

Adult & Community Education

Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2011

Adult & Community Education

Table of Contents

Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements of the Internal Funds	2
Notes to the Financial Statements	3
Supplemental Information:	
Schedule of Accounts Payable and Encumbrances	5
Report on Internal Control Over Financial Reporting / Communication with Those Charged with Governance	6
Management's Response to Audit Findings	9



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Report

Mr. Ben Wortham, Superintendent
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice-Chairman
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Ms. Janice Kerekes

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Adult & Community Education (the School) for the year ended June 30, 2011. 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 financial statements are 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 Adult & Community Education for the year ended June 30, 2011 on the basis of accounting described in Note 1.

Coleman & Associates Cpa Firm

August 17, 2011

Adult & Community Education
Statement of Cash Receipts and Disbursement of the Internal Funds
For the Year Ended June 30, 2011

<u>Accounts</u>	<u>Cash Balance July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2011</u>
Trust	\$ 2,257.52	\$ 2,135.48	\$ 2,552.53	\$ -	\$ 1,840.47
General	<u>1,289.03</u>	<u>5,423.28</u>	<u>4,872.52</u>	<u>-</u>	<u>1,839.79</u>
Totals	<u>\$ 3,546.55</u>	<u>\$ 7,558.76</u>	<u>\$ 7,425.05</u>	<u>\$ --</u>	<u>\$ 3,680.26</u>

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

**Adult & Community Education
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011**

Note 1 – Summary of Significant Accounting Policies

Reporting entity

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

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

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning the administration of the 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 School's accounting policy is to prepare its financial statements using a comprehensive basis of accounting known as cash. This means that revenues are recognized in the financial statements when received instead of when earned and expenses are recognized when paid rather than when the liability was incurred. This basis of accounting is not in conformity with generally accepted accounting principles. Accordingly, the accompanying financial 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

As of June 30, 2011, the School's total cash balance of \$3,680.26 consists of \$2,912.76 held in a non-interest bearing checking account and \$767.50 held in an investment account. The School earned \$2 during the fiscal year by investing excess funds into the Local Government Trust Fund (Florida PRIME).

Note 3 – Investments

The School Board has 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 has invested excess funds in savings and deposit accounts with Qualified Public Depositories and also with the Florida State Board of Administration (SBA), Local Government Surplus Funds Trust Fund (Florida PRIME). Florida PRIME was created in 1977 and currently has over 800 participants.

**Adult & Community Education
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011
(Concluded)**

Note 3 – Investments (concluded)

The School invested funds with Florida PRIME during the fiscal year and these investments had an average maturity of thirty-one days. In accordance with GASB Statement No. 40, investment information is as follows:

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

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

As of June 30, 2011, the Schools invested money in Florida PRIME. Florida PRIME is considered a SEC 2a-7 like fund and the account balance equals the fair value. Florida PRIME is rated by Standard and Poors and the current rating is AAAM, which demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

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

Note 4 - Subsequent Events

Generally accepted accounting principles require the disclosure of significant events or transactions that occur after the balance sheet date but before the financial statements are issued. The School has evaluated subsequent events through August 17, 2011 and found no significant events or transactions that should be recorded. The evaluation date is considered to be the date the financial statements are available to be issued.

Supplemental Information



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Schedule of Accounts Payable and Encumbrances

Mr. Ben Wortham, Superintendent
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice-Chairman
Ms. Lisa Graham
Mr. Charles Van Zant
Ms. Janice Kerekes

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2011, for Adult & Community Education's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 2011, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2011. Accounts payable and encumbrances are as follows:

Accounts Payable as of June 30, 2011

<u>Amount</u>	<u>Vendor</u>
\$ --	

Encumbrances as of June 30, 2011

\$ --

The above accounts payable amount was reported on the June 30, 2011 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

Coleman & Associates Cpa firm

August 17, 2011



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Mr. Ben Wortham, Superintendent
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice-Chairman
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Ms. Janice Kerekes

Honorable Members:

We have audited the internal funds financial statement of Adult & Community Education as of and for the fiscal year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the internal funds of Adult & Community Education for the year ended June 30, 2011; in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, we did note the following matter involving the internal control and its compliance with Florida Statutes, State Board of Education Rules and rules of the School Board that we have described below:

- We noted the School collects monies from vending activities, which is classified as a trust account. We believe that the spending of vending funds is more general in nature and not a trust activity. We recommend the School transfer vending receipts to the Principal's discretionary account and spending should be charged to this account.

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

We would like to express that we observed the internal funds accounting records were neat and organized. We also noted that except for the comments described above we found that the School substantially followed the procedures outlined in the Clay County School Board Internal Accounts Manual.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The firm of Coleman and Associates, CPA Firm has remained independent of Clay County District School Board, as defined by AU Section 220, U.S. Professional Auditing Standards and the AICPA's Interpretation 101-3, *Performance of Nonattest Services*.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the internal funds financial statements are free of material misstatement. As part of our audit, we considered the internal control of Clay County District School Board. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We performed the audit according to the planned scope and timing. Our audit of the internal funds financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2011. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The disclosures in the financial statements are neutral, consistent, and clear. There were no particularly sensitive estimates significantly affecting the internal funds financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

It was a pleasure to work with the School's Principal, Bookkeeper and staff. We appreciate the opportunity to be of service to the Clay County District Schools and look forward to a continuing relationship.

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

Coleman & Associates Cpa firm

August 17, 2011



CENTER FOR ADULT AND COMMUNITY EDUCATION
SCHOOL DISTRICT OF CLAY COUNTY

2306 Kingsley Avenue
Orange Park, Florida 32073
(904) 272-8170

Ben Wortham
Superintendent of Schools
Green Cove Springs 284-6500
Orange Park 272-8170
Keystone Heights 352-473-2761

August 19, 2010

Mr. Timothy Coleman
Coleman & Associates, CPA Firm
P.O. Box 8279
Fleming Island, FL 32006

Dear Mr. Coleman:

Thank you for your thorough and professional audit of our internal accounts for the 2010/2011 school year. We are pleased that the financial statement, which was prepared on the basis of cash receipts and disbursements, has been represented correctly.

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

- Every effort will be made to transfer vending receipts to the Principal's discretionary account in order for the disbursements described in the Auditor's report to be charged to this account.

Sincerely,

John Chappell
Supervisor

**Argyle Elementary School
Internal Funds**

**Statement of Cash Receipts
and Disbursements**

June 30, 2011

**Argyle Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
June 30, 2011**

Table of Contents

Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements	2
Notes to Financial Statement	3
Management Letter & Communication with Those Charged with Governance	4



Independent Auditors' Report

District School Board
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the Argyle Elementary School Internal Funds for the year ended June 30, 2011. 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 Statements, the accompanying financial statement includes only the financial activities of the Argyle Elementary School Internal Funds. 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 the Argyle Elementary School Internal Funds for the year ended June 30, 2011, on the basis of accounting described in Note 1.

DDF CPA Group

August 11, 2011

ddfcpa.com

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

**Argyle Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2011</u>
Music	\$ 125.55	\$ 1,197.00	\$ 2,147.59	\$ 1,259.37	\$ 434.33
Classes, Clubs and Departments	8,193.35	42,005.95	40,899.92	(902.59)	8,396.79
Trusts	7,719.53	16,989.33	17,335.13	(606.44)	6,767.29
General	10,180.17	26,492.59	28,835.53	659.46	8,496.69
Outside Organizations	<u>12,915.74</u>	<u>22,005.26</u>	<u>29,914.84</u>	<u>(409.80)</u>	<u>4,596.36</u>
	<u>\$ 39,134.34</u>	<u>\$ 108,690.13</u>	<u>\$ 119,133.01</u>	<u>\$ -</u>	<u>\$ 28,691.46</u>

See accompanying Notes to Financial Statement

**Argyle Elementary School
Internal Funds
Notes to Financial Statement
For the Year Ended June 30, 2011**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statement includes the effects of transactions and balances relating to the internal fund activities of Argyle Elementary School.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the Clay County School Board, as this financial statement only includes the accounts at Argyle Elementary School.

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, 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, 2011 cash balance, totaling \$28,691.46 consists of \$28,611.46 in a non-interest bearing checking account and \$80.00 in checks returned to the school for insufficient funds. The School will either collect and re-deposit the NSF checks or seek approval from the District School Board to write them off as uncollectible after collection efforts have been exhausted. Interest earnings for the year ended June 30, 2011 amounted to \$0.

Note 3 - Accounts Payable and Encumbrances

As requested by the Clay County School Board, the following is a schedule of accounts payable at June 30, 2011.

Accounts Payable	
<u>Vendor</u>	<u>Amount</u>
Karan Frazier	\$ 39.65
Publix	45.36
	<hr style="width: 100%;"/>
	\$ 85.01
	<hr style="width: 100%;"/>

There were no encumbrances at June 30, 2011.



Management Letter

District School Board
Clay County, Florida

In planning and performing our audit of the financial statements of Argyle Elementary School as of and for the year ended June 30, 2011, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, we do not express an opinion on the effectiveness of the Argyle Elementary School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Argyle Elementary School's internal control to be significant deficiencies:

- To make certain that funds collected each year are expended to benefit current students, the School Board has set account limits on ending balances. Pursuant to Section I (H) of the internal accounts manual, if the ending account balance is greater than the prescribed balance either a transfer should be made to the general miscellaneous account or written notice signed by the principal shall be prepared. We noted neither requirement was done on accounts that were over the allowable balances.

- According to Section IV (F) of the internal accounts manual, purchases from internal funds must be authorized in writing by the principal or designee. In addition, payments may only be made from valid invoices. We noted instances where a purchase order to demonstrate approval of purchase was not completed and disbursements that were made without an attached or supporting invoice.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2010 audit report, all items noted were either corrected or we noted that improvement was made.

Communication With Those Charged With Governance

Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Statement of Cash Receipts and Disbursements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates significantly affecting the financial statement.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 11, 2011.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention

This communication is intended solely for the information and use of management and the Clay County District School Board, 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 Argyle Elementary School 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.

DDF CPA Group

August 11, 2011



We are all Pioneers...

...Pathfinders on the Trail of a New Frontier

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

Jessica Parman, Assistant Principal
jppullen@mail.clay.k12.fl.us

August 30, 2011

DDF CPA GROUP.
P.O. Box 996
Fleming Island FL 32003

Dear DDF CPA Group:

This letter is in response to the audit report of the internal funds of Argyle Elementary School for the year ending June 30, 2011. Steps have been taken to correct the items noted in our audit draft for the 2011-2012 school year.

1. In regards to the account limits set on ending balances, the bookkeeper will make certain that if the ending account balance is greater than the prescribed balance a transfer will be made to the general account or a written notice signed by the principal will be prepared.
2. In regards to purchases made from internal accounts the bookkeeper has reviewed the Internal Accounts Manual and will take note that each check request and purchase order contains proper authorization in writing by the principal or designee. In addition the bookkeeper will make payments only from valid invoices.

Argyle Elementary appreciates the patience and guidance of our auditor, DDF CPA Group. We would like to thank DDF CPA Group for being extremely helpful and understanding.

Sincerely,

Theresa Roman
Principal

R.C. Bannerman Learning Center

Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2011

R.C. Bannerman Learning Center

Table of Contents

Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements of the Internal Funds	2
Notes to the Financial Statements	3
Supplemental Information:	
Schedule of Accounts Payable and Encumbrances	5
Report on Internal Control Over Financial Reporting / Communication with Those Charged with Governance	6
Management's Response to Audit Findings	9



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Report

Mr. Ben Wortham, Superintendent
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice-Chairman
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Ms. Janice Kerekes

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of R.C. Bannerman Learning Center (the School) for the year ended June 30, 2011. 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 financial statements are 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 R.C. Bannerman Learning Center for the year ended June 30, 2011 on the basis of accounting described in Note 1.

Coleman & Associates Cpa firm

August 9, 2011

**R.C. Bannerman Learning Center
Statement of Cash Receipts and Disbursement of the Internal Funds
For the Year Ended June 30, 2011**

Accounts	Cash Balance July 1, 2010	Receipts	Disbursements	Transfers	Cash Balance June 30, 2011
Classes, Clubs and Departments	\$ 1,559.33	\$ 5,808.12	\$ 4,470.13	\$ (74.19)	\$ 2,823.13
Trust	12,121.75	16,243.63	17,894.84	(9,802.57)	667.97
General	1,647.36	841.48	6,336.68	9,876.76	6,028.92
Totals	<u>\$ 15,328.44</u>	<u>\$ 22,893.23</u>	<u>\$ 28,701.65</u>	<u>\$ --</u>	<u>\$ 9,520.02</u>

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

**R.C. Bannerman Learning Center
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011**

Note 1 – Summary of Significant Accounting Policies

Reporting entity

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

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

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning the administration of the 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 School's accounting policy is to prepare its financial statements using a comprehensive basis of accounting known as cash. This means that revenues are recognized in the financial statements when received instead of when earned and expenses are recognized when paid rather than when the liability was incurred. This basis of accounting is not in conformity with generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and resulted of operations in conformity with generally accepted accounting principles.

Note 2 – Cash and Cash Equivalents

As of June 30, 2011, the School's total cash balance of \$9,520.02 was held in a non-interest bearing checking account and \$0 held in an investment account at year end. The School earned \$6.18 during the fiscal year by investing excess funds into the Local Government Trust Fund.

Note 3 – Investments

The School Board has 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 school has invested excess funds in savings and deposit accounts with Qualified Public Depositories and also with the Florida State Board of Administration (SBA), Local Government Surplus Funds Trust Fund (Florida PRIME). Florida PRIME was created in 1977 and currently has over 800 participants.

**R.C. Bannerman Learning Center
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011
(Concluded)**

Note 3 – Investments (concluded)

The School invested funds with Florida PRIME during the fiscal year and these investments had an average maturity of thirty-one days. In accordance with GASB Statement No. 40, investment information is as follows:

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

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

During the fiscal year, the School invested money in Florida PRIME. Florida PRIME is considered a SEC 2a-7 like fund and the account balance equals the fair value. Florida PRIME is rated by Standard and Poors and the current rating is AAAM, which demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.

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

Note 4 - Subsequent Events

Generally accepted accounting principles require the disclosure of significant events or transactions that occur after the balance sheet date but before the financial statements are issued. The School has evaluated subsequent events through August 9, 2011 and found no significant events or transactions that should be recorded. The evaluation date is considered to be the date the financial statements are available to be issued.

Supplemental Information



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Schedule of Accounts Payable and Encumbrances

Mr. Ben Wortham, Superintendent
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice-Chairman
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Ms. Janice Kerekęs,

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2011, for R.C. Bannerman Learning Center's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 2010, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2011. Accounts payable and encumbrances are as follows:

Accounts Payable as of June 30, 2011

\$ --

Encumbrances as of June 30, 2011

\$ --

The above accounts payable amount was reported on the June 30, 2011 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

Coleman & Associates Cpa firm

August 9, 2011



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Mr. Ben Wortham, Superintendent
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice-Chairman
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Ms. Janice Kerekes

Honorable Members:

We have audited the internal funds financial statement of R.C. Bannerman Learning Center as of and for the fiscal year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the internal funds of R.C. Bannerman Learning Center for the year ended June 30, 2011; in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did note the following or significant deficiencies involving the internal control and its compliance with Florida Statutes, State Board of Education Rules and rules of the School Board that we have described below:

- Teachers and sponsors have not been required to support reports of monies collected forms with receipts issued. We noted that a couple of teachers issued two receipts during the fiscal year and we could not verify that these funds were deposited into the internal accounts. The receipts were for the sale of a yearbook in the amount of \$25 and the sale of a DVD for \$10. We recommend that receipt books be provided at the time of turning in monies to check that all receipts have been turned into the bookkeeper and that monies have been turned in timely.
- We noted one instance of monies being held 4-5 days and over a weekend by a teacher. Monies collected for DVD sales in the amount of \$70 were not turned into the bookkeeper timely. School Board policies require that monies be turned in the same day as collected. Persons who fail to turn in cash collected each day will be held personally responsible for loss.

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

We would like to express that we observed the internal funds accounting records were neat and organized. We also noted that except for the comments described above we found that the School substantially followed the procedures outlined in the Clay County School Board Internal Accounts Manual.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The firm of Coleman and Associates, CPA Firm has remained independent of Clay County District School Board, as defined by AU Section 220, U.S. Professional Auditing Standards and the AICPA's Interpretation 101-3, *Performance of Nonattest Services*.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the internal funds financial statements are free of material misstatement. As part of our audit, we considered the internal control of Clay County District School Board. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We performed the audit according to the planned scope and timing. Our audit of the internal funds financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2011. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The disclosures in the financial statements are neutral, consistent, and clear. There were no particularly sensitive estimates significantly affecting the internal funds financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

It was a pleasure to work with the School's Principal, Bookkeeper and staff. We appreciate the opportunity to be of service to the Clay County District Schools and look forward to a continuing relationship.

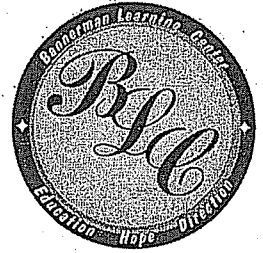
This report is intended solely for the information and use of the Clay County School Board management and others within the Organization.

Coleman & Associates Cpa firm

August 9, 2011

Bannerman Learning Center

608 Mill Street • Green Cove Springs, Florida 32043
Phone: (904) 529-2100 Fax: (904) 529-1025



Linda K. Turner, Principal
Patrick Capriola, Assistant Principal

August 18, 2011

Coleman & Associates,

Bannerman Learning Center will in the future ask each staff member that writes receipts to also turn in their receipt book at the time they turn in their monies collected form so that my bookkeeper can check to make sure all are in order. We will also meet with the faculty/ staff members to make sure they understand that all monies must be turned into my bookkeeper on the day the money is given to them. We will also remind the faculty staff that money must not be held over the weekend. That they will be held responsible if money is not turned into the bookkeeper daily.

Thank you,

Linda K. Turner

Principal

Renee Taylor

Principal's Secretary

Charles E. Bennett Elementary School

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

For the Year Ended June 30, 2011

Contents

	PAGE
Independent Auditors' Report	3
Statement of Cash Receipts and Disbursements of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5-6
Supplemental Information	
Schedule of Accounts Payable and Encumbrances	7
Independent Auditors' Report on Internal Control And Auditors' Communications With Those Charged With Governance	8-11

ADAMS & HARPER, PA

Certified Public Accountants

1665 Kingsley Avenue, Suite 100

Orange Park, Florida 32073

Telephone (904) 269-7077 Fax (904) 264-0930

www.adams-harper-pa.com

Gary O. Harper, CPA
John A. Adams, CPA
Beth A. Linder, CPA
Kathlyn C. Jordan, CPA

Members:
American and Florida Institutes
of Certified Public Accountants

Independent Auditors' Report

Mr. Ben Wortham, Superintendent of Schools and Board Members
Clay County, Florida

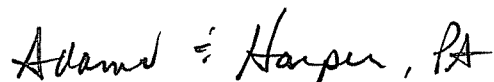
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2011. 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.



Adams & Harper, PA
Certified Public Accountants
July 25, 2011

**Charles E. Bennett Elementary School
Statement of Cash Receipts and Disbursements
of the Internal Funds
For the Year Ended June 30, 2011**

	Cash Balance July 1, 2010	Transactions			Cash Balance June 30, 2011
		Receipts	Disburse- ments	Transfers	
Music	\$ 1,492.81	\$ 7,759.15	\$ 8,221.71	\$ -	\$ 1,030.25
Classes, Clubs, Departments	7,282.10	38,731.41	34,973.22	(1,204.87)	9,835.42
Trust	1,374.24	3,363.50	2,682.29	(547.74)	1,507.71
General	7,924.41	32,651.45	31,114.96	1,752.61	11,213.51
Outside Funds	10,248.45	-	35.00	-	10,213.45
Total	\$ 28,322.01	\$ 82,505.51	\$ 77,027.18	\$ (0.00)	\$ 33,800.34

See accompanying notes and independent auditors' report

**Charles E. Bennett Elementary School
Notes to Statement of Cash Receipts
and Disbursements of the Internal Funds
For the Year Ended June 30, 2011**

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 Charles E. Bennett Elementary 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 Charles E. Bennett Elementary School.

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

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

Basis of accounting

The accompanying financial 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, this statement is not intended to present financial position nor results of operations in conformity with generally accepted accounting principles.

Investments

The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts classified as cash equivalents, consisting of the State Board of Administration Local Government Surplus Trust Funds Investment Pool, which effective July 1, 2009, became known as Florida PRIME.

An investment in Florida PRIME is not insured or guaranteed by any government or government agency. Such investments are considered a contingent risk under generally accepted accounting principles.

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds
Page 2

Note 2 - Cash

The June 30, 2011, ending cash balance of \$ 33,800.34 consists of \$ 12,643.83 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)) and \$ 21,156.51 held in an investment account with Florida PRIME, as described in Note 1.

Note 3 - Interest Income

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 60.70, representing an annual yield of approximately 0.29%.

Note 4 – Subsequent Events

The School has evaluated subsequent events through July 25, 2011 the date of the independent auditors' report. There were no material subsequent events to report.

ADAMS & HARPER, PA

Certified Public Accountants

1665 Kingsley Avenue, Suite 100

Orange Park, Florida 32073

Telephone (904) 269-7077 Fax (904) 264-0930

www.adams-harper-pa.com

Gary O. Harper, CPA
John A. Adams, CPA
Beth A. Linder, CPA
Kathlyn C. Jordan, CPA

Members:
American and Florida Institutes
of Certified Public Accountants

Schedule of Accounts Payable and Encumbrances

Mr. Ben Wortham, Superintendent of Schools and Board Members
Clay County, Florida

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, 2011 of the Charles E. Bennett 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 accounts payable and encumbrances. The accounts payable and encumbrances were not paid during the 2010-2011 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2011.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Enterprise Rental	\$ 100.00
	Evelyn Chastain	\$ 90.00
	Oriental Trading	\$ 75.00
	TOTAL	\$ 265.00

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

The above accounts payable and encumbrances amount agree with the Principal's Monthly Report as of June 30, 2011.

Adams & Harper, PA

Adams & Harper, PA
Certified Public Accountants
July 25, 2011

ADAMS & HARPER, PA

Certified Public Accountants

1665 Kingsley Avenue, Suite 100

Orange Park, Florida 32073

Telephone (904) 269-7077 Fax (904) 264-0930

www.adams-harper-pa.com

Gary O. Harper, CPA
John A. Adams, CPA
Beth A. Linder, CPA
Kathlyn C. Jordan, CPA

Members:
American and Florida Institutes
of Certified Public Accountants

Mr. Ben Wortham, Superintendent of Schools and Board Members
Clay County, Florida

Honorable Members:

Our report on internal control and our communication with those charged with governance for Charles E. Bennett Elementary School follows.

Independent Auditors' Report on Internal Control

In planning and performing our audit of the financial statement of Charles E. Bennett Elementary School for the year ended June 30, 2011, 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 financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness as defined above. However, we identified a single deficiency in internal control over financial reporting which is described below, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following single item to be a significant deficiency in internal control.

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

While we acknowledge that personnel may not always be available to permit an acceptable separation of duties and responsibilities, we think it is important to make you aware of this condition and to encourage the use of oversight and monitoring.

Auditor Communications With Those Charged With Governance

Professional standards require that we communicate with you concerning certain important items and matters related to our audit.

We have audited the statement of cash receipts and disbursements of Charles E. Bennett Elementary School Internal Accounts (School) for the year ended June 30, 2011 and have issued our report thereon dated July 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 16, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Your Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Charles E. Bennett Elementary School Internal Funds are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Disclosures in the financial statements are clear and consistent. The use of the cash basis of reporting is highlighted to alert any reader of that convention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such adjustments were noted during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter previously delivered to us in connection with our audit.

Other Audit Findings or Issues

We also wish to inform you that we discovered other minor compliance violations (listed below) and accordingly, we recommend you review the frequency and materiality of these violations and take mitigating actions to improve the general environment and climate of your operations. Without the attention of your staff and your bookkeeper to the compliance requirements as described in the Internal Accounts Manual, you are increasing your risk that errors or other more serious actions may occur and not be detected in the normal course of your operations. We encourage you to reinforce the importance with each staff person or teacher to follow the guidelines described in the Internal Accounts Manual, provide an adequate training environment for participating employees or volunteers to understand their duties and for you to expect each such person to comply with the required steps of performance.

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

- Three instances of Reports of Monies Collected being incorrectly completed.
- Two instances of teacher receipts being altered instead of voided by teachers.
- Three instances of erroneous fundraiser applications.
- One instance of fundraiser receipts being collected after the financial recap was completed and signed.
- One instance of a disbursement check not agreeing to the vendor invoice.

Mr. Ben Wortham, Superintendent of Schools and Board Members
Clay County, Florida
Page 4

Follow-up on Prior Year Audit Findings

As part of our current year audit, we considered your attention to prior year audit findings. We noted minor violations of the Internal Accounts Manual again this year which were comparable to those noted in the prior year.

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 your school and look forward to a continuing relationship.

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

Adams & Harper, PA

Adams & Harper, PA
Orange Park, FL
July 25, 2011

Charles E. Bennett Elementary School

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

Evelyn Chastain
Principal

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

Mark G. Phelps
Assistant Principal

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

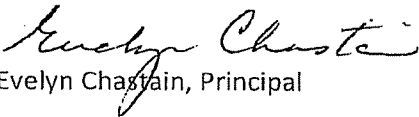
To Whom It May Concern:

Dolly Conner and I would like to thank you for the way that you conducted the audit of accounts at Charles E. Bennett Elementary School. Since Mrs. Conner is finishing her first full year as a bookkeeper at the school, your suggestions and constructive comments were most appreciated. We are currently in the process of implementing the changes necessary to correct the areas of concern.

1. Policies have been initiated as far as Mrs. Conner receipting money and writing Monies Collected Forms. The front office secretary or the records secretary will take any monies, receipt the money and fill out a Monies Collected Form.
2. Teachers have been reminded about the importance of accurately filling out receipts and the need to void any receipt if there is a mistake.
3. The entire Fundraiser Application process was discussed with Roni Campbell, Coordinator of Accounting and Internal Accounts with the Clay County School Board. Mrs. Conner understands the areas of concern noted on the three forms and will ensure that the forms are correctly filled out by all parties.
4. One fundraiser was completed in February and the final totals were noted on the Fundraiser form and signed off by the teacher. Much later in the year, a parent finally paid what was owed. The Fundraiser form was never changed to reflect that new amount collected. We will make sure that that does not happen again.
5. An invoice was paid on a subtotal, and not a total of the bill. When Mrs. Conner realized that the entire amount was not paid on the first check, an additional check was written to make up the difference in the amounts.

Thank you again for the professional way that the audit was held. A special thank you should go to Mr. Nate Woodrum, who was very thorough and inquiring, yet personable and flexible in dealing with the school and schedules. His comments were both valued and appreciated.

Sincerely,


Evelyn Chastain, Principal

**W. E. Cherry Elementary School
Internal Funds**

**Statement of Cash Receipts
and Disbursements**

June 30, 2011

**W. E. Cherry Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
June 30, 2011**

Table of Contents

Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements	2
Notes to Financial Statement	3
Management Letter & Communication with Those Charged with Governance	4



Independent Auditors' Report

District School Board
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of W.E. Cherry Elementary School Internal Funds for the year ended June 30, 2011. 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 Statements, the accompanying financial statement includes only the financial activities of the W.E. Cherry Elementary School Internal Funds. 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 W.E. Cherry Elementary School Internal Funds for the year ended June 30, 2011, on the basis of accounting described in Note 1.

DDF CPA Group

August 9, 2011

ddfcpa.com

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

**W. E. Cherry Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2011</u>
Athletics	\$ 1.21	\$ -	\$ -	\$ (1.21)	\$ -
Music	125.51	765.00	665.72	-	224.79
Classes, Clubs and Departments	4,319.89	28,736.89	22,988.57	(2,536.11)	7,532.10
Trusts	4,637.23	17,828.89	18,478.17	(1,614.56)	2,373.39
General	56.06	163.07	169.13	1,011.88	1,061.88
Outside Organizations	<u>958.31</u>	<u>22,315.45</u>	<u>25,740.42</u>	<u>3,140.00</u>	<u>673.34</u>
	<u>\$ 10,098.21</u>	<u>\$ 69,809.30</u>	<u>\$ 68,042.01</u>	<u>\$ -</u>	<u>\$ 11,865.50</u>

See accompanying Notes to Financial Statement

**W. E. Cherry Elementary School
Internal Funds
Notes to Financial Statement
For the Year Ended June 30, 2011**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statement includes the effects of transactions and balances relating to the internal fund activities of W. E. Cherry Elementary School.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the Clay County School Board, as this financial statement only includes the accounts at W. E. Cherry Elementary School.

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, 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, 2011 cash balance, totaling \$11,865.50 consists of \$11,849.00 in a non-interest bearing checking account and \$16.50 in checks returned to the school for insufficient funds. The School will either collect and re-deposit the NSF checks or seek approval from the District School Board to write them off as uncollectible after collection efforts have been exhausted. Interest earnings for the year ended June 30, 2011 amounted to \$0.

Note 3 - Accounts Payable and Encumbrances

There were no accounts payable or encumbrances at June 30, 2011.



Management Letter

District School Board
Clay County, Florida

In planning and performing our audit of the financial statements of W.E. Cherry Elementary School as of and for the year ended June 30, 2011, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, we do not express an opinion on the effectiveness of the W.E. Cherry Elementary School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the W.E. Cherry Elementary School's internal control to be a material weakness:

- The school runs an after school snack cart that provides snacks and candy for students to purchase. During our audit we noted that an inventory log and price sheet providing for description and cost of items being sold was not provided, therefore collection amounts could not be verified. A review of general ledger receipts and disbursements related to snack cart purchases and sales showed, that for the year, costs exceeded receipts; resulting in a \$2,130 loss. We suggest that an inventory log and price list is completed and attached to each monies collected form to support total amount of collections for a given day. Additionally, in house oversight of volunteers should also be considered.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in W.E. Cherry Elementary School's internal control to be a significant deficiency:

- Pursuant to Section III(A) of the internal accounts manual, teachers/sponsors are responsible for dating teacher receipts, when use is applicable, and Report of Monies Collected forms. During our audit we noted that teachers/sponsors were not completing the date portion of these documents; rather in attempt to comply with the requirements,

the bookkeeper was dating at the time the receipt was entered into the accounting software. We suggest documentation provide an adequate audit trail to demonstrate compliance with established procedures.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2010 audit report, all items noted were corrected with the exception of the following significant deficiency:

- Although we noted slight improvement in the completeness of fundraiser forms we still noted some deficiencies over fundraising activities. Specifically, we noted many activities that qualified as fundraisers were not documented as such. Examples include funds received from snack cart sales, school pictures, book fairs and green house project. We suggest that any activities that generate a commission have a fundraising form completed in accordance to Section I(I) of the internal accounts manual.

Communication With Those Charged With Governance

Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Statement of Cash Receipts and Disbursements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates significantly affecting the financial statement.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 9, 2011.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This communication is intended solely for the information and use of management and the Clay County District School Board, 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 W.E. Cherry Elementary School 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.

DDF CPA Group

August 9, 2011

W. E. CHERRY ELEMENTARY SCHOOL

420 EDSON DRIVE
ORANGE PARK, FLORIDA 32073
(904) 278- 2050
FAX (904) 278-2056
<http://www.clay.k12.fl.us/wec>

ANGELA WHIDDON
PRINCIPAL

AMY VANN
ASSISTANT PRINCIPAL

August 16, 2011

DDF CPA Group
PO Box 9089
Orange Park, FL 32006

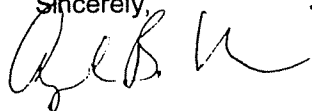
Dear Madam or Sir:

This letter is in response to the audit report of the internal funds of W. E. Cherry Elementary School for the year ending June 30, 2011. Steps have been taken to correct the items noted in our audit draft for the 2011-2012 school year.

1. In regards to the snack cart we will distinguish between items purchased for the snack cart and other items on receipts.
2. In regards to dating of the monies collected and receipts, the teachers/sponsors will be responsible for dating the monies collected forms and receipts.
3. In response to the fundraising forms, we will have a fundraising form filled out for any activity that generates a commission.

W. E. Cherry appreciates the patience of our auditors at DDF CPA Group.

Sincerely,



Angela Whiddon
Principal, WE Cherry Elementary

CLAY HIGH SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2011**

EMILY C. HELMS, CPA, PA
Certified Public Accountant

CONTENTS

	PAGE
Independent Auditor's Report	3
Statement of Cash Receipts and Disbursements Of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5
Supplemental Information	
Accounts Payable and Encumbrance Letter	8
Management Letter	10

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

INDEPENDENT AUDITOR'S REPORT

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Janice Kerekes
Ms. Carol Studdard
Ms. Stephanie Van Zant
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2011. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts, and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

Emily C. Helms, CPA, PA.

Emily C. Helms, CPA, PA
August 15, 2011

CLAY HIGH SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2011

	Cash	Transactions			Cash
	Balance July 1, 2010	Receipts	Disburse- ments	Interfund Transfers	Balance June 30, 2011
Athletics	\$ 70,065.50	\$ 316,583.28	\$ 321,661.81	\$ (296.79)	\$ 64,690.18
Music	13,024.87	30,338.55	29,684.58		13,678.84
Classes, Clubs, Departments	41,045.01	196,293.73	176,067.44	(4,914.24)	56,357.06
Trust	27,298.67	56,698.81	44,533.79	(7,920.42)	31,543.27
General	3,386.54	30,940.33	31,891.40	7,934.37	10,369.84
Outside Organizations	2,793.47	52,816.39	55,965.09	5,197.08	4,841.85
Total	\$ 157,614.06	\$ 683,671.09	\$ 659,804.11	\$ -	\$ 181,481.04

See accompanying notes and accountant's report.

CLAY HIGH SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds includes the effects of transactions and balances relating to the internal accounts of Clay High School (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 Clay High School.

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

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

Basis of accounting

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

Investments

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

An investment in Florida PRIME is not insured or guaranteed by any government or government agency. Such investments are considered a contingent risk under generally accepted accounting principles.

CLAY HIGH SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

NOTE 2 Cash

The June 30, 2011, total cash balance of \$181,481.04 as reported on the statement of cash receipts and disbursements consists of \$45,266.59 being held in a non interest checking account insured by the FDIC, \$135,868.45 held in an investment account with the Clay County School and \$346.00 held as uncollected NSF Funds.

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

NOTE 3 Investments

In accordance with GASB Statement No. 40, as of June 30, 2011 the School invested \$135,868.45 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2011, is 31 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$389.72. Investment interest is maintained in a separate fund account.

- **Interest Rate Risk:** Clay District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- **Credit Risk:** Clay District School Board policy limits investments to the Local Government Surplus Trust Fund or any intergovernmental investment pool, interest bearing time deposits or savings accounts held in qualified public depositories.

As of June 30, 2011 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

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

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 15, 2011, the date of the independent auditor's report. There were no material subsequent events to report.

Supplemental Information

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Janice Kerekes
Ms. Carol Studdard
Ms. Stephanie Van Zant
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay High School reported the following accounts payable and encumbrances as of June 30, 2011:

Accounts Payable

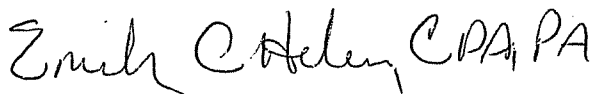
Bold Blooms	\$ 40.00
Brown & Cartwright Ace Hardware	89.44
Fastenal	47.59
Herff Jones	15,956.30
Home Depot	262.70
Journal Community Publishing Group	300.00
Park Avenue Florist	70.09
Publix	200.00
Varsity	15,171.43
Wal-Mart	434.58
	<u>\$ 32,572.13</u>

Encumbrances

EZ Flex Sports Mat	\$ 6,533.00
The Bach Co.	<u>2,865.80</u>
	<u>\$ 9,398.80</u>

The above accounts payable and encumbrance lists agree with the Principal's Monthly Report as of June 30, 2011.

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 2010-2011 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay High School for the year ended June 30, 2011.

A handwritten signature in cursive script that reads "Emily C. Helms, CPA, PA". The signature is written in black ink and is positioned above the typed name.

Emily C. Helms, CPA, PA

August 15, 2011

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Janice Kerekes
Ms. Carol Studdard
Ms. Stephanie Van Zant
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

We have audited the internal funds financial statement of Clay High School as of and for the year ended June 30, 2011 and have issued our report thereon dated August 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting
And on Compliance and Other Matters**

In planning and performing our audit, we considered Clay High School's (the School's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency in internal control, or combination of deficiencies, that adversely affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected. We did not find any deficiency that we considered to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. We did not find any deficiency that we considered to be a material weakness.

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.

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

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The firm of Emily C. Helms, CPA, PA has remained independent of Clay County District School Board, as defined by AU Section 220, U.S. Professional Auditing Standards and the AICPA's Interpretation 101-3, *Performance of Nonattest Services*.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the internal funds financial statements are free of material misstatements. As part of our audit, we considered the internal control of Clay County District School Board. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Our audit of the internal funds financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing outlined in the Clay County District School Board letter dated May 20, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2011. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the internal funds financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such agreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

A handwritten signature in black ink that reads "Emily C. Helms, CPA, PA". The signature is written in a cursive style with a large initial "E".

Emily C. Helms, CPA, PA
August 15, 2011

CLAY HIGH SCHOOL

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

Peter J. McCabe, Principal
Cary Dicks, Assistant Principal



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

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

August 23, 2011

Dear Mrs. Helms:

I would like to thank you for the recommendations and comments you shared with the bookkeeper and me during the exit interview for this year's internal account audit.

Clay High School will continue to comply with the procedures set forth in the Internal Accounts Manual.

It has been a pleasure working with you the past three years.

Sincerely,



Peter J. McCabe
Principal

CLAY HILL ELEMENTARY SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2011**

Steven W. Keenan, CPA
Certified Public Accountant

CONTENTS

	PAGE
Independent Auditor's Report	3
Statement of Cash Receipts and Disbursements Of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5-6
Supplemental Information	
Accounts Payable and Encumbrance Letter	7
Management Letter	8

Steven W. Keenan, CPA
Certified Public Accountant

STEVEN W. KEENAN, CPA
Certified Public Accountant

673 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 579-4323
Facsimile (904) 579-4294

INDEPENDENT AUDITOR'S REPORT

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice Chairman
Ms. Lisa Graham
Ms. Janice Kerekes
Mr. Charles Van Zant, Jr.

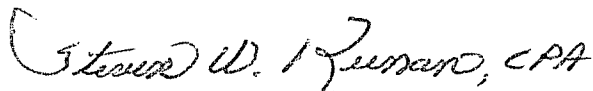
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2011. 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 financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 Clay Hill Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.


Steven W. Keenan, CPA
August 12, 2011

CLAY HILL ELEMENTARY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2011

	Cash Balance July 1, 2010	Receipts	Transactions Disburse- ments	Transfers	Cash Balance June 30, 2011
Music	\$ 18.70	\$ 926.58	\$ 950.80	\$ 604.59	\$ 599.07
Classes, Clubs, Departments	14,189.92	42,452.83	48,594.32	5,832.27	\$ 13,880.70
Trust	2,496.84	17,080.64	15,353.28	351.72	4,575.92
General	6,316.39	18,914.50	18,003.14	(1,910.96)	5,316.79
Outside Organizations	1,971.81	28,577.36	19,386.08	(4,877.62)	6,285.47
Total	\$ 24,993.66	\$ 107,951.91	\$ 102,287.62	\$ -	\$ 30,657.95

See accompanying notes and independent auditor's report.

CLAY HILL ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

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 account of Clay Hill Elementary School within the Clay County, Florida school system.

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

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

The internal account balances and transactions are included as an agency fund on the Clay County District School's Annual Financial Report. Transactions and balances relating to cafeteria 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 method of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

NOTE 2 Cash

The June 30, 2011, total cash balance of \$30,657.95 as reported on the statement of cash receipts and disbursements consists of \$17,971.89 being held in a non interest bearing checking account insured by the FDIC, \$12,686.06 held in an investment account with the Clay County School and no uncollected NSF checks.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$36.39. This represents a yield of approximately .29 percent.

STEVEN W. KEENAN, CPA
Certified Public Accountant

673 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 579-4323
Facsimile (904) 579-4294

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice Chairman
Ms. Lisa Graham
Ms. Janice Kerekes
Mr. Charles Van Zant, Jr.

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay Hill Elementary School reported the following accounts payable and encumbrances as of June 30, 2011:

Accounts Payable

None

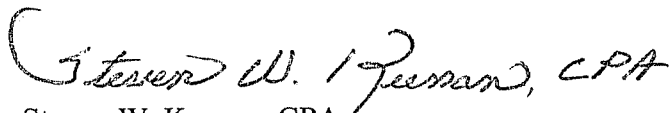
Encumbrances

Wal-mart

\$ 100.00

The above accounts payable list agrees with the Principals Report as of June 30, 2011. Encumbrances are not included in the Principals Report.

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 2010-2011 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay Hill Elementary School for the year ended June 30, 2011.



Steven W. Keenan, CPA
August 12, 2011

STEVEN W. KEENAN, CPA

Certified Public Accountant

673 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 579-4323
Facsimile (904) 579-4294

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice Chairman
Ms. Lisa Graham
Ms. Janice Kerekes
Mr. Charles Van Zant, Jr.

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2011, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

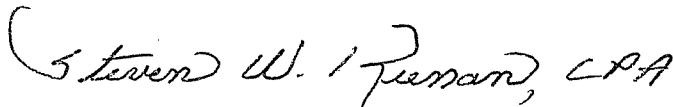
We would like to point out the following items noted during our audit:

1. Check numbers 9952 and 9954 thru 9961 do not match the general ledger entries. The amounts and payees on checks are out of sequence with the ledger. The checks are correct in accordance with the supporting documentation but printed on a different check number. Review of disbursement procedures on pages 32-35 of the IAM is recommended.

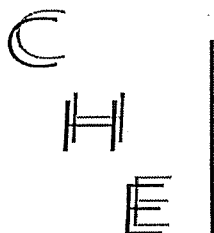
As part of our audit, we also considered the correction of prior year findings. The discrepancy noted in the prior year audit was corrected.

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

We would like to thank the Principal, bookkeeper and staff for their expeditious cooperation and courtesy extended to us during the audit. The school records were neat and orderly and we found that, overall, procedures established by the Internal Accounts Manual were followed by the school. It has been a pleasure to serve the Clay County School Board during our audit. Please feel free to contact us with any questions or comments concerning the audit.



Steven W. Keenan, CPA
August 12, 2011



Clay Hill Elementary School

6345 CR 218 West
Jacksonville, Florida 32234



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

Larry Davis
Principal

www.clay.k12.fl.us/che

Bonnie Barker
Assistant Principal

August 20, 2011

Steven W. Keenan, CPA
673 Kingsley Avenue
Orange Park, Fla. 32073

To Whom It May Concern:

This letter is in response to the recent audit of our bookkeeping procedures at Clay Hill Elementary School for the 2010/11 school year. My response to the one (1) item noted is as follows:

Item #1: **General ledger entries not matching:** Response: The sequential check numbers did not match due to a technical problem with the school printer. The printing of checks in sequential order will be followed as per the Internal Accounts Manual. A monthly check of sequential receipts matching the checks will be followed.

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

Sincerely,

Larry Davis
Principal

COPPERGATE ELEMENTARY SCHOOL

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

For the Year Ended June 30, 2011

CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Statement of Cash Receipts and Disbursements	2
Notes to the Statement of Cash Receipts and Disbursements	3
Supplementary Information	
Accounts Payable and Encumbrances	5
Management Letter	6



SHIRLEY W. HATCHER, CPA, P.A.

P.O. Box 541
Middleburg, FL 32050-0541
E-Mail Hatchercpa@comcast.net

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

INDEPENDENT AUDITOR'S REPORT

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida

Mr. Frank Farrell

Ms. Lisa Graham

Mr. Charles Van Zant, Jr.

Mrs. Carol Studdard

Ms. Janice Kerekes

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2011. 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 auditing standards generally accepted in the United States of America. 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 U.S. 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 Coppergate Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 11, 2011

COPPERGATE ELEMENTARY SCHOOL
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 OF THE INTERNAL FUNDS
 For the Year Ended June 30, 2011

	Cash Balance <u>July 1, 2010</u>	Transactions			Cash Balance <u>June 30, 2011</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Interfund Transfers</u>	
Athletics	\$.00	\$.00	\$.00	\$.00	\$.00
Music	236.14	1,416.32	1,462.25	54.00	244.21
Classes, Clubs & Departments	6,717.94	46,070.88	45,183.81	4,347.21	11,952.22
Trust	2,412.75	22,147.23	19,794.44	1,061.74	5,827.28
General	5,025.08	14,394.24	11,613.59	(465.75)	7,339.98
Outside Organization	<u>2,346.59</u>	<u>20,381.39</u>	<u>12,599.42</u>	<u>(4,997.20)</u>	<u>5,131.36</u>
Total	<u>\$ 16,738.50</u>	<u>\$104,410.06</u>	<u>\$ 90,653.51</u>	<u>\$.00</u>	<u>\$ 30,495.05</u>

See accompanying notes to statement of cash receipts and disbursements.

COPPERGATE ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2011

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 Coppergate Elementary 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 Coppergate Elementary School.

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

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

Basis of Accounting

The 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. 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. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

COPPERGATE ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(CONTINUED)
For the Year Ended June 30, 2011

NOTE 2 – Cash and Cash Equivalents

The June 30, 2011 cash balance of \$30,495.05 as reported on the Statement of Cash Receipts and Disbursements consists of \$30,475.05 which is being held in a non-interest bearing checking account insured by the FDIC, and \$20.00 in uncollected checks.

NOTE 3 - Interest Income

There was no interest earned during the year ended June 30, 2011.

*S
H*

SHIRLEY W. HATCHER, CPA, P.A.

P.O. Box 541
Middleburg, FL 32050-0541
E-Mail Hatchercpa@comcast.net

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

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Coppergate Elementary School reported the following accounts payable items and encumbrances at June 30, 2011 for the internal funds.

Accounts Payable

Hagan Ace Hardware	\$ 578.31
Mackin Educational Resources	158.01
Park Avenue Florist	<u>69.00</u>
Total Accounts Payable	\$ 805.32

Encumbrances

Mackin Educational Resources	\$ 338.89
------------------------------	-----------

The above amount agrees with the list provided by the school at June 30, 2011 and with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 11, 2011



SHIRLEY W. HATCHER, CPA, P.A.

P.O. Box 541
Middleburg, FL 32050-0541
E-Mail Hatchercpa@comcast.net

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

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
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 Coppergate Elementary School for the year ended June 30, 2011, I considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, I do not express an opinion on the effectiveness of Coppergate Elementary School's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I did not find any deficiencies that I consider to be material weaknesses in internal control of Coppergate Elementary School.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with the governance. During my audit, I found no items considered to be significant deficiencies in internal control for Coppergate Elementary School.

The internal funds accounting records were overall very neat and orderly. I commend the principal and bookkeeper for an excellent job. It has been a pleasure to have had this opportunity to serve you.

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

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.

August 11, 2011



COPPERGATE ELEMENTARY SCHOOL

2250 CR 209 NORTH
MIDDLEBURG, FL 32068-4371

PHONE (904) 291-5594

FAX (904) 291-5597

"Home of the Colts"

www.clay.k12.fl.us/CGE

David Nix
Principal

Debra Gaynes
Asst. Principal

August 23, 2011

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

Dear Ms. Hatcher:

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

I was very pleased with your positive comments regarding our bookkeeper, Bonnie Dubberly. Mrs. Dubberly takes great pride in her work and is very conscientious in her duties. I know she was grateful, as was I, for your acknowledgement of the good job she does. We are so fortunate to have an exemplary faculty and staff, who strive to do the best job possible, and I think this is reflected in many areas, including this audit. Rest assured that we will continue to strive for excellence in this area.

It was a pleasure working with you and we hope to work with you again in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "David Nix". The signature is stylized and cursive.

David Nix, Principal

DN:bd

DOCTORS INLET ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2011

EMILY C. HELMS, CPA, PA
Certified Public Accountant

CONTENTS

	PAGE
Independent Auditor's Report	3
Statement of Cash Receipts and Disbursements Of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5
Supplemental Information	
Accounts Payable and Encumbrance Letter	8
Management Letter	9

EMILY C. HELMS, CPA, PA
Certified Public Accountant

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

INDEPENDENT AUDITOR'S REPORT

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Janice Kerekes
Ms. Carol Studdard
Ms. Stephanie Van Zant
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2011. 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 Doctors Inlet Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

Emily C. Helms, CPA, PA.

Emily C. Helms, CPA, PA
August 16, 2011

DOCTORS INLET ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2011

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2010	Receipts	ments	Transfers	June 30, 2011
Music	\$ -	\$ 3,190.80	\$ 3,190.80		\$ -
Classes, Clubs, Departments	20,694.00	58,719.86	49,588.33	1,550.00	31,375.53
Trust	3,543.58	16,336.05	16,839.13		3,040.50
General	3,321.79	9,551.25	6,652.61		6,220.43
Outside Organizations	2,488.36	17,895.05	13,373.21	(1,550.00)	5,460.20
Total	\$ 30,047.73	\$ 105,693.01	\$ 89,644.08	\$ -	\$ 46,096.66

See accompanying notes and accountant's report.

DOCTORS INLET ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

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 Doctors Inlet Elementary School (the School) within the Clay County, Florida school system.

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

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

The internal account balances and transactions are 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. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

An investment in Florida PRIME is not insured or guaranteed by any government or government agency. Such investments are considered a contingent risk under generally accepted accounting principles.

DOCTORS INLET ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

NOTE 2 Cash

The June 30, 2011, total cash balance of \$46,096.66 as reported on the statement of cash receipts and disbursements consists of \$33,273.40 being held in a non interest checking account insured by the FDIC, \$12,777.26 held in an investment account with the Clay County School and \$46.00 held as uncollected NSF Funds.

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

NOTE 3 Investments

In accordance with GASB Statement No. 40, as of June 30, 2011 the School invested \$12,777.26 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2011, is 31 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$36.64. Investment interest is maintained in a separate fund account.

- **Interest Rate Risk:** Clay District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- **Credit Risk:** Clay District School Board policy limits investments to the Local Government Surplus Trust Fund or any intergovernmental investment pool, interest bearing time deposits or savings accounts held in qualified public depositories.

As of June 30, 2011 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

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

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 16, 2011, the date of the independent auditor's report. There were no material subsequent events to report.

Supplemental Information

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Janice Kerekes
Ms. Carol Studdard
Ms. Stephanie Van Zant
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Doctors Inlet Elementary School reported the following accounts payable and encumbrances as of June 30, 2011:

Accounts Payable

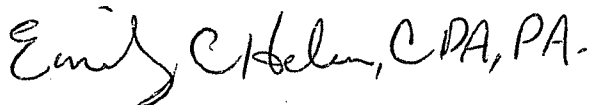
None

Encumbrances

None

The above accounts payable and encumbrance lists agree with the Principal's Monthly Report as of June 30, 2011.

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 2010-2011 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Doctors Inlet Elementary School for the year ended June 30, 2011.



Emily C. Helms, CPA, PA
August 16, 2011

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Janice Kerekes
Ms. Carol Studdard
Ms. Stephanie Van Zant
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

We have audited the internal funds financial statement of Doctors Inlet Elementary School as of and for the year ended June 30, 2011 and have issued our report thereon dated August 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting
And on Compliance and Other Matters**

In planning and performing our audit, we considered Doctors Inlet Elementary School's (the School's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency in internal control, or combination of deficiencies, that adversely affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected. We did not find any deficiency that we considered to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. We did not find any deficiency that we considered to be a material weakness.

We did note the following matters that were not in accordance with the rules and regulations presented in the Internal Accounts Manual:

- The following accounts exceeded the maximum balance allowed and no written notices were provided:

Account 3103	\$ 29.51
Account 3104	155.73
Account 3191	5.00
Account 3208	22.50
Account 3416	8.51
Account 3426	499.25
Account 3503	180.94
Account 5110	5.23
Account 5111	7.14
Account 5140	84.32

We recommend that the bookkeeper review page 10 of the Clay County Internal Accounts Manual, Account Balances which states in part ...if the ending account balance is greater than the results of the formulas...one of two procedures is necessary: a written notice or the overage must be transferred to the general fund....

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.

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

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The firm of Emily C. Helms, CPA, PA has remained independent of Clay County District School Board, as defined by AU Section 220, U.S. Professional Auditing Standards and the AICPA's Interpretation 101-3, *Performance of Nonattest Services*.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the internal funds financial statements are free of material misstatements. As part of our audit, we considered the internal control of Clay County District School Board. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Our audit of the internal funds financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing outlined in the Clay County District School Board letter dated May 20, 2011.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2011. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the internal funds financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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

Emily C. Helms, CPA, PA
August 16, 2011

Doctors Inlet Elementary School

Anne H. Miller
Principal
Ruth Casias
Assistant Principal



2634 County Road 220
Middleburg, Florida 32068
(904) 213-3000
Fax: (904) 213-3011

August 31, 2011

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

Dear Ms. Helm,

The following procedures have been put into place to correct the deficiency noted:

1. The Bookkeeper will look at all account balances in April to determine funds that need to be spent before the end of the school year.
2. All account balances will be spent in May.
3. Any remaining overages will be rolled over into 5100 in June to prevent the balances being greater than the formulas allowed.

Thank you for your advice in correcting our deficiency.

Sincerely,

A handwritten signature in cursive script that reads "Anne H. Miller".

Anne H. Miller

FLEMING ISLAND ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2011

Joan O. Michael, CPA, PA
Certified Public Accountant

CONTENTS

	PAGE
Independent Auditor's Report	3
Statement of Cash Receipts and Disbursements Of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5
Supplemental Information	
Accounts Payable and Encumbrance Letter	7
Management Letter	8

Joan O. Michael, CPA, PA
Certified Public Accountant

JOAN O. MICHAEL, CPA, PA
Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
Facsimile (904) 264-8057

INDEPENDENT AUDITOR'S REPORT

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice Chairman
Ms Janice Kerekes
Mr. Charles Van Zant, Jr.
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2011. 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 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 basis of cash receipts and disbursements which is a comprehensive basis of accounting other than US generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

Joan O. Michael, CPA, PA

Joan O. Michael, CPA, PA
August 2, 2011

FLEMING ISLAND ELEMENTARY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2011

	Cash Balance July 1, 2010	Transactions			Cash Balance June 30, 2011
		Receipts	Disburse- ments	Transfers	
Music	\$ 664.20	\$ 1,943.01	\$ 3,612.83	\$ 1,690.76	\$ 685.14
Classes, Clubs, Departments	21,064.43	81,631.58	83,796.06	(3,881.00)	\$ 15,018.95
Trust	30,367.16	31,992.13	49,212.17	-	\$ 13,147.12
General	3,115.32	29,931.34	31,937.41	2,190.24	\$ 3,299.49
Outside Organizations	12,870.26	24,373.49	20,704.61	-	\$ 16,539.14
Total	\$ 68,081.37	\$ 169,871.55	\$ 189,263.08	\$ -	\$ 48,689.84

See accompanying notes and independent auditor's report.

FLEMING ISLAND ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

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 account of Fleming Island Elementary 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 Fleming Island Elementary.

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

The internal account balances and transactions are included as an agency fund on the Clay County District School's Annual Financial Report. Transactions and balances relating to cafeteria 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 method of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

NOTE 2 Cash

The June 30, 2011, total cash balance of \$48,689.84 as reported on the statement of cash receipts and disbursements consists of \$18,900.85 being held in a non interest bearing checking account insured by the FDIC, \$29,788.99 held in an investment account with the Clay County Schools and no uncollected NSF checks.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$85.44. This represents a yield of approximately .29 percent.

JOAN O. MICHAEL, CPA, PA
Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
Facsimile (904) 264-8057

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice Chairman
Ms Janice Kerekes
Mr. Charles Van Zant, Jr.
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Fleming Island Elementary School reported the following accounts payable and encumbrances as of June 30, 2011:

Accounts Payable

None

Encumbrances

None

The above accounts payable list agrees with the Principals Report as of June 30, 2011. Encumbrances are not included in the Principals Report.

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 2010-2011 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Fleming Island Elementary School for the year ended June 30, 2011.

Joan O. Michael, CPA, PA
Joan O. Michael, CPA, PA
August 2, 2011

JOAN O. MICHAEL, CPA, PA

Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
Facsimile (904) 264-8057

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell, Chairman
Ms. Carol Studdard, Vice Chairman
Ms Janice Kerekes
Mr. Charles Van Zant, Jr.
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2011, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the school's internal control.

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

1. Two (2) incomplete purchase approvals. One (1) missing approving signature and date; and one (1) missing payment information and received in good condition signature.

As part of our audit, we also considered the correction of prior year findings. With regard to the findings from the June 30, 2010 audit report, the items were corrected.

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

We would like to thank the Principal, bookkeeper and staff for the expeditious cooperation and courtesy extended to us during our audit. The school records were neat and orderly and we found that, overall, procedures established by the Internal Accounts Manual were followed by the school. It has been a pleasure to serve the Clay County School Board during our audit. Please feel free to contact us with any questions or comments concerning the audit.

Joan O. Michael CPA, PA

Joan O. Michael, CPA, PA
August 2, 2011

Fleming Island Elementary

4425 Lakeshore Drive
Orange Park, FL. 32003

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

Sandra Mead
Principal

Jeanne Hiatt Jones
Assistant Principal

August 2, 2011

Joan O. Michael, CPA, PA
669 Kingsley Avenue
Orange Park, FL. 32073

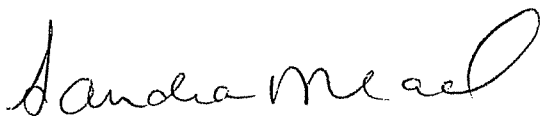
Dear Sirs:

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

1. The bookkeeper will complete all areas the purchase approvals.

Thank you very much for your suggestions.

Sincerely,



Sandra Mead,
Principal

Cc: George Copeland, Assistant Superintended

FLEMING ISLAND HIGH SCHOOL

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

**FOR THE YEAR ENDED
JUNE 30, 2011**

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements	2
Notes to Statement of Cash Receipts and Disbursements	3-4
Supplementary Information	
Accounts Payable and Encumbrances	5-6
Management Letter	7-8



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Lisa Graham
Ms. Janice Kerekes

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island High School for the year ended June 30, 2011. 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 Fleming Island High School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

DuVal & Company, CPA's, P.A.

DuVal & Company, CPA's, P.A.
August 16, 2011

Fleming Island High School

Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

	Balance July 1, 2010	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2011
Athletics	\$ 39,794.14	\$ 270,715.27	\$ 261,643.83	\$ 5,243.90	\$ 54,109.48
Music	23,228.36	126,382.18	160,850.36	22,886.44	11,646.62
Classes, Clubs and Departments	121,533.07	326,170.32	306,180.62	(18,534.14)	122,988.63
Trusts	15,270.73	47,870.93	47,836.15	2,542.31	17,847.82
General	16,110.65	46,034.92	51,727.89	15,095.80	25,513.48
Outside Organizations	80,702.06	255,234.50	231,701.93	(27,234.31)	77,000.32
TOTALS	\$ 296,639.01	\$ 1,072,408.12	\$ 1,059,940.78	\$ (0.00)	\$ 309,106.35

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

FLEMING ISLAND HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

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 Fleming Island 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 Fleming Island High School.

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

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

Basis of accounting

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

FLEMING ISLAND HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

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.

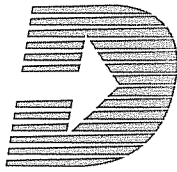
NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2011 cash balance, totaling \$309,106.35 consists of \$138,034.25 in a non-interest bearing checking account with Wells Fargo (formerly Wachovia Bank), \$170,341.10 in an investment account with the Clay County School Board, and \$731.00 in outstanding NSF checks receivable.

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 SBA investment account during the year ended June 30, 2011 was \$488.59. This represented a yield of approximately 0.29% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Lisa Graham
Ms. Janice Kerekes

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Fleming Island High School at June 30, 2011.

ACCOUNTS PAYABLE

Varsity	\$16,775.50
Bakers Sporting Goods	1,926.00
Park Avenue Florist	1,240.85
Enterprise Leasing Co.	753.50
Home Depot Credit Services	661.13
Burbank Sports Net	450.00
Wehner's	252.00
Winn-Dixie	165.25
Staples Credit Plan	130.82
Chevron	130.80
WalMart	<u>53.94</u>
Total	<u>\$22,539.79</u>

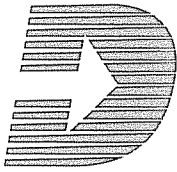
ENCUMBRANCES

Logo Xpress	\$3,659.35
OTS (Orlando Team Sports)	1,192.50
Algy	584.00
Hufcor Florida Group	<u>416.50</u>
Total	<u>\$5,852.35</u>

The accounts payable and encumbrances above agree with the Principal's Monthly Report for June 30, 2011.

DuVal & Company, CPA's, P.A.

DuVal & Company, CPA's, P.A.
August 16, 2011



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

Mr. Ben Wortham, Superintendent of Schools
Clay County, Florida
Mr. Frank Farrell
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Ms. Lisa Graham
Ms. Janice Kerekes

Honorable Members:

In connection with our audit of Fleming Island High School's (the "school") financial statement as of June 30, 2011 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2011 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants required that we advise you of the following internal control matters identified during our integrated audit.

Our responsibility is to plan and perform our integrated audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. The integrated audit is not designed to detect deficiencies that, individually or in combination, are less severe than a material weakness. However, we are responsible for communicating to management deficiencies that are of a lesser magnitude than a significant deficiency.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the school's financial statements will not be prevented, or detected and corrected on a timely basis. We did not find any deficiencies that we consider to be material weaknesses.

In the prior year audit, we found that a material weakness in internal control appeared to continue in the area of ticket inventory as had also been noted in the report for the year ending June 30, 2009. The school responded and worked with the district office to correct this issue during the past school year. We found the school to be in compliance in the area of ticket inventory control for the year ending June 30, 2011.

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

1. During our receipts testing, we noted that, on multiple occasions during our receipt testing month, monies were not turned into the bookkeeper on a daily basis. We did not observe any occasions where money was held over the weekend.
2. The preparation of fundraising forms appears to have improved from the audit results of prior years (i.e., most forms were fully completed). However, in several instances, the fundraisers were not signed as approved until after the date the fundraiser was scheduled to begin. Notes were made by the bookkeeper that applicable sponsors had been duly reminded of this requirement. In one instance, a financial recap was not completed.

Overall, we found the internal accounting records 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 management and the Clay County District School Board, and is not intended to be and should not be used by anyone other than these specified parties.

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 matters, please contact us.

DuVal & Company, CPA's, P.A.
DuVal & Company, CPA's, P.A.
August 16, 2011



Fleming Island High School

2233 Village Square Parkway
Fleming Island, FL 32003
Phone: (904) 541-2100
Fax: (904) 541-2110

William S. "Sam" Ward
Principal

Dan Finley
Vice Principal

Teresa Hankel
Assistant Principal

Greg Henderson
Assistant Principal

Becky Murphy
Assistant Principal

August 30, 2011

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

To Whom It May Concern:

In response to our Independent Auditors' Report – August 16, 2011, teachers will be reminded to turn money in daily at a faculty meeting at the beginning of school, through weekly email reminders, and in our handbook. A copy of bookkeeping policies and procedures has been given to each employee.

The bookkeeper will continue to reinforce proper procedures through periodic emails which include reminders to obtain approval first for all fundraising activities. We will also stress the use of correct forms for all transactions. If money for a fundraiser is received and no form is on file, the bookkeeper will request a form be completed and document that a reminder was given at that time.

As always, we will continue to strive to improve our service. Please accept our gratitude to you for your help in that effort.

Sincerely,

William S. Ward,
Principal

Susan Edmonds
Bookkeeper

"Preparing tomorrow's leaders, today."