 3417 are being accumulated. Finally, Account 5111 is new this year and consists of fees earned in the recovery of NSF checks through the collection agency. Schools were directed to leave these funds in this account.

We noted three original receipts were still in the receipt book. They were properly completed but had not been issued to the payee.

We noted three receipt books were not returned at the end of the school year. Only one of these had not been identified as lost or re-issued. The other two books were identified with teacher apologize and acknowledgements regarding the importance of retaining the receipt book.

We noted a teacher reimbursement for books supported only by a partial copy of the Amazon account charge through VISA. Reimbursements of this type should include original order detail supporting the charges to show all the items were school related.

We noted that the school store inventory taken at the end of the year was not signed. The Internal Accounts Manual requires two signatures.

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Mr. David Owens, Superintendents of Schools,
Clay County, Florida
Page Two

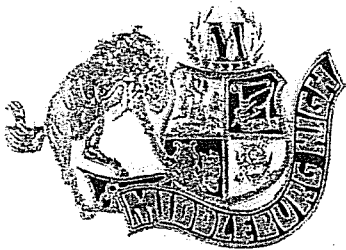
The internal funds accounting records were overall very neat and orderly. We also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board with the exception of the items noted above, were substantially followed by the School.

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, CPA's
CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

August 13, 2007



MIDDLEBURG HIGH SCHOOL

3750 County Road 220

MIDDLEBURG, FLORIDA 32068

PHONE: 904/291-5450

DAVID S. BROSKIE

PRINCIPAL

August 20, 2007

Conner, Hubbard & Company, P.A.
1106 Park Avenue
Orange Park, FL 32073

Sirs:

We have reviewed the management letter for our 2006-07 audit.

As per the Clay County School Board Internal Accounts Manual, page 9, the *procedures* were followed. We are awaiting the determination by the Clay County School Board's Business Affairs Office for account #5111-Recovery Fees.

Teachers/sponsors are continually reminded to give students the white copy of the receipt.

The missing receipt book had been checked in from the original teacher. An oversight occurred when issued to another teacher for use in the close of school; that teacher's name was not recorded. More care will be taken in the future at the close of school to avoid this situation.

Regarding the Amazon purchases, the librarian has been instructed to submit the detailed receipts in addition to the Amazon statement when requesting reimbursement for school purchases.

The school store sponsor has been reminded to follow the Clay County School Board Internal Funds Manual procedure requiring two signatures for the end of the year inventory.

Sincerely,

David S. Broskie
Principal

MONTCLAIR ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE
INTERNAL FUNDS
For the Year Ended June 30, 2007

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SHIRLEY W. HATCHER, CPA, P.A.

P.O. Box 541
Middleburg, FL 32050-0541
E-Mail Hatchcpa@bellsouth.net

(904) 282-7771
Fax (904) 282-6990

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 Montclair Elementary School for the year ended June 30, 2007. 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 Montclair Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

Shirley W. Hatcher, CPA, P.A.
SHIRLEY W. HATCHER, CPA, P.A.
August 14, 2007

MONTCLAIR ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2007

	Cash	Transactions		Interfund	Cash
	Balance	Receipts	Disburse-		Transfers
	July 1, 2006		ments		June 30, 2007
Music	\$.68	\$ 912.14	\$ 249.30	\$ (663.52)	\$ 0.00
Classes, Clubs & Departments	5,524.07	41,658.11	41,984.65	177.59	5,375.12
Trust	16,252.86	22,356.45	21,074.37	(432.92)	17,102.02
General	2,827.94	11,407.93	11,935.77	1,018.85	3,318.95
Outside Organi- zations	<u>13,696.05</u>	<u>26,425.34</u>	<u>22,551.18</u>	<u>(100.00)</u>	<u>17,470.21</u>
Total	<u>\$ 38,301.60</u>	<u>\$102,759.97</u>	<u>\$97,795.27</u>	<u>\$.00</u>	<u>\$ 43,266.30</u>

See accompanying notes to statement of cash receipts and disbursements.

MONTCLAIR ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2007

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 was earned on the SBA investment account at the rate of 5.36%, and total interest earned on the SBA investment account amounted to \$1,079.39.

NOTE 3

Of the June 30, 2007 cash balance of \$43,266.30 as reported on the Statement of Cash Receipts and Disbursements, \$21,977.38 is being held in a non-interest bearing checking account insured by the FDIC, \$20,615.48 is being held in the SBA investment account, and \$673.44 is being held in uncollected funds.



SHIRLEY W. HATCHER, CPA, P.A.

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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, Montclair Elementary School reported the following accounts payable or encumbrances at June 30, 2007 for the internal funds.

Accounts Payable

None

Encumbrance

None

The above amount agrees with the list provided by the school at June 30, 2007, 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 PA

SHIRLEY W. HATCHER, CPA, P.A.
August 14, 2007



SHIRLEY W. HATCHER, CPA, P.A.

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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 Montclair Elementary School for the year ended June 30, 2007, 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. Numerous instances involving teacher receipts and deposits compliance issues were noted. Funds were held by teachers for periods ranging from one night to over one month before being submitted to the bookkeeper. White copies of voided receipts were missing, date changes on receipt books and Report of Monies Collected forms were made, and listings on the Report of Monies Collected forms were not complete.
2. Deposits were not made within the terms of the Internal Funds Manual, as most were made only two times per month.
3. Five official receipts were listed as "voided" on the List of Sequential Receipts in December 2006, but the voided receipts were not maintained.

4. The monthly folders were not maintained in accordance with the Internal Funds Manual. Many disbursement documentation items were located in the folder for the month in which the check cleared, rather than in the folder with the Request for Purchase form in the month the check was written.
5. Request for Purchase forms were missing on several purchases, and a number of Request for Purchase forms did not have supporting documentation or receipts attached.
6. A signature stamp for the principal's signature is being used on some items. All documentation should contain the original signature of the principal for approval.
7. Six checks contained only one signature.
8. Three accounts exceeded the maximum balance allowed per the Internal Funds Manual.
9. Two checks have been outstanding for more than six months and should be voided in accordance with the Internal Funds Manual.
10. Fundraising forms were missing for five activities.

I recommend the District Office provide additional training for the accounting personnel at Montclair Elementary School.

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 14, 2007



Montclair Elementary School

2398 Moody Avenue
Orange Park, Florida 32073
Phone (904) 278-2030 • Fax (904) 278-2090

William J. Miller
Principal

Tracy McLaughlin
Assistant Principal

September 05, 2007

Mrs. Shirley W. Hatcher,

I want to thank you for your effort and time auditing Montclair's internal accounts. I view this process as a positive situation in order to abide by all school board policies and state legislation. In response to your noted items on the report, I would like to list the following actions to improve our bookkeeping procedures:

- We will continue to seek and provide professional development for Stacia Hood, Principal's Secretary/Bookkeeper, to improve and correct notes 1, 2, 3, 4, 5, 7, 8, 9, &10. Stacia was hired after the school year began in 2006 causing a delay in proper training of Clay County Policies.
- The principal signature stamp will be maintained by the principal and signed out for proper use (Note 6).
- Teachers will be informed of the correct check request process, monies collect procedures, and fundraising requirements.
- The PFA will be trained on proper fundraising procedures by the principal (Note 10).

I feel confident that the items noted in the audit report will be corrected by the actions stated above. If you have any questions or further suggestions please contact me at 278-2030 or wjmiller@mail.clay.k12.fl.us.

Professionally,
Bill Miller

Bill Miller
Principal

Oakleaf School
Statement of Cash Receipts
and
Disbursements of the
Internal Funds
June 30, 2007

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

June 30, 2007

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Independent Auditors' Report

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Oakleaf School for the year ended June 30, 2007. 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 Oakleaf School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

DDF CPA Group

August 7, 2007

ddfcpa.com

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Oakleaf School
Statement of Cash Receipts and Disbursements of the Internal Funds
As of and for the Fiscal Year Ended June 30, 2007

	<u>Balances</u> <u>July 1, 2006</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund</u> <u>Transfers</u>	<u>Balances</u> <u>June 30, 2007</u>
Athletics	\$ --	\$ 78,640.87	\$ 67,505.33	\$ (40.00)	\$ 11,095.54
Music	--	19,956.94	19,311.69	40.00	685.25
Classes, clubs and departments	--	117,527.53	102,219.17	--	15,308.36
Trust	--	50,265.30	45,115.95	--	5,149.35
General	7,758.04	54,924.48	50,170.07	--	12,512.45
Outside organizations	--	13,107.08	10,254.17	--	2,852.91
Total	<u>\$ 7,758.04</u>	<u>\$ 334,422.20</u>	<u>\$ 294,576.38</u>	<u>\$ --</u>	<u>\$ 47,603.86</u>

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

Oakleaf School
Notes to Statement of Cash Receipts and Disbursements
As of and for the Fiscal Year Ended June 30, 2007

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 Oakleaf 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 Oakleaf 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, 2007 cash balance, totaling \$47,603.86, consists of \$46,586.05 in a non-interest bearing checking account with AmSouth Bank and \$1,017.81 for checks returned for insufficient funds during the school year. The School expects to collect the returned checks.

Note 3 - Interest Income

The School earned \$0 in interest due to not having an investment account.

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. At fiscal year end, June 30, 2007, the School did not utilize an investment account.



Schedule of Accounts Payable and Encumbrances

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant
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 Oakleaf School at June 30, 2007. However, the School reported to us there were \$0 in encumbrances and \$0 in accounts payable outstanding at fiscal year end.

The accounts payable and encumbrances above agree with the Principal's Monthly report as of June 30, 2007.

Such auditing procedures as we considered necessary were applied to the verification of these accounts payable and encumbrance balances.

DDF CPA Group

August 7, 2007



Independent Auditors' Report on the Internal Control Structure and Other Matters

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant
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 Oakleaf School (the School) for the year ended June 30, 2007, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are presented below.

1. The Internal Accounts Manual of the Clay County School Board requires teachers and sponsors to obtain prior written approval from the principal or their designee for all fundraising activities. We noted that several fundraising activities did not have the required forms prepared by the school and approved. Monies collected by selling t-shirts, planners, advertisements for planners and school calendars did not have fundraising forms filled out by teachers and sponsors. In addition, we noted a majority of the fundraising forms were incorrectly filled out or missing a completed financial recap section. We recommend that school teachers and sponsors receive additional training on the preparation of fundraising forms and district procedures.
2. The Internal Accounts Manual of the Clay County School Board requires receipts to be supported by proper documentation, such as original deposit slips, report of monies collected, teacher receipts, invoices and/or receipts from vendors, and other forms of support. We discovered a couple of instances where monies were collected without the proper support being retained by the School. For example, cash collected for advertisements for student planners did not have any auditable supporting documentation. We would expect a letter from the advertiser or an advertisement form which described the size of the advertisement and / or sponsorship benefits. We recommend that the School comply with the documentation sections of the receipt procedures as described in the Internal Accounts Manual.
3. The Internal Accounts Manual of the Clay County School Board requires purchases to be approved prior to spending internal account funds. We noted a few disbursements that were approved after the purchases were ordered by the teachers and sponsors. We suggest that it is made clear to employees that school funds are not to be obligated prior to receiving written purchasing approval from the Principal. We recommend that all purchases have prior written approval, before checks are disbursed from internal account funds.

This report is intended solely for the information and use of the Clay County District Schools. This restriction is not, however, intended to limit the distribution of this report, which, upon acceptance, is a matter of public record.

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

Page Two

We wish to take this opportunity to thank the Principal, bookkeeper and staff for the cooperation and courtesies extended to us during our examination. We also would like to point out we found the records to be well maintained, organized, and very accurate with only noting a few areas of concern. We feel this is not an easy thing to accomplish with a new school with several bookkeepers. As always, 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 7, 2007



OakLeaf School
4085 Plantation Oaks Blvd.
Orange Park, FL 32065

Larry Davis, Principal
Jackie Cory, Vice Principal

Jeff Nelson, Asst. Principal
Tracey Kendrick, Asst. Principal

August 28, 2007

Tim Coleman
ddf CPA Group
P.O. Box 9089
Orange Park, Fla. 32006

To Whom It May Concern:

This letter is in response to the recent audit of our bookkeeping procedures at Oakleaf School for the 2006/07 school year. My responses to the three (3) items noted are as follows:

Reporting of significant deficiencies:

Item #1: **Completing Fund Raising Application.** Response: Information relating to fundraiser forms and explanation will be passed out to each team leader. Bookkeeper will improve her file system and follow-up procedures to insure forms are forwarded to the School District.

Item #2: **Turning in monies collected forms and receipt reporting:** Response: We have met with Team Leaders and the bookkeeper inserviced them on procedures relating to turning in the monies collected forms, receipts and money in a timely manner. Also, stressed the importance of logging in the receipt numbers on the monies collected forms. The bookkeeper will monitor this issue very closely throughout the school year.

Item #3: **Purchases made prior to request for approval:** Response: Organizations and teachers told to complete a purchase requisition prior to purchases. It is noted in the faculty handbook, bookkeeping procedures handbook, presented at various committee meetings and a memorandum was sent explaining this procedure.

Please feel free to contact me if you should have any additional information or concerns regarding our bookkeeping practices at Oakleaf School.

Sincerely,

A handwritten signature in cursive script that reads "Larry Davis".

Larry Davis
Principal

Orange Park Elementary School

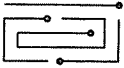
Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2007

**Conner, Hubbard & Company, P.A.
Certified Public Accountants
Orange Park, Florida**

**ORANGE PARK ELEMENTARY SCHOOL
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CONNER, HUBBARD & COMPANY, P.A.
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 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 Orange Park Elementary School for the year ended June 30, 2007. 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 Orange Park Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

Conner, Hubbard & Company, CPA's

CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

August 17, 2007

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

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212 North Davis Street
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ORANGE PARK ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2007

	Cash Balance July 1, 2006	Transactions			Cash Balance June 30, 2007
		Receipts	Disbursements	Transfers	
Music	\$81.84	\$696.00	\$775.43	\$0.00	\$2.41
Classes, Clubs & Departments	11,216.32	59,733.70	64,578.91	(215.65)	6,155.46
Trust	3,969.30	38,415.54	38,765.33	(286.60)	3,332.91
General	19,731.50	37,126.58	39,029.34	2,102.25	19,930.99
Outside Organizations	5,733.85	30,575.15	24,095.61	(1,600.00)	10,613.39
	<u>\$40,732.81</u>	<u>\$166,546.97</u>	<u>\$167,244.62</u>	<u>\$0.00</u>	<u>\$40,035.16</u>

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

ORANGE PARK ELEMENTARY SCHOOL

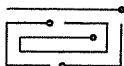
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For The Year Ended June 30, 2007

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 For the year ended June 30, 2007, no interest was earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$1,434.41 for the fiscal year ended June 30, 2007.

NOTE 3 The cash balance of \$40,035.16 at June 30, 2007, shown on the statement of cash receipts and disbursements consists of \$12,283.08 being held in the checking account, \$27,396.23 invested with the Clay County School Board, and \$355.85 in checks returned for insufficient funds.



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Taxation, Accounting, Pension Planning, and Business Counseling

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, listed below is a schedule of the accounts payable and encumbrances at June 30, 2007 of the Orange Park 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. These payables and encumbrances were not paid during the 2006-2007 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, 2007.

Accounts Payable

<u>VENDOR</u>	<u>Amount</u>
It's Elementary	<u>\$ 89.88</u>
Total	<u>\$ 89.88</u>

Encumbrances

<u>VENDOR</u>	<u>Amount</u>
Total	<u>\$ 0.00</u>

The Principal's Monthly Report for June 30, 2007 did not include accounts payable; however, the year-end records did include the cited invoice as a payable at year end. The bookkeeper acknowledges the omission of the above listed on the Principal's Monthly Report.

Conner, Hubbard & Company, CPA's

CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

August 17, 2007

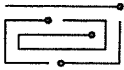
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CONNER, HUBBARD & COMPANY, P.A.

Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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 Orange Park Elementary School for the year ended June 30, 2007, 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:

We noted account 5100 – General Miscellaneous was improperly used to record two trust fund type activities. As a result, \$28,610.55 has been reclassified in the financial statement from General to Trust Fund. This reclassification has not been posted in the accounting records as they are closed for 2006. This reclassification has no effect on beginning or ending cash balances.

We noted that four activity accounts had an ending balance in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. These accounts were numbers 3165(P.E.), 3603(Gymnastics), 3701(Newspaper Team) and 5110(Interest). Two of the accounts consist of prior year balances that should have been transferred as these accounts have become inactive. The Gymnastics excess was explained and there are plans to apply the excess to assure the funds are used for their intended purpose. The Interest account includes two years of interest income that was not utilized by the principal for general purposes. We hope the new principal will avail herself of these funds in the coming school year.

We noted only one principal's report for the entire fiscal year indicated the amount of accounts payable. The accounts payable balance was omitted on the remaining eleven reports, including the final year-end report.

We noted that sales tax was paid on some reimbursement checks. The School is not liable for sales tax and should exclude any sales tax on reimbursement checks, unless the item being reimbursed would have been purchased by the School with sales tax due.

We noted three deposits were missing the required receipts to the payee.

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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Page 2 of 2

We noted that many check numbers were recorded in the ledger using a number different than the actual check number with which the disbursement was made and ultimately cleared the bank. We recommend careful monitoring of check batches to insure that the records match the actual transaction.

We noted Report of Monies Collected forms are incomplete. The receipt number is not included in the top left corner.

We noted three disbursements without a check requisition form or invoice. One of the instances included a quote; however, the final purchase was for a different amount.

We noted that the School store had current year activity but there was no inventory taken at the end of the year. The Internal Accounts Manual requires inventory to be taken twice a year and that the inventory report be signed by two individuals.

We noted that the checks returned for insufficient funds at the end of the year included checks over one year old. We recommend a review of these checks to determine if all are still considered collectible.

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 with the exception of those listed.

We commend the principal and the bookkeeper. We encourage the bookkeeper to continue to implement all aspects of the School Board's internal funds policies. 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, CPA's

CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

August 17, 2007



Orange Park Elementary School

1401 Plainfield Avenue
Orange Park, Florida 32073-3996
Telephone: (904) 278-2040
An Equal Opportunity Employer

Conner, Hubbard & Company, P.A.
Attn: Stella

Per this letter, we are responding to the following deficiencies noted in our audit for the year ending June 30, 2007.

We noted only one principal's report for the entire fiscal year indicated the amount of accounts payable. The accounts payable balance was omitted on the remaining eleven reports, including the final year-end report.

We noted that sales tax was not paid on some reimbursements checks. The School is not liable for sales tax and should exclude any sales tax on reimbursements checks, unless the item being reimbursed would have been purchased by the School with sales tax due.

We noted three deposits were missing the required receipts to the payee.

We noted three disbursements without a check requisition form or invoice. One of the instances included a quote, however, the final purchase was for a different amount.

We noted that the School Store had current year activity but there was no inventory taken at the end of the year. The Internal Accounts Manual requires inventory to be taken twice a year and that the inventory report be signed by two individuals.

Response: In the future the Internal Accounts Manual will be followed and maintained closely in order to safeguard the assets of the Schools internal funds.

We noted that many check numbers were recorded in the ledger using a number different than the actual check with which the disbursement was made ultimately cleared the bank

Response: We will carefully monitor the checks as they have to be loaded in a certain way and you can only load 4 checks at a time to insure they are printed correctly.

We noted Report of Monies Collected forms are incomplete. The receipt number is not included in the top left corner.

Response: The receipt with the number was attached to the monies collected forms. In the future we will also include the number on the Monies Collected Form.

We noted that the checks returned for insufficient funds at the end of the year included checks over one year old. We recommend a review of these checks to determine if all are still considered collectible.

Response: We will pay close attention to the checks that are still in the insufficient fund account and review this account to see if they are still considered collectible.

Sincerely,

Nancy Crowder

Nancy Crowder
Asst. Principal

NAC:tjw

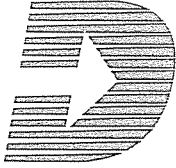
ORANGE PARK HIGH SCHOOL

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

**FOR THE YEAR ENDED
JUNE 30, 2007**

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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 Orange Park High School for the year ended June 30, 2007. 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 Orange Park High School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

DuVal & Company, CPAs, P.A.
DuVal & Company, CPA's, P.A.
August 15, 2007

Orange Park High School

Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2007</u>
Athletics	\$ 20,495.90	\$ 290,727.45	\$ 280,366.30	\$ 13,984.51	\$ 44,841.56
Music	10,178.74	68,602.54	61,288.86	641.00	18,133.42
Classes, Clubs and Departments	103,985.32	346,526.49	337,662.53	8,852.91	121,702.19
Trusts	45,176.71	83,985.77	89,936.93	(5,071.02)	34,154.53
General	95,592.67	137,696.19	115,608.31	(18,889.65)	98,790.90
Outside Organizations	<u>4,222.59</u>	<u>36,535.43</u>	<u>35,863.31</u>	<u>482.25</u>	<u>5,376.96</u>
TOTALS	<u>\$ 279,651.93</u>	<u>\$ 964,073.87</u>	<u>\$ 920,726.24</u>	<u>\$ (0.00)</u>	<u>\$ 322,999.56</u>

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

ORANGE PARK HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2007

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 Orange Park 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 Orange Park High School.

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning that 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.

ORANGE PARK HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2007

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.

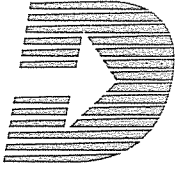
NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2007 cash balance, totaling \$322,999.56 consists of \$32,126.64 in an interest bearing checking account with Heritage Bank, \$289,060.90 in an investment account with the Clay County School Board, and \$1,812.02 in NSF checks receivable, which are expected to be collected.

The school confirmed that there are no other bank accounts for school operations other than those listed above.

NOTE 3 - INTEREST INCOME

Interest earned on the checking account during the year ended June 30, 2007, was \$1,141.15. This represented a yield of approximately 6.24% for that period. Interest earned on the SBA investment account during the year ended June 30, 2007 was \$15,134.77. This represented a yield of approximately 5.38% 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 Orange Park High School at June 30, 2007.

ACCOUNTS PAYABLE

Just for Kix	\$ 356.82
Total	<u>\$ 356.82</u>

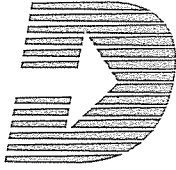
ENCUMBRANCES

ALGY	\$ 3,224.00
TCI	3,326.88
Varsity	<u>668.50</u>
Total	<u>\$ 7,219.38</u>

The accounts payable and encumbrances above do not agree with the Principal's Monthly Report for June 30, 2007.

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

DuVal & Company, CPAs, PA
DuVal & Company, CPA's, P.A.
August 15, 2007



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 Orange Park High School for the year ended June 30, 2007, 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 four (4) occasions during the year, the principal's report was dated after the 15th of the month.
2. The change fund procedures are not being followed properly. According to the Internal Funds Manual, transactions to establish and repay change funds for events are to be made through the change fund account (995). There were several change funds that were established for various activities that were disbursed and redeposited into the activity accounts instead of the change fund account. In some instances, transfers of the funds were made to other activity accounts. When the start-up change funds are returned to the bookkeeper, a separate deposit slip is required per the manual. A separate deposit slip was not prepared. Since the funds were not handled through the 995 account and were not redeposited according to the

manual, it made tracking more difficult and may have increased the risk of losing funds.

3. The completion of the fundraiser forms appears to be much improved from the previous year. However, we would like to note that the concession stand during baseball season was indicated as having been "robbed 6 times," with an estimated loss of \$2,000. According to the bookkeeper, the loss was in merchandise and no cash was reported as stolen.

4. The activity transfer forms are not being properly completed as required by the manual. Out of 212 transfers tested during the year, only 16 had the necessary signatures of all parties. In addition, the reason given for several transfers was to correct an account posted. The forms are imprinted, "Transfer request is NOT to be used for adjusting an error in posting."

5. During our cash receipts testing, we noted that, on three (3) occasions during our receipt testing month, funds were held over the weekend before depositing. A group of seven (7) teacher's receipts did not have the day completed on the forms. One teacher's receipt book (#170) was accounted for on the receipt book log but was not in the box of books provided by the school.

6. The inventory of gate tickets appears to have been handled better than in the previous year. However, one log ends with Ticket 425481, and the unused roll of tickets begins with Ticket 425497. This leaves fourteen (14) unaccounted for and missing.

7. The school is not in compliance with the policy for the school store. The inventory is supposed to be taken and signed by two individuals. Monies are also to be deposited on a weekly basis or when receipts are more than \$50, whichever comes first. Both the beginning and ending inventory were signed by one individual (the same each time). Deposits are periodically made, but they do not follow the prescribed schedule. The school is not completing the school inventory sheet properly. It appears that they are only including the item description and the number of items on hand. Care should be taken to prepare the form in its entirety.

8. During our testing of cash disbursements, we noted seven (7) handwritten checks that appear to have been presigned by either the bookkeeper or the principal. The manual states that checks are not to be presigned. Generally, disbursements appeared to be handled according to procedure. However, in five (5) instances during our test month, we noted that there were changes made in the amounts requested and also in the amounts approved on the Request for Purchase Approval and Check Requisition forms. On one (1) of those occasions, the number was changed three (3) times. None of the changes noted were initialed by the faculty/sponsor, bookkeeper, or principal.

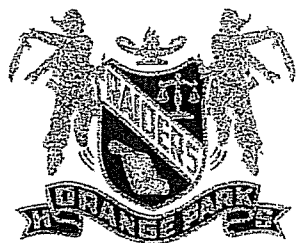
9. We tested cash disbursements of \$1,000 or more throughout the year to determine if the purchasing policies were being followed as prescribed by the manual. In three (3) instances, purchases were made and the required phone quotations were not noted in the supporting documentation. Upon request, the bookkeeper obtained the information from the faculty member/sponsor and provided it to us. However, this information should have been required before approval and payment was made.

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 generally followed by the school.

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, CPA's, P.A.
DuVal & Company, CPA's, P.A.
August 15, 2007



ORANGE PARK HIGH SCHOOL

“HOME OF THE RAIDERS”

MICHAEL WINGATE
Principal

RAY DUKES
Vice Principal

KIM ALFORD
MICHAEL ELIA
MICHELLE ROVIRA-DALY
WILLIAM FLETCHER
Assistant Principals

August 31, 2007

DuVal & Company
428 Walnut Street
Green Cove Springs, FL 32043

Dear Sirs,

Thank you for the courteous and efficient manner with which you conducted the recent audit of the Internal Funds of Orange Park High School for 2006-2007.

We will take the following steps to eliminate the items noted in your audit report for the school year 2007-2008.

1. The bookkeeper will attempt to have principal's report done before the 15th of the month.
2. The change fund procedures will be followed as per rules in the Internal Accounts Manual.
3. The fundraising forms will continue to be monitored by the bookkeeper for their completeness.
4. The activity transfer forms will be properly completed with the necessary signatures of all parties. Transfer forms will not be used to correct an account that had an error in posting.
5. The faculty of Orange Park High will be reminded that no monies are to be held overnight or over a weekend and to have the date completed on the forms. If a receipt book is missing, the bookkeeper will have an explanation.
6. The Athletic Director will be advised of their responsibility to keep proper records of the ticket numbers.
7. The individual in charge of the school store will be advised of the rules regarding operation and maintenance per the Internal Accounts Manual.

2300 Kingsley Avenue, Orange Park Florida 32073
Phone (904) 272-8110 Fax (904) 272-8181

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8. Checks that are handwritten or pre-signed will be monitored by the bookkeeper. If there are any changes on the Check Requisition form they will be initialed by the principal, sponsor or bookkeeper.
9. The faculty will be advised of the rules for making purchases over \$1,000 per the Internal Accounts Handbook.

Carole Lowe
Bookkeeper

Carole Lowe

Michael Wingate
Principal

Michael Wingate