

**Robert M. Paterson Elementary School**

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

**June 30, 2006**

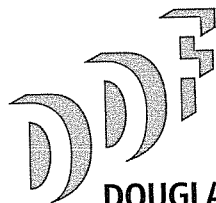
**Douglas, Douglas & Farnsworth  
Certified Public Accountants**

**Robert M. Paterson Elementary School  
Statement of Cash Receipts  
and  
Disbursements of the  
Internal Funds**

**June 30, 2006**

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**DOUGLAS ◦ DOUGLAS ◦ FARNSWORTH**

Certified Public Accountants  
Business Development Advisors

### **Independent Auditors' Report**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Robert M. Paterson Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1, the policy of the school is to prepare its financial statement on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Robert M. Paterson Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Douglas, Douglas & Farnsworth*

July 21, 2006

**Robert M. Paterson Elementary School Internal Account  
Statement of Cash Receipts and Disbursements of the Internal Funds  
As of and for the Fiscal Year Ended June 30, 2006**

	<u>Balances July 1, 2005</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balances June 30, 2006</u>
Athletics	\$ -	\$ 525.00	\$ 396.63	\$ (128.37)	\$ -
Music	168.76	762.00	668.84	-	261.92
Classes, clubs and departments	29,711.74	127,333.38	133,511.57	703.72	24,237.27
Trust	15,170.88	27,550.81	36,945.69	3,554.66	9,330.66
General	7,975.62	31,867.27	26,309.24	(1,453.88)	12,079.77
Outside organizations	<u>26,552.29</u>	<u>27,149.92</u>	<u>17,178.78</u>	<u>(2,676.13)</u>	<u>33,847.30</u>
<b>Total</b>	<u>\$ 79,579.29</u>	<u>\$ 215,188.38</u>	<u>\$ 215,010.75</u>	<u>\$ -</u>	<u>\$ 79,756.92</u>

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

**Robert M. Paterson Elementary School**  
**Notes to Statement of Cash Receipts and Disbursements**  
**As of and for the Fiscal Year Ended June 30, 2006**

**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 Robert M. Paterson 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 Robert M. Paterson Elementary School.

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

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

**Basis of accounting**

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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2006 cash balance, totaling \$79,756.92 consists of \$35,599.31 in an interest bearing checking account with Wachovia Bank and \$43,324.80 in an investment account with the Clay County School Board. The school board invests these monies with the SBA. The remaining \$832.81 is for checks returned for insufficient funds during the school year, which it expects to collect.

**Note 3 - Interest Income**

The School earned \$1,801.94 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 2.27 percent during that period for monies invested with the SBA.

**Note 4 - Investments**

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

**Robert M. Paterson Elementary School**  
**Notes to Statement of Cash Receipts and Disbursements**  
**As of and for the Fiscal Year Ended June 30, 2006**  
**(Concluded)**

**Note 4 – Investments (concluded)**

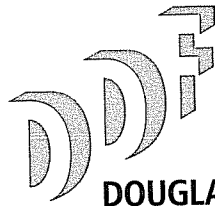
In accordance with GASB Statements No. 40, as of June 30, 2006, the School had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration - LGSF	54 Day Average	\$43,325

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

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

As of June 30, 2006, the investments in the Local Government Surplus Funds Trust Fund investment pool was unrated.



**DOUGLAS • DOUGLAS • FARNSWORTH**

Certified Public Accountants  
Business Development Advisors

**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Robert M. Paterson Elementary School reported the following accounts payable and encumbrances as of June 30, 2006:

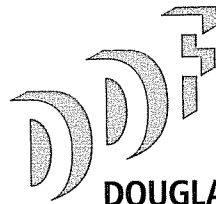
<b>Vendor</b>	<b>Amounts</b>
<b>Accounts Payable</b>	
Premier Agendas, Inc.	\$ 2,709.25
Community Playthings	440.00
Office Depot	440.98
Ward's	2,185.00
<b>Total</b>	<b><u>\$5,775.23</u></b>
<b>Encumbrances</b>	
Playmore Recreational Products	\$ 2,487.95
<b>Total</b>	<b><u>\$2,487.95</u></b>

The accounts payable does not agree with the Principal's Report for June 30, 2006. The Principal's Report does not include a spot for encumbrances, however the list of accounts payable and encumbrances provided by the school does agree to the audit procedures performed.

Such auditing procedures as we considered necessary under the circumstances were applied to the verification of these accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the year ended June 30, 2006 and, accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

*Douglas, Douglas & Farnsworth*

July 21, 2006



## DOUGLAS • DOUGLAS • FARNSWORTH

Certified Public Accountants  
Business Development Advisors

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

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of R. M. Paterson Elementary School (the School) for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are presented below.

1. During the audit, we noted a few receipts where documentation could be improved. For example, carnival tickets were sold during the year, but a ticket log was not used or prepared by the school. Also, a Report of Tickets Sold form should be prepared by the sponsor and approved by the bookkeeper. In addition, monies were collected by a sponsor for the softball league, however an individual receipt was not noted on the report of monies collected form. Chapter 7 of the Florida Department of Education's "Red Book" and the Clay County School Board *Internal Accounts Manual* requires that a teacher's receipt, a Report of Tickets Sold, Tally Sheets, or other auditable record is prepared to support that receipt.
2. During the course of the audit, we noted a few disbursements that did not have adequate support. We noted two disbursements for book orders were paid based on vendor monthly statements. One of the disbursements had an attached order form that did not match the amount paid. In addition, we found that one disbursement for the purchase of gift certificates for school personnel were not supported by an award notice or letter from the Principal and the school personnel receiving the gift certificates were not required to sign for their receipt. We recommend that purchases are not made from monthly statements and that gift certificate payments should be supported by award notices and signed receipts from the parties receiving the gift certificates.

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

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

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

*Douglas, Douglas & Farnsworth*

July 21, 2006





## Robert M. Paterson Elementary

5400 Pine Avenue  
Orange Park, FL 32003  
(904) 278-2078 • (904) 278-2093 Fax  
<http://www.clay.k12.fl.us/rmp>



---

Terry Grieninger, Principal

Pam White, Assistant Principal

August 28, 2006

Douglas, Douglas & Farnsworth  
4729 Highway 17 South  
Suite 204  
Orange Park, FL 32003-8244

Dear Sirs:

Thank you for the thorough and professional audit of our internal accounts for the 2005-2006 school year. We are pleased that the procedures outlined in the Clay County School Board Internal Accounts Manual have been followed correctly and that you found our books to be neat and organized.

The following is our response to the items noted during our audit. A teacher's purchases were made prior to the principal approving the purchases. Teachers will be reminded that the Principal's signature is required before any purchases are made. Computer files are being backed up but not kept off site. Backed up computer files will be sent to the county for safe keeping.

Thank you for diligent work.

Sincerely

Terry Grieninger  
Principal

C: Roni Campbell, Accounting Coordinator

**RIDEOUT ELEMENTARY SCHOOL**

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2006

EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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

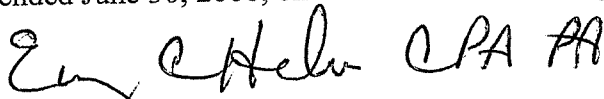
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of RideOut Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of RideOut Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA  
August 4, 2006

# RIDEOUT ELEMENTARY SCHOOL

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2006

	Cash	Transactions			Cash
	Balance July 1, 2005	Receipts	Disburse- ments	Interfund Transfers	Balance June 30, 2006
Music	\$ 199.96	\$ 441.00	\$ 587.73		\$ 53.23
Classes, Clubs, Departments	4,180.36	77,322.32	73,327.17	1,018.53	9,194.04
Trust	3,749.56	26,159.43	27,400.03	21.02	2,529.98
General	20,645.33	25,755.30	29,483.11	1,165.20	18,082.72
Outside Organizations	37,073.07	51,267.71	60,249.69	(2,204.75)	25,886.34
<b>Total</b>	<b>\$ 65,848.28</b>	<b>\$ 180,945.76</b>	<b>\$ 191,047.73</b>	<b>\$ -</b>	<b>\$ 55,746.31</b>

See accompanying notes and accountant's report.

# **RIDEOUT ELEMENTARY SCHOOL**

## **NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2006**

### **NOTE 1 Summary of Significant Accounting Policies**

#### **Cash receipts and disbursements method of accounting**

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

### **NOTE 2 Cash**

The June 30, 2006, total cash balance of \$55,746.31 as reported on the statement of cash receipts and disbursements consists of \$55,701.77 being held in a non interest bearing checking account insured by the FDIC and \$44.54 held as NSF Funds.

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*Certified Public Accountant*

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, RideOut Elementary School reported the following accounts payable and encumbrances as of June 30, 2006:

**Accounts Payable**

None

**Encumbrances**

None

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2006.

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 2005-2006 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of RideOut Elementary School for the year ended June 30, 2006.



Emily C. Helms, CPA, PA  
August 4, 2006

# EMILY C. HELMS, CPA, PA

*Certified Public Accountant*

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Orange Park, FL 32073

Kingsley Center

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of RideOut Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. Account 5100 exceeded, in the amount of \$2,230.57, the maximum amount prescribed by the Clay County School Board as defined on page nine of the Internal Accounts Manual. No written documentation was available describing the specific purpose for which these funds are being accumulated.

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

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

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



Emily C. Helms, CPA, PA  
August 4, 2006



**RideOut Elementary School**  
**3065 Apalachicola Boulevard, Middleburg, FL 32068**  
**(904) 291-5430**  
**(904) 291-5434 Fax**

**Laura A. Johnson**  
**Principal**

**Brenda Shaddix**  
**Assistant Principal**

August 31, 2006

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

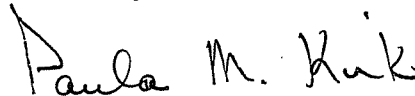
Dear Mrs. Helms,

This is in response to your audit of RideOut Elementary School Internal Accounts records for the 2005-2006 school year.

I will periodically check the account balances as specified in the Clay County School Board Internal Accounts manual. Mr. Stephen P. Lowe, Principal authorized all expenditures from the 5100 account and made purchases in accordance with his position.

If you require any further explanation, please feel free to contact me.

Sincerely,



Paula M. Kirk  
Bookkeeper

RIDGEVIEW ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE  
INTERNAL FUNDS

For the Year Ended June 30, 2006

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**S  
H**

**SHIRLEY W. HATCHER, CPA, P.A.**

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

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

INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Ridgeview Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Ridgeview Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Shirley W. Hatcher, CPA, P.A.*

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

RIDGEVIEW ELEMENTARY SCHOOL  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
 OF THE INTERNAL FUNDS  
 For the Year Ended June 30, 2006

	Cash	Transactions		Interfund Transfers	Cash
	Balance July 1, 2005	Receipts	Disburse- ments		Balance June 30, 2006
Music	\$ 47.57	\$ 881.50	881.97	\$ .00	\$ 47.10
Classes, Clubs & Departments	8,840.58	45,457.01	51,986.98	4,907.42	7,218.03
Trust	6,230.29	32,590.18	31,228.62	1,026.01	8,617.86
General	4,648.92	25,712.38	23,740.71	(105.34)	6,515.25
Outside Organizations	<u>8,024.29</u>	<u>32,769.22</u>	<u>23,696.04</u>	<u>(5,828.09)</u>	<u>11,269.38</u>
Total	\$ <u>27,791.65</u>	<u>\$137,410.29</u>	<u>\$131,534.32</u>	\$ .00	\$ <u>33,667.62</u>

See accompanying notes to statement of cash receipts and disbursements.

RIDGEVIEW ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2006

NOTE 1

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

NOTE 2

Interest of \$704.65 was earned on the SBA Investment account, at the rate of approximately 4.25%.

NOTE 3

Of the June 30, 2006 cash balance of \$33,667.62 as reported on the Statement of Cash Receipts and Disbursements, \$16,725.79 is being held in a non-interest bearing checking account insured by the FDIC, and \$16,941.83 is being held in an investment account with the School Board.

**S  
H**

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Ridgeview Elementary School reported the following accounts payable or encumbrances at June 30, 2006 for the internal funds.

Accounts Payable

Robert's Florist	\$ 39.50
Hagan Ace Hardware	34.96
Publix Supermarkets	<u>48.74</u>
Total Accounts Payable	<u>\$123.20</u>

Encumbrance

None

The above amount agrees with the list provided by the school at June 30, 2006, and the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

*Shirley W. Hatcher, CPA, P.A.*  
SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006



# SHIRLEY W. HATCHER, CPA, P.A.

---

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Clay County, Florida  
Mr. Wayne Bolla  
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 Ridgeview Elementary School for the year ended June 30, 2006, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. The School Store Inventory records are not maintained in compliance with the Internal Funds Manual, pages 58-59. The manual should be reviewed and procedures explained to those responsible for maintaining the inventory.



Ridgeview Elementary  
Management Letter  
Page -2-

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

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

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

*Shirley W. Hatcher, CPA, P.A.*

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

# Ridgeview Elementary School

421 Jefferson Avenue  
Orange Park, FL 32065-6791  
Phone: (904) 213-2952 Fax: (904) 213-2960

David Nix  
Principal

*"Committed to Excellence"*

Sara Burge  
Assistant Principal

---

August 21, 2006

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

RE: 2005-2006 Internal Accounts Audit

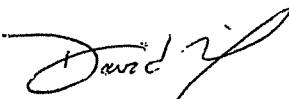
Thank you for your time and effort in conducting the audit of our 2005-2006 internal accounts. It was a pleasure meeting with you again and receiving such a favorable report.

In response to your note regarding the school store inventory records, we have reviewed the Internal Funds Manual, pages 58-59, and explained the procedures to the parent volunteer who is in charge of our school store. She understands the procedures and has a copy of the appropriate inventory form which she will utilize from now on.

As always, I am pleased with the work of our bookkeeper, Bonnie Dubberly. She is conscientious and meticulous about our records. I have every confidence that she will continue to do a great job.

Again, I appreciate your thorough report and hope to work with you again in the future.

Respectfully,



David Nix, Principal

**S. Bryan Jennings Elementary School**

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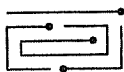
**Statement of Cash Receipts and  
Disbursements of the Internal Funds**

**For the Year Ended June 30, 2006**

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

**S.BRYAN JENNINGS ELEMENTARY SCHOOL  
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**CONNER, HUBBARD & COMPANY, P.A.**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

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

August 7, 2006

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

S. Bryan Jennings Elementary School  
Statement of Cash Receipts and Disbursements of the Internal Funds  
For the Year Ended June 30, 2006

	Cash Balance July 1, 2005	Transactions			Cash Balance June 30, 2006
		Receipts	Disbursements	Transfers	
Athletics	\$0.00	\$594.00	\$594.00	\$0.00	\$0.00
Music	61.35	234.00	189.64	0.00	105.71
Classes, Clubs & Departments	7,526.80	22,242.16	22,485.07	(187.99)	7,095.90
Trust	939.61	10,966.96	10,567.03	(654.04)	685.50
General	15,126.52	21,894.06	21,497.57	842.03	16,365.04
Outside Organizations	<u>5,716.38</u>	<u>28,307.14</u>	<u>24,724.74</u>	<u>0.00</u>	<u>9,298.78</u>
	<u>\$29,370.66</u>	<u>\$84,238.32</u>	<u>\$80,058.05</u>	<u>\$0.00</u>	<u>\$33,550.93</u>

See Independent Auditors' Report and notes to statement of cash receipts and disbursements

S. BRYAN JENNINGS ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For The Year Ended June 30, 2006

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- NOTE 1      The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2      For the year ended June 30, 2006, no interest was earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$865.21 for the fiscal year ended June 30, 2006.
- NOTE 3      The cash balance of \$33,550.93 at June 30, 2006, shown on the statement of cash receipts and disbursements consists of \$12,748.44 being held in the checking account, \$20,802.49 invested with the Clay County School Board, and no checks that were returned for insufficient funds.



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

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

We noted that four activity accounts had an ending balance in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. These accounts were numbers 2100(Music), 3164(Art), 3191(Gifted) and 3407(CORE Team). However, the bookkeeper Sharon Morrow provided written documentation as to the specific purpose for which the funds are being accumulated.

We noted that a receipt was prepared but the original was not given to the student and one deposit was greater than the amount listed on the referenced receipts, therefore one student did not receive a receipt and none was prepared for school record purposes.

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

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

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

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

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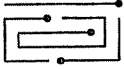
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**CONNER, HUBBARD & COMPANY, P.A.**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

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

Honorable Members:

In 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, 2006 of the S. Bryan Jennings Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. These payables and encumbrances were not paid during the 2005-2006 fiscal year, and accordingly, are not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2006.

There was no accounts payable as of June 30, 2006.

The zero balance of accounts payable agrees with the June 30, 2006, Principal's Monthly Report.

There were no encumbrances as of June 30, 2006.

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

August 7, 2006

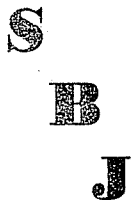
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212 North Davis Street  
Nashville, Georgia 31639  
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# S. Bryan Jennings Elementary School

215 Corona Drive  
Orange Park, Florida 32073



Main Office: (904) 213-3021

Fax: (904) 213-3014

Mrs. Lee Oliver  
Principal

Mrs. Carol Doughty  
Assistant Principal

August 28, 2006

Steven W. Conner, C.P.A.  
Conner, Hubbard & Company, P.A.  
Certified Public Accountants  
1106 Park Avenue  
Orange Park, Florida 32073

Dear Mr. Conner:

I am responding to your audit report dated August 7, 2006, for the internal funds of S. Bryan Jennings Elementary School for the 2005-06 school year that ended June 30, 2006. We are pleased to have received such a positive report with no areas noted as being out of compliance with generally accepted accounting principles.

Every effort will be made to closely monitor teacher receipt books to make sure that teachers are giving the original receipt to the student and that total of receipts matches total on monies collected form.

The bookkeeper, Sharon Morrow, and I are committed to following appropriate and responsible internal funds accounting procedures as outlined by the Clay County School Board.

Thank you for your thorough audit of our procedures.

Sincerely,

A handwritten signature in cursive script that reads "Lee Oliver".

Lee Oliver  
Principal

sam

cc: R. Campbell ✓

**SWIMMING PEN CREEK ELEMENTARY SCHOOL**

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

**FOR THE YEAR ENDED  
JUNE 30, 2006**

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Management Letter	5-6



**DuVal & Company**

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Swimming Pen Creek Elementary School for the year ended June 30, 2006. 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 Swimming Pen Creek Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*DuVal & Company, CPA's, P.A.*  
DuVal & Company, CPA's, P.A.  
August 8, 2006

## Swimming Pen Creek Elementary School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2006

	Balance July 1, 2005	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2006
Music	\$ 1,425.39	\$ 1,488.88	\$ 2,365.58	\$ 0.00	\$ 548.69
Classes, Clubs and Departments	8,022.46	44,936.47	43,447.22	421.05	9,932.76
Trusts	3,248.50	17,936.92	18,061.18	(977.74)	2,146.50
General	3,595.43	25,268.49	30,071.92	4,556.69	3,348.69
Outside Organizations	3,420.84	24,056.71	20,127.42	(4,000.00)	3,350.13
<b>TOTALS</b>	<b><u>\$ 19,712.62</u></b>	<b><u>\$ 113,687.47</u></b>	<b><u>\$ 114,073.32</u></b>	<b><u>\$ 0.00</u></b>	<b><u>\$ 19,326.77</u></b>

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

**SWIMMING PEN CREEK ELEMENTARY SCHOOL**

**Notes to Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2006**

**NOTE 1 - BASIS OF ACCOUNTING**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The June 30, 2006 cash balance, totaling \$19,326.77 consists of \$19,283.62 in a noninterest bearing checking account with Wachovia Bank. Also included is a NSF checks receivable in the amount of \$43.15.

**NOTE 3 - INTEREST INCOME**

None



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Swimming Pen Creek Elementary School at June 30, 2006.

<u>ACCOUNTS PAYABLE</u>	<u>\$0.00</u>
<u>ENCUMBRANCES</u>	
AAA Auto Club South	<u>\$ 241.50</u>
Total	<u>\$ 241.50</u>

The accounts payable and encumbrances above agree with the Principal's Monthly Report for June 30, 2006.

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

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

DuVal & Company, CPA's, P.A.  
August 8, 2006





## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

### Honorable Members:

In planning and performing our audit of the statement of receipts and disbursements of the internal funds of Swimming Pen Creek Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure. We did not note any matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

The deficiencies reported in the prior year management letter appear to have been corrected. We would like to point out the following items observed during our audit:

1. There were several receipts written out to collect field trip money. The receipts were marked void. The same receipts that were marked void were reported on a report of monies collected on March 24, 2006, and deposited into the bank on March 24, 2006. Of the original receipts marked void, there were three (3) receipts dated March 10, three (3) receipts with no date, one (1) receipt dated March 24, and one (1) receipt missing. It appears that the receipts were not rewritten.

2. On two (2) occasions, money was collected for field trips and a teacher receipt was not found.

3. On one (1) occasion, there was not an invoice or receipt attached to a purchase approval and check requisition form.

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

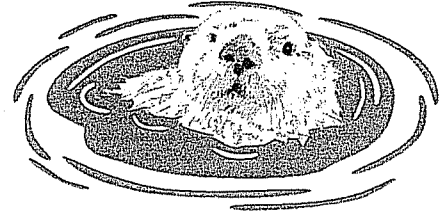
This report is intended solely for the information and use of the Clay County School Board management and others within the organization.

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

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

DuVal & Company, CPA's, P.A.  
August 8, 2006

*Swimming Pen Creek Elementary*  
*1630 Woodpecker Lane*  
*Middleburg, FL 32068*  
*904-278-5707*



*Principal: Lenore Paulk*

August 29, 2006

Duval & Company, CPA's, PA  
428 Walnut Street  
Green Cove Springs, FL 32043

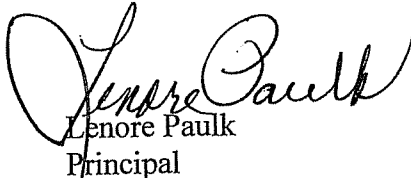
To whom It May Concern;

Please accept this letter as my response to the Internal Account audit you conducted during the summer for the 2005-2006 school year. I was very pleased to find that the accounts were very neat and orderly. This is a reflection on the school and in particular Mrs. Beth Hamilton, the bookkeeper. She always strives for perfection.

The two items noted will be addressed this fiscal year by ensuring that all teachers are clear on what should and should not be receipted and especially the new teachers which was the case last year.

Thank you again for your commendation on the bookkeeping procedures at Swimming Pen Creek Elementary and we look forward to working with you again next year.

Sincerely,

  
Lenore Paulk  
Principal

cc: Dr. George Copeland

THUNDERBOLT ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE  
INTERNAL FUNDS

For the Year Ended June 30, 2006

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# SHIRLEY W. HATCHER, CPA, P.A.

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

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

## INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Thunderbolt Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Thunderbolt Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Shirley W. Hatcher, CPA, P.A.*

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

Member: American and Florida Institutes of Certified Public Accountants

THUNDERBOLT ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2006

	Cash Balance July 1, 2005	Transactions		Interfund Transfers	Cash Balance June 30, 2006
		Receipts	Disburse- ments		
Athletics	\$ .00	\$ 200.00	\$ .00	\$ (30.00)	\$ 170.00
Music	497.57	3,086.50	1,756.38	100.00	1,927.69
Classes, Clubs & Departments	22,474.34	85,837.50	87,322.91	1,611.83	22,600.76
Trust	4,866.65	22,022.91	17,281.79	19.73	9,627.50
General	5,196.12	37,957.31	29,643.46	(229.61)	13,280.36
Outside Organi- zations	<u>13,553.12</u>	<u>35,958.31</u>	<u>29,357.24</u>	<u>(1,471.95)</u>	<u>18,682.24</u>
Total	<u>\$ 46,587.80</u>	<u>\$185,062.53</u>	<u>\$165,361.78</u>	<u>\$ .00</u>	<u>\$ 66,288.55</u>

See accompanying notes to statement of cash receipts and disbursements.

THUNDERBOLT ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2006

NOTE 1

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

NOTE 2

Interest was earned on the SBA investment account at the rate of 4.25%, and total interest earned on the SBA investment account amounted to \$12.20

NOTE 3

Of the June 30, 2006 cash balance of \$66,288.55 as reported on the Statement of Cash Receipts and Disbursements, \$65,913.95 is being held in a non-interest bearing checking account insured by the FDIC, \$293.12 is being held in the SBA investment account, and \$81.48 in uncollected checks.



**S  
H**

**SHIRLEY W. HATCHER, CPA, P.A.**

---

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Middleburg, FL 32050-0541  
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Fax (904) 282-6990

Mr. David L. Owens, Superintendent of Schools,  
Clay County, Florida  
Mr. Wayne Bolla  
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, Thunderbolt Elementary School reported no accounts payable or encumbrances at June 30, 2006 for the internal funds.

The above amount agrees with the list provided by the school at June 30, 2006. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable. These amounts were not paid during the year ended June 30, 2006, and, accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

*Shirley W. Hatcher, CPA, P.A.*

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006



# SHIRLEY W. HATCHER, CPA, P.A.

---

P.O. Box 541  
Middleburg, FL 32050-0541  
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(904) 282-7771  
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Mr. David L. Owens, Superintendent of Schools,  
Clay County, Florida  
Mr. Wayne Bolla  
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 Thunderbolt Elementary School for the year ended June 30, 2006, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

During my audit, I noted the following items which should be addressed by the school:

1. Several instances of monies being held over nights and weekends were noted as well as changes in date being made in ink on the yellow copy of the teachers receipt. Funds should be turned into the bookkeeper on a daily basis, and all deposits should be made in accordance with the Internal Funds Manual.
2. The School Store Inventory records are not maintained in compliance with the Internal Funds Manual, pages 58-59. The manual should be reviewed and procedures explained to those responsible for maintaining the inventory

Thunderbolt Elementary  
Management Letter  
Page -2-

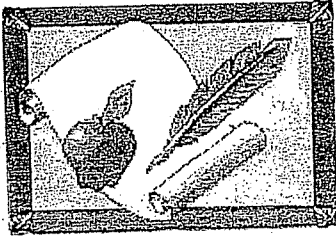
The internal funds accounting records were overall very neat and orderly. I also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were followed by the School.

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

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

*Shirley W. Hatcher, CPA, P.A.*

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006



# Thunderbolt Elementary School

2020 Thunderbolt Road Orange Park, Florida 32003

August 21, 2006

Ms. Shirley Hatcher, CPA, P.A.  
PO Box 541  
Middleburg, FL 32050-0541

Dear Ms. Hatcher:

The two items cited in the financial audit of Thunderbolt Elementary School for School Year 2005-2006 have been addressed in the following manner:

1. All staff have been instructed in money collection procedures in the Faculty and Staff handbook issued to all staff the week of August 1-4, 2006. Additional review will be conducted at the Faculty meeting scheduled for September 6, 2006.
2. The school store will no longer be in operation.

Your assistance in assuring that the financial records of our school are accurate and in order is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Dee Dee Phillips".

Dee Dee Phillips  
Principal

**TYNES ELEMENTARY SCHOOL**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2006**

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

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Tynes Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 Tynes Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA  
August 11, 2006

## TYNES ELEMENTARY SCHOOL

### STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2006

	Cash Balance July 1, 2005	Transactions			Cash Balance June 30, 2006
		Receipts	Disburse- ments	Transfers	
Music	\$ 1,474.08	\$ 14,258.92	\$ 14,498.67		\$ 1,234.33
Classes, Clubs, Departments	17,357.21	46,019.02	48,897.79	(359.14)	14,119.30
Trust	8,000.61	34,556.72	35,156.98	1,518.56	8,918.91
General	31,066.53	22,886.49	27,034.45	315.00	27,233.57
Outside Organizations	1,000.00	51,433.50	34,020.98	(1,474.42)	16,938.10
<b>Total</b>	<b>\$ 58,898.43</b>	<b>\$ 169,154.65</b>	<b>\$ 159,608.87</b>	<b>\$ -</b>	<b>\$ 68,444.21</b>

See accompanying notes and independent auditor's report.



# **TYNES ELEMENTARY SCHOOL**

## **NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2006**

### **NOTE 1 Summary of Significant Accounting Policies**

#### **Cash receipts and disbursements method of accounting**

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

### **NOTE 2 Cash**

The June 30, 2006, total cash balance of \$68,444.21 as reported on the statement of cash receipts and disbursements consists of \$22,893.08 being held in a non interest bearing checking account insured by the FDIC, \$45,487.13 held in an investment account with the Clay County School and \$64.00 in uncollected NSF checks.

### **NOTE 3 Interest Income**

Interest was earned on amounts invested through the Clay County School Board in the amount of \$1,912.55. This represents a yield of approximately 4.2 percent. Investment interest is maintained in a separate fund account.

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Tynes Elementary School reported the following accounts payable and encumbrances as of June 30, 2006:

**Accounts Payable**

Clay County School Board	\$ 216.51
Scholastic Book Club	<u>95.40</u>
	<u>\$ 311.91</u>

**Encumbrances**

None

The above accounts payable list agrees with the General Ledger Report as of June 30, 2006.

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 2005-2006 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Tynes Elementary School for the year ended June 30, 2006.



Emily C. Helms, CPA, PA  
August 11, 2006

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

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Ms. Carol Studdard  
Mr. Charles Van Zant, Jr.  
Mr. Wayne Bolla  
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Tynes Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. The following accounts exceeded the maximum balance limit as prescribed by the Clay County School Board on page nine of the Internal Accounts Manual:

<u>Account Number</u>	<u>Amount</u>
• 5100	\$ 2,119.91
• 5120	1,153.26
• 5135	186.86
• 5140	618.16

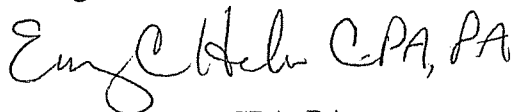
No written documentation was available describing the specific purpose for which these funds are being accumulated.

2. Check number 7972, in the amount of \$3,450, was for the purchase of 230 Target Gift Cards. This represented the purchase of 115 gift cards at \$10 each from the PFA account and 115 gift cards at \$20 each from the General Fund. The Request for Purchase Approval and Check Requisition identified these purchases as for teacher/staff appreciation. However, no documentation was available that indicated who received these gift cards and in what amounts. We recommend a review of the Internal Accounts Manual, Restricted Expenditures, page 9 to insure this purchase meets the guidelines as established by the Clay County School Board.

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

It has been a pleasure to have this opportunity to serve Tynes 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.

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 11, 2006

# Tynes Elementary School

1550 Tynes Boulevard  
Middleburg, Florida 32068  
(904) 291-5400

Jean H. Newhall  
Principal

Kim A. Morrison  
Assistant Principal

August 25, 2006

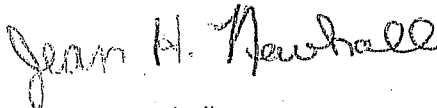
Emily C. Helms, CPA, PA  
1279 Kingsley Avenue, Suite 103  
Orange Park, FL 32073

Dear Mrs. Helms,

It was a pleasure to work with you during your recent audit of our internal funds. The following is our response to the items listed in your audit:

1. The Internal Accounts Manual will be reviewed and guidelines will be followed in regards to the balance limits for the accounts noted.
2. The Internal Accounts Manual will be reviewed and guidelines will be discussed with the District Office to ensure compliance. Documentation will be provided for future transactions.

Sincerely,



Jean H. Newhall  
Principal

pc: Clay County School Board

PERSISTENCE & RESPONSIBILITY



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**W.E. Cherry Elementary School**

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

**June 30, 2006**

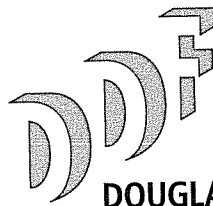
**Douglas, Douglas & Farnsworth  
Certified Public Accountants**

**W.E. Cherry Elementary School  
Statement of Cash Receipts  
and  
Disbursements of the  
Internal Funds**

**June 30, 2006**

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Certified Public Accountants  
Business Development Advisors

### **Independent Auditors' Report**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of W.E. Cherry Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1, the policy of the school is to prepare its financial statement on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of W.E. Cherry Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Douglas, Douglas & Farnsworth*

July 26, 2006



**W.E. Cherry Elementary School Internal Account  
Statement of Cash Receipts and Disbursements of the Internal Funds  
As of and for the Fiscal Year Ended June 30, 2006**

	<u>Balances July 1, 2005</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balances June 30, 2006</u>
Music	\$ 155.27	\$ 740.00	\$ 808.66	\$ -	\$ 86.61
Classes, clubs and departments	7,931.52	15,555.62	19,341.97	(2,036.00)	2,109.17
Trust	8,602.01	16,149.16	15,933.53	(202.73)	8,614.91
General	1,377.77	5,447.30	8,705.75	2,152.06	271.38
Outside organizations	<u>189.98</u>	<u>30,218.25</u>	<u>29,809.88</u>	<u>86.67</u>	<u>685.02</u>
<b>Total</b>	<u>\$ 18,256.55</u>	<u>\$ 68,110.33</u>	<u>\$ 74,599.79</u>	<u>\$ -</u>	<u>\$ 11,767.09</u>

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

**W.E. Cherry Elementary School**  
**Notes to Statement of Cash Receipts and Disbursements**  
**As of and for the Fiscal Year Ended June 30, 2006**

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

**Basis of accounting**

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

**Investments**

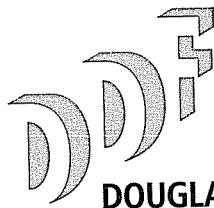
The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2006 cash balance, totaling \$11,767.09 consists of \$11,677.84 in an interest bearing checking account with Wachovia Bank. The remaining \$89.25 is for checks returned for insufficient funds during the school year, which collection is expected. W.E. Cherry did not invest in an investment account with the Clay County School Board.

**Note 3 - Interest Income**

The School did not earn interest due to not having an investment account with the Clay County School Board.



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Certified Public Accountants  
Business Development Advisors

**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for W.E. Cherry Elementary School at June 30, 2006.

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

The accounts payable does agree with the Principal's Report for June 30, 2006. The Principal's Report does not include a spot for encumbrances, however the list of accounts payable and encumbrances provided by the school does agree to the audit procedures performed.

Such auditing procedures as we considered necessary were applied to the verification of these accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the year ended June 30, 2006 and, accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

*Douglas, Douglas & Farnsworth*

July 26, 2006



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Certified Public Accountants  
Business Development Advisors

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

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of W.E. Cherry Elementary School (the School) for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are presented below.

1. The School Board's Internal Accounts Manual requires that all disbursements have prior approval of purchases documented before items are ordered and received by the school. We found numerous payments where the purchase date on the invoice or supporting backup was prior to the date of the principal's authorizing signature. We recommend that the school principal require all orders to have prior written approval before the school employees order goods and services.
2. The School Board's Internal Accounts Manual requires that all disbursements be approved prior to the order or purchase. In cases where the School used the "Internal Fund Purchase Requisition Form", we noted these forms were not prepared properly. For example, the form was not dated to show when the purchase authority was given. Also, the form was not filled out to describe the quantities to be purchased or the expected cost. In addition, the Principal or their designee did not sign the form to authorize payment. We recommend that the School fills out the form in the proper manner, in order to comply with Chapter 7 of the Department of Education's "Red Book".

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

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

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

*Douglas, Douglas & Farnsworth*

July 26, 2006

# W. E. CHERRY ELEMENTARY SCHOOL

ANGELA WHIDDON  
PRINCIPAL

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

TRACEY FINLEY  
ASSISTANT PRINCIPAL

August 29, 2006

Douglas, Douglas and Farnsworth  
4729 US Highway 17 S, Suite 201  
Orange Park, FL 32003-8244

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, 2006. Steps have been taken to correct the items noted in our audit draft for the 2005-2006 school year.

1. In regards to all disbursements having prior approval of purchases documented before items are ordered and received by the school, we will be sure the employees get prior written approval by the principal before the order of goods and services.
2. In regards to not properly filling the Internal Purchase order, we will be sure the form is completed properly in order to comply with Chapter 7 of the Department of Education's "Red Book".

W.E. Cherry appreciates the patience of our auditors at Douglas, Douglas and Farnsworth.

Sincerely,



Angela Whiddon  
Principal, WE Cherry Elementary

**J. L. Wilkinson Elementary School**

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

**June 30, 2006**

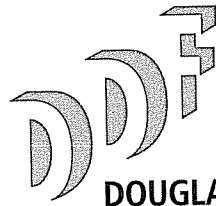
**Douglas, Douglas & Farnsworth  
Certified Public Accountants**

**J. L. Wilkinson Elementary School  
Statement of Cash Receipts  
and  
Disbursements of the  
Internal Funds**

**June 30, 2006**

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Certified Public Accountants  
Business Development Advisors

### **Independent Auditors' Report**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of J. L. Wilkinson Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1, the policy of the school is to prepare its financial statement on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of J. L. Wilkinson Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Douglas, Douglas & Farnsworth*

August 1, 2006



**J. L. Wilkinson Elementary School Internal Account  
Statement of Cash Receipts and Disbursements of the Internal Funds  
As of and for the Fiscal Year Ended June 30, 2006**

	<u>Balances July 1, 2005</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balances June 30, 2006</u>
Athletics	\$ -	\$ -	\$ -	\$ -	\$ -
Music	1,652.36	2,079.50	3,481.33	-	250.53
Classes and clubs	7,835.78	44,991.99	46,915.96	2,820.00	8,731.81
Trust	7,004.77	19,143.09	18,927.35	(150.00)	7,070.51
General	8,809.67	24,737.01	26,776.66	477.16	7,247.18
Outside organizations	<u>9,689.83</u>	<u>40,341.64</u>	<u>38,644.61</u>	<u>(3,147.16)</u>	<u>8,239.70</u>
<b>Total</b>	<u>\$ 34,992.41</u>	<u>\$ 131,293.23</u>	<u>\$ 134,745.91</u>	<u>\$ -</u>	<u>\$ 31,539.73</u>

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

**J. L. Wilkinson Elementary School**  
**Notes to Statement of Cash Receipts and Disbursements**  
**As of and for the Fiscal Year Ended June 30, 2006**

**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 J. L. Wilkinson 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 J. L. Wilkinson Elementary School.

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

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

**Basis of accounting**

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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2006 cash balance, totaling \$31,539.73 consists of \$18,403.12 in a non-interest bearing checking account with Wachovia Bank and \$11,901.09 in an investment account with the Clay County School Board. The school board invests its funds with the SBA. The remaining \$1,235.52 is for checks returned for insufficient funds during the school year, which it expects to collect.

**Note 3 - Interest Income**

The School earned \$444.70 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 3.82 percent during that period for monies invested with the SBA.

**Note 4 - Investments**

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

**J. L. Wilkinson Elementary School  
Notes to Statement of Cash Receipts and Disbursements  
As of and for the Fiscal Year Ended June 30, 2006  
(Concluded)**

**Note 4 – Investments (concluded)**

In accordance with GASB Statements No. 40, as of June 30, 2006, the School had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration - LGSF	54 Day Average	\$11,901

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

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

As of June 30, 2006, the investments in the Local Government Surplus Funds Trust Fund investment pool was unrated.



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Certified Public Accountants  
Business Development Advisors

**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

As requested by the Clay County School Board, we reviewed and tested for accounts payable and encumbrances for J. L. Wilkinson Elementary School at June 30, 2006.

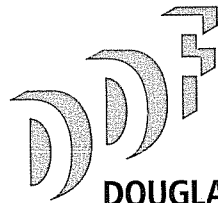
<b>Vendor</b>	<b>Amounts</b>
<b>Accounts Payable</b>	
Clay County School Board	\$ 585.87
Sally's Roses & More	80.00
Scholastic Book Fairs	300.00
Publix	849.41
Word to Works Ministry	225.00
	<u>\$2,040.28</u>
<b>Total</b>	
<b>Encumbrances</b>	
None	<u>\$ -</u>

The accounts payable does not agree with the Principal's Report for June 30, 2006. The Principal's Report does not include a spot for encumbrances, however the list of accounts payable and encumbrances provided by the school does agree to the audit procedures performed.

Such auditing procedures as we considered necessary were applied to the verification of these accounts payable and encumbrances. The following accounts payable and encumbrances were not paid during the year ended June 30, 2006 and, accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

*Douglas, Douglas & Farnsworth*

August 1, 2006



**DOUGLAS • DOUGLAS • FARNSWORTH**

Certified Public Accountants  
Business Development Advisors

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

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

#### Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of J. L. Wilkinson Elementary School (the School) for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are presented below.

1. The Internal Accounts Manual of the Clay County School Board requires Fund Raising activities to obtain prior written approval from the principal/designee. When reviewing the fundraiser forms, we noted two fundraisers that were not approved by the principal. Furthermore, of the four fundraiser forms submitted for review, we noted that all of them were incorrectly filled out. For example, in most cases the fundraising recap sections were not filled in. In addition, we noted that several fundraiser activities did not have the required forms prepared by the school. For example, monies collected by selling PE Y-Ties, and Rainforest T-Shirts did not have fundraising forms filled out. We recommend that school teachers and sponsors receive additional training on the preparation of fundraising forms and district procedures.
2. The Internal Accounts Manual of the Clay County School Board requires purchases to be approved prior to spending internal account funds. We noted a number of disbursements that were approved after the purchases were made by the teachers and sponsors. We recommend that all purchases have prior written approval, before ordering and spending internal account funds.
3. The Internal Accounts Manual of the Clay County School Board requires receipts and disbursements to be supported by proper documentation, such as original deposit slips, report of monies collected, teacher receipts, invoices and/or receipts from vendors, and other forms of support. We discovered a number of instances where monies were collected without the proper support being retained i.e. teacher receipts. For example, cash collected for PE Y ties did not have any auditable supporting documentation. In addition, a receipt book could not be located for a summer recreation deposit made in July 2005. We recommend that the school comply with the documentation sections of the receipt and disbursement procedures as described in the Internal Accounts Manual.

4. When reviewing the account postings, we noted several transactions coded to the incorrect internal account. For example, \$5,133 in various disbursements that were unrelated to entertainment books were posted to the Entertainment books account #5102. Many of these transactions could have been posted to a principal's discretionary account. We recommend that the school transfer funds from fundraising accounts to the general account or specific class or club accounts where the funds are to be spent.

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

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

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

*Douglas, Douglas & Farnsworth*

August 1, 2006



Home of the Wildcats!

# Wilkinson Elementary School

4965 County Road 218 Middleburg, FL 32068  
Phone 904-291-5420 Fax 904-291-5425

*Jeff Umbaugh*  
Principal

*Emily Weiskopf*  
Assistant Principal

*Diana Rabidoux*  
Assistant Principal

---

September 5, 2006

Dr. George Copeland  
Assistant Superintendent  
Business Affairs  
900 Walnut Street  
Green Cove Springs, Fl 32043

Dr. Copeland,

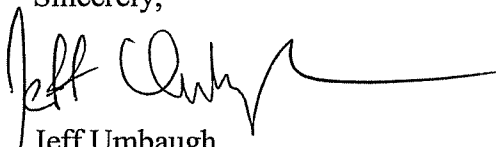
This letter is to inform you Barbara Hoffmann and I met with representatives from Douglas, Douglas & Farnsworth, CPA's on August 18, 2006 concerning our audit for the 2005-2006 school year.

We were advised of several areas that we needed to address. The first area the auditors pointed out was fundraising forms that had not been completed correctly. Before our meeting with the auditors Mrs. Hoffmann had already implemented corrections for the new school year concerning this matter. Secondly the auditors pointed out some instances of purchases being made from Internal Accounts prior to official written approval. We addressed this problem during pre-planning, and each teacher has been given an instruction notebook with procedures for all Internal Account transactions. The final area addressed by the auditors was some instances of incomplete documentation. There were some transactions coded incorrectly and all have been corrected.

Barb Hoffmann is to be commended for her efforts to attend to these matters, and has taken some excellent steps to ensure that all of our staff members are aware of the correct procedures in the future.

The auditors were very helpful and pleasant to work with.

Sincerely,

  
Jeff Umbaugh  
Principal

**R. C. BANNERMAN LEARNING CENTER**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**OF THE INTERNAL FUNDS**  
**For The Year Ended June 30, 2006**



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# Adams & Harper, P.A.

Certified Public Accountants

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Gary O. Harper, CPA  
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Beth A. Linder, CPA

Members:  
American and Florida Institute  
of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

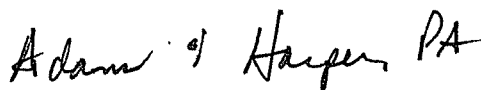
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2006, on the basis of accounting described in Note 1.



Adams & Harper, PA  
Certified Public Accountants  
August 4, 2006

**R. C. BANNERMAN LEARNING CENTER**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**OF THE INTERNAL FUNDS**  
For the Year Ended June 30, 2006

	Cash Balance July 1, 2005	Transactions			Cash Balance June 30, 2006
		Receipts	Disburse- ments	Transfers	
Classes, Clubs & Departments	\$ 1,913.49	\$ 4,566.60	\$ (3,570.09)	\$ 180.01	\$ 3,090.01
Trust	180.37	9,772.20	(5,787.25)	9,203.12	13,368.44
General	12,140.48	222.62	(2,449.70)	(9,383.13)	530.27
<b>Total</b>	<b>\$ 14,234.34</b>	<b>\$ 14,561.42</b>	<b>\$ (11,807.04)</b>	<b>\$ -</b>	<b>\$ 16,988.72</b>

See accompanying notes and independent auditor's report

**R. C. BANNERMAN LEARNING CENTER**  
**NOTES TO STATEMENT OF CASH RECEIPTS**  
**AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
For the Year Ended June 30, 2006

**NOTE 1:     Summary of Significant Accounting Policies**

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

**NOTE 2:     Cash**

The June 30, 2006, ending cash balance of \$16,988.72 as reported on the statement of cash receipts and disbursements consists of \$16,988.72 being held in the school's non-interest bearing checking account insured by the FDIC.

**NOTE 3:     Interest Income**

There was no interest income.

# Adams & Harper, P.A.

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Mr. Charles Van Zant, Jr.  
Mr. Wayne Bolla  
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2006 of the R.C. Bannerman Learning Center internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2005-2006 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2006.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	None	
<u>Encumbrances</u>		
	None	

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2006.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 4, 2006

# Adams & Harper, P.A.

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Ms. Lisa Graham

#### Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2006, 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 report the following items noted during our audit

1. When reviewing cash receipts, several items were noted:

- There were three (3) times when a teacher did not deposit money with the school bookkeeper the same day collected and one (1) receipt was incomplete.
- Transfer requests were not completed as required according to the Internal Accounts Manual. Transfers were not authorized properly because transfer requests were not used.

These items are not in compliance with Clay County School Board procedures as outlined in the Internal Accounts Manual, pages 16-21, 47-48.

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

It has been a pleasure to serve R. C. Bannerman Learning Center and the Clay County District Schools.

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

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 4, 2006