

Bannerman Learning Center

608 Mill Street • Green Cove Springs, Florida 32043-2326

Phone: (904) 284-6589

Fax: (904) 284-6586

Linda K. Turner, Principal



August 8, 2006


Mr. Gary Harper
Adams and Harper, P.A.
1165 Kingsley Avenue, Suite 100
Orange Park, FL 32073


Dear Mr. Harper,

In the future, Bannerman Learning Center's bookkeeper will instruct sponsors to be prompt turning in their daily receipts to the bookkeeper, not keeping any monies in their classroom over night. Also, transfer requests will be used before transfers are processed.

It has been a pleasure working with you this year. Thank you for your attention and concern in reference to an early audit due to the bookkeepers retirement.

Sincerely,


Carol R. Wyman
Bookkeeper


Linda K. Turner
Principal

GREEN COVE SPRINGS JUNIOR HIGH SCHOOL

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

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

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DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, 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 Green Cove Springs Junior High 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 Green Cove Springs Junior High School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

DuVal & Company, CPAs, PA
DuVal & Company, CPA's, P.A.
August 5, 2006

Green Cove Springs Junior High 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
Athletics	\$ 11,991.42	\$ 75,535.78	\$ 71,068.84	\$ 5,095.40	\$ 21,553.76
Music	6,992.91	51,830.26	50,015.74	0.00	8,807.43
Classes, Clubs and Departments	21,356.20	130,348.93	132,425.92	(3,046.67)	16,232.54
Trust	3,000.11	22,527.04	12,060.98	(6,230.00)	7,236.17
General	18,038.87	33,065.38	42,227.78	4,181.27	13,057.74
TOTALS	\$ 61,379.51	\$ 313,307.39	\$ 307,799.26	\$ 0.00	\$ 66,887.64

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

GREEN COVE SPRINGS JUNIOR HIGH 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 \$66,887.64 consists of \$43,503.55 in a non-interest bearing checking account with Wachovia Bank and \$22,597.09 in an investment account with the Clay County School Board. Also included are NSF check receivables in the amount of \$787.00.

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2006 was \$939.85. This represented a yield of approximately 4.25% during that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, 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 Green Cove Springs Junior High School at June 30, 2006.

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.

ACCOUNTS PAYABLE

Carmen's Flower Gardens	\$ 45.95
Varsity Spirit Fashions	<u>12,114.35</u>
Total	<u>\$12,160.30</u>

ENCUMBRANCES

Riddell All American	\$ 2,905.55
Clay County School Board	<u>2,616.00</u>
Total	<u>\$ 5,521.55</u>

The amount of accounts payable does not agree with the Principal's Monthly Report for June, 2006.

DuVal & Company, CPA's, PA
DuVal & Company, CPA's, P.A.
August 5, 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 Green Cove Springs Junior High 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 majority of the deficiencies reported in the prior year management letter appear to have been corrected. Any exceptions noted during our testing have been sufficiently explained and corrective action taken. We would like to point out the following items observed during our audit:

1. On ten (10) occasions a teacher receipt was not found for money collected.
2. On one (1) occasion the money was collected from students on a Friday and Monday and the money was not turned into the bookkeeper until Thursday. This is money being held overnight and over a weekend which does not follow the procedures manual.

3. During our testing of the fundraising applications we noted several instances that were not in compliance with the procedures set forth in the manual. There were ten (10) fundraising applications that did not have the financial recap filled out properly. There were two (2) instances where the receipts and disbursements could not be tied to the reconciliation report for the club or activity that was having the fundraiser. There were two (2) instances where it appears that a fundraiser application was not filled out at all.

Overall, we found the internal accounting records were neat and orderly. We also found that, with the above noted exceptions, 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 do not hesitate to contact us.

DuVal & Company CPA's, P.A.
DuVal & Company, CPA's, P.A.
August 5, 2006

Green Cove Springs Junior High School

An "A" School

1220 Bonaventure Avenue

Green Cove Springs, Florida 32043

(904) 529-2140

Fax (904) 529-2144

Kenneth E. Francis, Principal

Janice E. Tucker, Vice-Principal

John E. O'Brian, Assistant Principal

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

Dear Sir,

This letter is in response to the deficiencies found in your audit for Green Cove Springs Junior High that ended June 30, 2006.

1. In the future we will try to ensure that all collected funds are receipted.
2. We will stress to teachers again the importance of turning in money daily to the bookkeeper and definitely not holding monies over a weekend.
3. In the future we will pay closer attention to our fundraiser applications making sure that a fundraiser form is completed properly for every fundraiser and that it is in compliance with the procedures set forth in the school district manual.

Thank you for your compliments on our bookkeeping procedures, and we will be in compliance with the Internal Funds Manual of the Clay County School Board.

Sincerely,

Kenneth E. Francis

Kenneth E. Francis
Principal

Shawana Higgins

Bookkeeper

cc: Roni Campbell

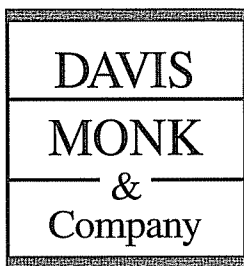
AUDIT REPORT
LAKE ASBURY JUNIOR
HIGH SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2006

**Lake Asbury Junior High School
June 30, 2006**

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Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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www.davismonk.com

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Independent Auditors' Report

District School Board
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Lake Asbury Junior High School Internal Accounts for the year ended June 30, 2006. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Lake Asbury Junior High School Internal Accounts for the year ended June 30, 2006, on the basis of accounting described in Note 1.

Davis, Monk & Company

August 10, 2006
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2006
Lake Asbury Junior High School Internal Accounts**

	Cash Balances <u>July 1, 2005</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Interfund <u>Transfers</u>	Cash Balances <u>June 30, 2006</u>
Music	\$ -	\$ 41,604	\$ 31,950	\$ -	\$ 9,654
Athletics	-	81,914	58,909	70	23,075
Classes, Clubs & Departments	-	92,124	84,489	(1,822)	5,813
Trust	-	16,340	14,682	23	1,681
General	-	47,922	43,670	1,729	5,981
Outside Organizations	-	14,561	10,358	-	4,203
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ -	\$ 294,465	\$ 244,058	\$ -	\$ 50,407
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**Notes to Financial Statement
For the Year Ended June 30, 2006
Lake Asbury Junior High School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

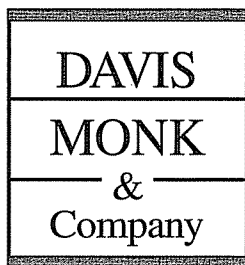
The accompanying financial statement includes the effects of transactions and balances relating exclusively to the internal account activities of Lake Asbury Junior High School.

The financial statement does not include other financial activities of the Clay County District School Board.

Basis of Accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, this statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

Gainesville

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Fax: (904) 471-3825

Website:

www.davismonk.com

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of the Lake Asbury Junior High School Internal Accounts for the year ended June 30, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on internal control. However, we noted the following matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement.

The bookkeeper who maintains the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

In addition to the reportable condition described above, we also noted another matter which we feel should be brought to your attention. Such matter is hereafter presented for your consideration.

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

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

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

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

Davis, Monk & Company

August 10, 2006
Gainesville, Florida

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International



Lake Asbury Junior High School

Home of the Tigers

2851 Sandridge Road, Green Cove Springs, FL 32043

Telephone 904-291-5582

Fax – 904-291-5593

<http://www.clay.k12.fl.us/LAJH>



Ed Paulk, Principal

Ozro May
Vice Principal

Christina Cornwell
Assistant Principal

August 28, 2006

Ms. Alice McClellan, CPA
Davis, Monk and Company, CPA's
P. O. Box 13494
Gainesville, Florida 32606

Dear Ms. McClellan:

This letter is in response to the comments made on your audit report for Lake Asbury Junior High School for the year ended June 30, 2006.

Comment #1:

All of the duties mentioned in this comment are part of the duties of the school bookkeeper, and your advice regarding separation of duties has been noted..

Comment #2:

The 2005-2006 school year was the opening year for LAJH. All account sponsors will be advised of the formulas, and to take caution regarding account balances. The accounts over were as follows:

Football	\$ 410.38
All County Band	\$6427.63

Some of the money in the football fund would eventually go toward equipment reconditioning, and the All County Band funds were just moved over to LAJH at the end of the school year from Ridgeview High School. Mrs. Williams is now the All County Band/Chorus Coordinator.

It has been a pleasure working with you, and we look forward to working with you again in the future.

Sincerely,

Principal

cc: Roni Campbell, Accounting Coordinator, CCSB
Bonnie Newman, Bookkeeper, WJH

LAKESIDE JUNIOR HIGH 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

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

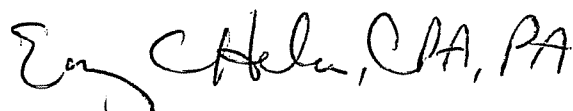
Honorable Members:

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



Emily C. Helms, CPA, PA
August 17, 2006

LAKESIDE JUNIOR HIGH SCHOOL

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

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2005	Receipts	ments	Transfers	June 30, 2006
Athletics	\$ 70,869.16	\$ 88,295.89	\$ 89,593.86	\$ (4,240.29)	\$ 65,330.90
Music	25,780.85	45,691.64	48,773.18	73.00	22,772.31
Classes, Clubs, Departments	55,705.94	58,049.74	54,913.92	2,424.73	61,266.49
Trust	16,034.24	31,364.83	21,295.19	(15,469.24)	10,634.64
General	22,215.15	13,598.42	35,349.58	17,261.80	17,725.79
Outside Organizations	10,029.42	26,086.28	29,285.05	(50.00)	6,780.65
Total	\$ 200,634.76	\$ 263,086.80	\$ 279,210.78	\$ -	\$184,510.78

See accompanying notes and independent auditor's report.

LAKESIDE JUNIOR HIGH SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 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 \$184,510.78 as reported on the statement of cash receipts and disbursements consists of \$9,813.22 being held in a interest bearing checking account insured by the FDIC, \$174,442.76 held in an investment account with the Clay County School and \$254.80 held as uncollected NSF Funds.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$7,255.34. This represents a yield of approximately 4.2 percent. Investment interest is maintained in a separate fund account.

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

Mr. 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, Lakeside Junior High School reported the following accounts payable and encumbrances as of June 30, 2006:

Accounts Payable

Home Depot	\$ 414.10
Troxell Communications	468.00
Wal-Mart Community Branch	<u>18.15</u>
	<u>\$ 900.25</u>

Encumbrances

Home Depot	\$ 800.00
BSN	100.00
BSN	3,898.67
Orlando Team Sports	400.00
Orlando Team Sports	800.00
Orlando Team Sports	7,844.45
Orlando Team Sports	1,575.00
The Book Source	338.92
Varsity Spirit Fashions	6,292.78
Schafer Sportswear	867.51
Bully Free Program	160.95
The Advantage Press, Inc.	225.00
Lesson Tech	<u>110.00</u>
	<u>\$ 23,413.28</u>

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 Lakeside Junior High School for the year ended June 30, 2006.

A handwritten signature in black ink, appearing to read "Emily C. Helms CPA PA". The signature is written in a cursive, flowing style.

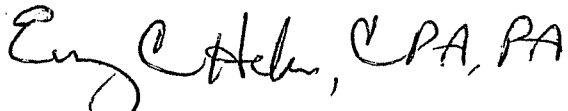
Emily C. Helms, CPA, PA

August 17, 2006

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

It has been a pleasure to have this opportunity to serve Lakeside Junior High School and the Clay County District Schools.

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

A handwritten signature in black ink, reading "Emily C. Helms, CPA, PA". The signature is written in a cursive style with a large, stylized "E" and "H".

Emily C. Helms, CPA, PA

August 17, 2006

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
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Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Wayne Bolla
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Lakeside Junior High 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 Teacher's Receipts Perpetual Control was incomplete. The Teacher Receipt Book 125 was assigned to one teacher and used by another and the Teacher Receipt Book 037 was issued and returned without the teacher's signature. The Report of Monies Collected Form for receipt number 6357 totaled ten dollars less than reported and deposited. We recommend a review of the Internal Accounts Manual, Collection Procedures, pages 16-21, in order to comply with Clay County School Board Policy.
2. Frequently, documentation was missing or incomplete on the Request for Purchase Approval and Check Requisition and regularly the Requests were dated after the transaction was completed and/or after the merchandise was ordered/received. We recommend a review of the Internal Accounts Manual, Instructions for Request for Purchase Approval and Check Requisition, page 37-38, in order to comply with Clay County School Board Policy.
3. Fund Raising Procedures are not being followed. Routinely, the Fund Raising Applications and Financial Recaps were incomplete. Rarely was the form totally completed or the required information attached as prescribed. Often the Financial Recap was completed months after the ending sale date and with one large fundraising activity, the Financial Recap was never completed or signed. Stated clearly under the Financial Recap on the form is "Financial Recap to be completed within three weeks following delivery of items sold." We recommend a review and implementation of the Internal Accounts Manual, Fund Raising Procedures, pages 10-13, by those teachers/sponsors involved in fundraising activities, in order to comply with Clay County School Board Policy.

LAKESIDE JUNIOR HIGH SCHOOL

Accredited

Southern Association of Colleges and Schools

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

Randall G. Oliver

Principal

Catherine Richardson
Vice-Principal 213-2980

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

Lloyd Patterson
Activities Director 213-2980

September 8, 2006

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

Dear Ms. Helms:

Your firm made the following comments in the August 17, 2006 letter to the Superintendent, Mr. David Owens, and the Clay County School Board Members concerning the audit of the Internal Funds of Lakeside Junior High School.

In response to Item #1:

We do not routinely share receipt books. Mentioned was Teacher Receipt Book #125, which had receipts written by Mr. Earl Walker. Mr. Walker was a substitute teacher for our Physical Education Department Head Teachers who was out on maternity leave for two months. I asked the Physical Education Department Head Teacher to sign out the receipt book in this instance for the substitute teacher so that I would have a faculty member responsible.

We have one of our teacher receipt books that a teacher signed out, but the teacher did not print his name. He also did not sign upon returning the receipt book. We will be more diligent in making sure all areas are signed and name of teacher printed.

Report of Monies Collected Form for Receipt #6357 was turned in with total amount correct, but lines totaled ten dollars less. We will remind teachers to be diligent in checking for accuracy.

In response to Item #2:

It was mentioned documentation was missing/incomplete on Request for Purchase Approval and Check Requisitions and Requests were dated after the transaction was completed and/or after the merchandise was ordered/received. We will make every effort to make sure this doesn't happen. Without knowing the specific instances in question, we will reinforce this policy with ALL faculty and staff.

In response to Item #3:

We will strive to make sure Fundraiser Forms are completed in a timely fashion and attach necessary back-up paperwork. Mentioned is a Fundraiser Form I unintentionally included that was submitted by our Physical Education Department at the end of last year for a fundraiser starting at the beginning of this school year, thus, it is incomplete. I will strive to be more conscientious in the future.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Randall G. Oliver".

Randall G. Oliver
Principal

RGO/ltk

Orange Park Junior High School

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**

**ORANGE PARK JUNIOR HIGH SCHOOL
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CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Orange Park Junior High 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 Orange Park Junior High 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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Please respond to the office at:

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Orange Park Junior High
Statement of Cash Receipts and Disbursements of the Internal Funds
For the Year Ended June 30, 2006

	Cash Balance July 1, 2005	<u>Transactions</u>		Transfers	Cash Balance June 30, 2006
		Receipts	Disbursements		
Athletics	\$13,943.92	\$54,153.99	\$53,170.51	\$6,340.65	\$21,268.05
Music	10,580.10	41,763.89	48,362.09	(195.89)	3,786.01
CC&D	17,136.44	100,705.15	93,234.43	(3,007.94)	21,599.22
Trust	1,906.09	33,657.63	22,636.62	(5,079.53)	7,847.57
General	12,227.22	14,784.06	17,446.19	2,015.71	11,580.80
Outside Org	<u>53.62</u>	<u>1,287.28</u>	<u>926.52</u>	<u>(73.00)</u>	<u>341.38</u>
	<u>\$55,847.39</u>	<u>\$246,352.00</u>	<u>\$235,776.36</u>	<u>(\$0.00)</u>	<u>\$66,423.03</u>

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

ORANGE PARK JUNIOR HIGH 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 As of June 30, 2006, no interest was being earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$2,184.98 for the fiscal year ended June 30, 2006.
- NOTE 3 The cash balance of \$66,423.03 at June 30, 2006, shown on the statement of cash receipts and disbursements consists of \$13,498.03 being held in the checking account and \$52,371.90 invested with the Clay County School Board. The remaining \$553.10 is NSF checks the bookkeeper intends to recover and has therefore not submitted for write-off as of June 30, 2006.



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 Orange Park Junior High School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 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 were no accounts payable at June 30, 2006 as two open orders at the end of the fiscal year were still being shipped and had not yet been invoiced.

The open orders totaling \$899.00 were listed as accounts payable on the June 30, 2006, Principal's Monthly Report. We are reporting them here as encumbrances due to the incomplete shipment and billing status at the end of the fiscal year.

Encumbrances

<u>VENDOR</u>	<u>Amount</u>
Gilman Gear	\$ 350.00
Wolverine Sports	<u>549.00</u>
Total	<u>\$ 899.00</u>

Conner, Hubbard & Company, CPA's

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

August 7, 2006

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CONNER, HUBBARD & COMPANY, P.A.
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Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Orange Park Junior High 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 two 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 1101(Football) and 3201(FBLA). However, the school does have written documentation for the FBLA overage as to the specific purpose for which the funds are being accumulated. The football overage was attributed to staff transition and donations to the new coach.

We noted two occasions where sales tax was paid on some fundraiser reimbursements.

We noted one instance where a teacher did not turn in monies collected within the required 5 days. This teacher provided a memo for the file regarding her tardy deposit and pledged to follow the deposit policy in the future.

We noted that one receipt book was not turned in at the end of the year.

We noted that one receipt book was missing receipts, they had been completely removed. It is important to leave voided receipts in the receipt book and to turn in complete books.

We noted two Monies Collected Forms did not reference receipts when a receipt should have been issued, i.e. payment for a lost book.

We noted one Monies Collected Report did not reference the receipt numbers issued.

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

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Mr. David Owens, Superintendents of Schools,
Clay County, Florida
August 7, 2006
Page Two

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

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

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

August 7, 2006

ORANGE PARK JUNIOR HIGH SCHOOL

Home of the Wildcats

Joyce Orsi
Assistant Principal

James Young
Principal

Paul Schlichtman
Vice Principal

August 30, 2006

Conner Hubbard and Co. P.A.
Certified Public Accountants
1106 Orange Ave.
Orange Park Fl. 32073

Dear Sirs,

We would like to address the following items pointed out on our audit report for the year 2005/2006:

Paragraph 1 Two activity accounts were over the maximum allowed. The Football account was taken over by a new coach at the end of the year. A donation was made to him to be used for next school year's program. The FBLA account had no participation this year. The Sponsor informed me to just roll over the amount for next school year. Both sponsors are aware that money raised during the school year should be spent in that school year.

Paragraph 2 Two occasions were noted where sales tax was paid. Check # 12085 was written to Michelle Gauthier as a reimbursement of concession supplies. This was my mistake. The receipt was rather faded and I picked up the wrong figure. I will be more careful in the future. Check # 12223 was written to Chris Goddard as a reimbursement for the boy's soccer banquet. I don't see where tax was reimbursed. The receipts added up to \$375.35. Mr. Goddard only requested \$366.72. I assumed the balance of \$8.63 was for a meal he did not pay for.

Paragraph 3 A monies collected was not turned in within the 5 day limit. This teacher is aware of the need to turn money in promptly.

Paragraph 4 One receipt book was not turned in. I could not get in touch with the teacher who had this book. I have since spoken to her and was made aware the receipt book was thrown out. She is aware all receipt books need to be turned in to the bookkeeper.

Paragraph 5 One receipt book had receipts torn out. I have informed that teacher of the problem. The receipts should have been voided but she tore them out and threw them away. She has been reminded she is not to do that.



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Paragraph 6 Two monies collected forms did not reference receipt numbers when one should have been written. Official receipt # 12572 did have a receipt written, #2121952 out of book # 821. Teacher did not reference that number on monies collected. Official receipt # 12607 did not reference a receipt number nor did he write one. Both teachers did not return to our school this year.

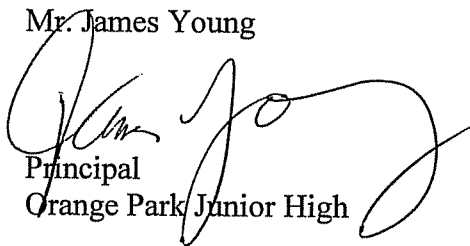
Paragraph 7 One monies collected form did not reference receipt numbers issued. Teacher wrote receipts but did not list numbers on form. She has been advised that she needs to list the numbers on the form.

We want to thank you for conducting our Internal Accounts audit in such a timely manner. Ms. Lyman called several times to ask questions, which we were able to clear up over the phone. She conducted herself in a most pleasant and professional manner.

Our goal is to continue to represent our school's financial transactions with the utmost accuracy.

Again thank you for your time.

Mr. James Young

A handwritten signature in black ink, appearing to read 'J. Young', is written over the printed name and title.

Principal
Orange Park Junior High

J. L. Wilkinson Junior High School

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

June 30, 2006

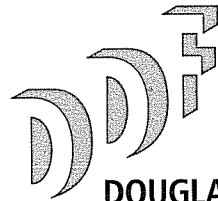
**Douglas, Douglas & Farnsworth
Certified Public Accountants**

**J. L. Wilkinson Junior High 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 Junior High 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 Junior High School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

Douglas, Douglas & Farnsworth

July 21, 2006

**J. L. Wilkinson Junior High 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	\$ 16,672.13	\$ 23,906.30	\$ 32,447.14	\$ 2,840.55	\$ 10,971.84
Music	6,757.98	27,801.04	26,518.44	678.05	8,718.63
Classes, clubs and departments	16,980.59	57,324.79	55,028.42	(517.66)	18,759.30
Trust	4,099.63	15,279.37	17,604.51	(23.82)	1,750.67
General	18,298.66	70,739.79	71,238.24	(2,977.12)	14,823.09
Outside organizations	<u>424.85</u>	<u>-</u>	<u>424.85</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 63,233.84</u>	<u>\$ 195,051.29</u>	<u>\$ 203,261.60</u>	<u>\$ 0.00</u>	<u>\$ 55,023.53</u>

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

J. L. Wilkinson Junior High 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 Junior High School (the School) within the Clay County, Florida school system.

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

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

The internal account balances and transactions are 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 \$55,023.53 consists of \$6,200.67 in a non-interest bearing checking account with Wachovia Bank and \$48,822.86 in an investment account with the Clay County School Board. The school board invests its funds with the SBA.

Note 3 - Interest Income

The School earned \$2,339.46 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 4.78 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 Junior High 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	\$48,823

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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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 J. L. Wilkinson Junior High School at June 30, 2006.

Vendor	Amounts
Accounts Payable	
None	\$ -
Encumbrances	
Gaylord Opryland Hotel	\$ 496.98
Total	\$ 496.98

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 21, 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 J. L. Wilkinson Junior High 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 Clay County School Board "Internal Accounts Manual" and Chapter 7 of the Department of Education's "Red Book", requires that funds collected by teachers have supporting documentation. We noted during our review of yearbook sales and receipts that we were unable to locate a number of individual receipts issued by the sponsor. The yearbook receipt books turned in for audit were not numbered in sequential order leading us to believe that there were some unaccounted for receipt books. In addition, many receipts we reviewed were not dated by the yearbook sponsor and some yearbook receipts were missing. We recommend that the School remind teachers and sponsors to turn in all collections promptly, along with all individual receipts that are properly dated. In addition, a yearbook log of receipts issued should be kept by the School.
2. During our audit, we noted the required fundraising forms were not filled out correctly or completely for the following fundraisers; Entertainment Books, Art Fundraiser and FCCLA cookies. The Clay County School Board "Internal Accounts Manual" requires all fundraisers to be approved by the Principal in advance of the fund raiser and that the financial recap section and inventory section is completed, if applicable. If items are purchased and resold then the inventory section is required to be prepared by the sponsor and checked by the bookkeeper. We recommend that the approved fundraiser applications are completed and retained to comply with school board policies. Also, a training session could be held by the School for sponsors and teachers to go over fundraising forms and procedures.
3. During our audit, we noted that purchase of a "slightly" used piano at a cost of \$1,500 was made without obtaining verbal quotes. School Board policies require 3 verbal quotes for purchases greater than \$1,000. Also, we noted that the School paid \$612 for pizza deliveries that were paid from a statement. These purchases did not appear to have prior written approval by the Principal or his designee. We recommend that the School require teachers and sponsors to receive prior written approval before spending internal funds and that quotes are obtained for purchases greater than \$1,000 to ensure that monies spent are reasonable for the goods and services received.

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

Page Two

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

Wilkinson Junior High School

"Eagles"

David J. McDonald, Ed.D., Principal

Sarah Colt, Vice-Principal
Henry "Doc" Gillespie, Asst. Principal
Bob Cozort, Activities Director



Ray Bohannon, Counselor
Robert J. Hume, Counselor

September 8, 2006

Mr. Timothy Coleman, CPA, CVA
Douglas, Douglas, Farnsworth, CPA's
4729 U. S. Highway 17 South
Orange Park, Florida, 32003-8244

Dear Mr. Coleman:

We have reviewed the management letter for our 2005-2006 audit.

Comment #1:

We are using the county issued teacher receipt books for the yearbook sales this year. The receipts for the sale of yearbooks will be handled as all other receipts.

Comment #2:

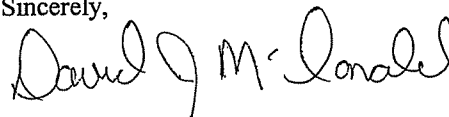
We will schedule a training session during a faculty meeting for sponsors and teachers to go over fund-raising forms and procedures.

Comment #3:

This was an oversight by the bookkeeper. Every effort will be made to make sure all purchases are made according to School Board policies in the future. The clean up of the pizza deliveries was from the prior year. Every effort will be made to make sure purchases have prior approval and paperwork completed in advance of purchases by the teachers and staff.

It was a pleasure meeting with you during our exit interview, and we look forward to working with you again in the future.

Sincerely,

A handwritten signature in cursive script that reads "David J. McDonald".

Dr. David J. McDonald, Principal
Wilkinson Junior High School

✓ cc: Roni Campbell, Coordinator of Accounting and Internal Accounts, CCSB

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

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

Members:
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Independent Auditor's Report

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

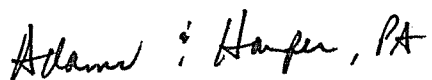
Honorable Members:

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay High School 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

Clay High 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	
Athletics	\$ 43,637.33	\$ 233,019.20	\$ (228,069.67)	\$ 231.76	\$ 48,818.62
Music Classes, Clubs,	2,511.47	34,809.12	(32,596.33)	(1,737.81)	2,986.45
Departments	29,497.83	156,045.84	(153,576.09)	(775.81)	31,191.77
Trust	28,860.50	45,346.46	(32,816.57)	2,645.42	44,035.81
General	12,081.77	47,499.67	(42,985.16)	(2,245.80)	14,350.48
Outside Organizations	1,400.27	68,447.66	(65,269.54)	1,726.24	6,304.63
Change Fund	-	1,844.00	(2,000.00)	156.00	-
Total	\$ 117,989.17	\$ 587,011.95	\$ (557,313.36)	\$ 0.00	\$ 147,687.76

See accompanying notes and independent auditor's report

Clay High 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

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 Clay High School within the Clay County, Florida school system.

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

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

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

Basis of accounting

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

Investments

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

Note 2 - Cash

The June 30, 2006, ending cash balance of \$147,687.76 consists of \$41,688.77 held in the School's non-interest bearing checking account (insured by the FDIC), \$105,866.04 held in an investment account with the Clay County School Board, and \$132.95 held in uncollected NSF checks.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$4,435.58, which represents an annual yield of approximately 4.1%. No interest was earned on the School's checking account.

Adams & Harper, P.A.

Certified Public Accountants

1665 Kingsley Avenue, Suite 100

Orange Park, Florida 32073

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

Members:
American and Florida Institute
of Certified Public Accountants

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, listed below is a schedule of the accounts payable and encumbrances at June 30, 2006 of the Clay High School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of 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 Clay High School for the year ended June 30, 2006.

Accounts Payable

<u>Vendor</u>	<u>Amount</u>
5 Star Designs	\$ 29.16
Brown & Cartwright Ace	2,926.00
Gulf Ice Systems	3,747.90
Gulfstream Sports Group	1,439.72
Home Depot	499.10
Kyle McKaig Sports	4,437.76
Orlando Team Sports	2,739.90
Professional Office Products	123.95
Sam's Club Direct	2,388.91
School Specialty	20.62
Varsity	20,083.75
Wal-Mart	768.39
Wincraft	46.75
TOTAL	\$ 39,251.91

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

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	Progress Publications	\$ 67.00
	Southern Lock	409.00
	Superior Communications	42.00
	Western Athletics	271.15
	TOTAL	\$ 789.15

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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Independent Auditor's 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 Clay High 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 report the following items noted during our audit

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

- There were five (5) times when the bookkeeper did not include the purpose for the funds being collected on the general ledger.
- Seven (7) Report of Monies Collected forms were incomplete.
- One (1) receipt was written directly on the carbon copy.
- One (1) receipt amount was different than the amount written on the Report of Monies Collected form.
- There were seven (7) times when a teacher did not deposit money with the school bookkeeper the same day collected; five (5) of the seven (7) were held over a weekend.

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

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. However, the recurrence of items identified above suggests the school's administrative staff should re-emphasize the importance to complying with procedures and instructions contained in the Internal Accounts Manual.

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

It has been a pleasure to serve Clay High School 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



CLAY HIGH SCHOOL

2025 HIGHWAY 16 WEST
GREEN COVE SPRINGS FLORIDA 32043
(904) 529-3001
(904) 529-3214

PETER J. MCCABE, PRINCIPAL

WILLIAM M. KNOWLES, VICE PRINCIPAL

CARY DICKS, ASSISTANT PRINCIPAL

DEBORAH SEGRETO, ASSISTANT PRINCIPAL



August 22, 2006

Adams & Harper, P.A.
1665 Kingsley Avenue
Suite 100
Orange Park, FL 32073

Dear Sirs:

This letter is in response to the management letter from your office after performing the 2005-2006 audit.

1. Review of cash receipts:

- The bookkeeper will be sure to include the purpose for funds being collected on the general ledger. If the purpose is not stated on the Monies Collected form, the sponsor will be contacted and reminded to include purpose.
- The bookkeeper will be sure the Monies Collected forms are completed and contact sponsor when necessary.
- Sponsors will be reminded to read the instructions on the cover of their receipt book for correct use. If a mistake is made the sponsor will note it in the receipt book.
- Sponsors will also be reminded that the Monies Collected form must match the receipt book. The bookkeeper will match receipts with monies collected when possible.
- Teachers and sponsors will be reminded of the importance of turning monies in on the day collected. The bookkeeper will be returning a reminder note with the copy of the Monies Collected form and will also include on the kept form. If monies are turned in late again, the principal will address the issue.

We appreciate your comments and recommendations for this year. We will make every effort to comply with the procedures and instructions in the Internal Accounts Manual.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter J. McCabe', written over a horizontal line.

Peter J. McCabe

FLEMING ISLAND HIGH SCHOOL

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

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

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Management Letter	6-7



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 Fleming Island High 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 Fleming Island High 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 10, 2006

Fleming Island High 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
Athletics	\$ 20,525.31	\$ 184,962.93	\$ 190,468.29	\$ 4,803.20	\$ 19,823.15
Music	43,548.77	331,959.99	361,253.10	11,765.00	26,020.66
Classes, Clubs and Departments	35,130.30	308,577.95	256,845.80	185.56	87,048.01
Trusts	4,291.53	73,595.39	71,585.88	18.70	6,319.74
General	2,980.04	184,865.85	160,251.44	(4,844.53)	22,749.92
Outside Organizations	30,946.30	177,822.26	145,024.35	(11,927.93)	51,816.28
TOTALS	\$ 137,422.25	\$ 1,261,784.37	\$ 1,185,428.86	\$ (0.00)	\$ 213,777.76

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

FLEMING ISLAND HIGH SCHOOL

Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 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 \$213,777.76 consists of \$29,273.48 in a non-interest bearing checking account with Wachovia Bank and \$182,439.28 in an investment account with the Clay County School Board. Also included is \$65.00 in NSF checks receivable and \$2,000 cash on hand.

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2006 was \$6,429.05. This represented a yield of approximately 4.54% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, 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 Fleming Island High School at June 30, 2006.

ACCOUNTS PAYABLE

Herff Jones	\$54,929.77
Enterprise	331.00
Chevron	245.17
Orange Park Service	200.00
Sam's Direct Club	152.25
Staples Credit Plan	112.68
Park Avenue Florist	64.00
WalMart	<u>61.96</u>
Total	<u>\$56,096.83</u>

ENCUMBRANCES

ALGY	\$ 4,020.00
Woodwind Brasswind	1,143.99
Steve Weiss Music	<u>106.00</u>
Total	<u>\$ 5,269.99</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 10, 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 Fleming Island High 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 matter that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

The deficiencies noted in the prior year audit and management letter were corrected.

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

1. Our cash receipts testing indicated several instances where funds were not turned in daily to the bookkeeper and several instances where the funds appear to have been held over the weekend. Teachers' receipts and Report of Monies Collected were dated with a certain date, and the funds were received by the bookkeeper on a subsequent date. The bookkeeper would note on the ROMC the actual date it was received in the bookkeeper's office.
2. On two (2) occasions during our receipt testing month, teachers' receipts had been altered. Even though changes were initialed, the receipts should have been voided and reissued.

3. The school's compliance with the fund raising procedures has greatly improved. Forms are properly completed and signed and had the required financial recaps. However, in one instance, the amount shown as income for the fund raiser did not agree to the general ledger. The fundraising form financial recaps indicated total income of \$11,350 for the signage and patron board. However, we were only able to trace a total of \$7,950 deposited into the general ledger for the baseball club account. After additional testing, it was determined that no monies were missing.

Overall, we found the internal accounting records were neat and orderly. We also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual even though a number of teachers still fail to comply with the requirements as instructed.

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

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

DuVal & Company, CPA's, P.A.
DuVal & Company, CPA's, P.A.
August 10, 2006



Fleming Island High School

2233 Village Square Parkway

Orange Park, FL 32003

Phone: (904) 541-2100

Fax: (904) 541-2110

William S. "Sam" Ward

Principal

Dan Finley
Vice Principal

Thomas Pittman
Assistant Principal

Teresa Hankel
Assistant Principal

Greg Henderson
Assistant Principal

Tara Richardson
Assistant Principal

To: DuVal & Company

From: Susan Edmonds, Bookkeeper, Fleming Island High School

Cc: Roni Campbell

Date: August 28, 2006

Re: Response to Management letter

Item #1 – I will remind teachers by e-mail and by posting signs that money must be turned in daily. I will continue to put stickers on the receipt books with this reminder also.

Item #2 – I will create a sign for the cover of the Receipt Book Log that states: Do not change or alter receipts. Receipts should be voided and reissued if there are any changes. When teachers sign out a receipt book they will see this sign.

Item #3 – I will stress the importance of accuracy on fundraiser forms.

Thank you,

Susan Edmonds
Bookkeeper
Fleming Island High School

AUDIT REPORT

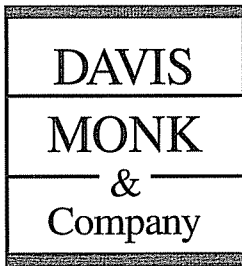
KEYSTONE HEIGHTS
HIGH SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2006

**Keystone Heights High School
June 30, 2006**

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Independent Auditors' Report on Internal Control	4



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& Business Consultants

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Professional Associations*

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Independent Auditors' Report

District School Board
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Keystone Heights High School Internal Accounts for the year ended June 30, 2006. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Keystone Heights High School Internal Accounts for the year ended June 30, 2006, on the basis of accounting described in Note 1.

Davis, Monk & Company

August 10, 2006
Gainesville, Florida

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2006
Keystone Heights High School Internal Accounts**

	<u>Cash Balances</u> <u>July 1, 2005</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Interfund</u> <u>Transfers</u>	<u>Cash Balances</u> <u>June 30, 2006</u>
Athletics	\$ 44,783	\$ 219,511	\$ 227,674	\$ (1,747)	\$ 34,873
Music	1,234	5,608	1,392	(3,963)	1,487
Classes, Clubs & Departments	65,355	162,035	148,455	2,207	81,142
Trust	31,203	43,711	55,850	(53)	19,011
General	10,857	35,979	36,461	(320)	10,055
Outside Organizations	<u>8,448</u>	<u>29,120</u>	<u>31,964</u>	<u>3,876</u>	<u>9,480</u>
 TOTAL	 <u>\$ 161,880</u>	 <u>\$ 495,964</u>	 <u>\$ 501,796</u>	 <u>\$ -</u>	 <u>\$ 156,048</u>

See accompanying notes.

**Notes to Financial Statement
For the Year Ended June 30, 2006
Keystone Heights High School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statement includes the effects of transactions and balances relating exclusively to the internal account activities of Keystone Heights High School.

The financial statement does not include other financial activities of the Clay County District School Board.

Basis of Accounting

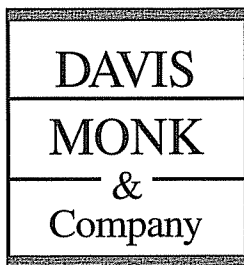
The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, this statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 – CASH BALANCES

The cash balance of \$156,048 at June 30, 2006, consists of \$21,029 being held in the checking account, \$134,501 invested with the State Board of Administration, and \$518 in checks returned by the bank for insufficient funds and awaiting redeposit.

See accompanying notes.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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Website:

www.davismonk.com

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of the Keystone Heights High School Internal Accounts for the year ended June 30, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on internal control. However, we noted the following matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement.

The bookkeeper who maintains the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

In addition to the reportable condition described above, we also noted other matters which we feel should be brought to your attention. Such matters are hereafter presented for your consideration.

- We noted occasions whereby monies were received by teachers/sponsors but were not turned in to the bookkeeper in a timely manner. We recommend that all monies collected on behalf of the School be given to the bookkeeper in a timely manner for deposit.
- We noted that accounts payable totaling \$1,924 were not reported to the District at the end of June as required by District policy. Greater care should be exercised to ensure that all payables are disclosed to the District on the monthly Principal's report.

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

District School Board
Clay County, Florida

Page Two

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

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

Davis, Monk & Company

August 10, 2006
Gainesville, Florida

KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL

"An Equal Opportunity Employer"

DR. SUSAN H. SAILOR
PRINCIPAL

ROY S. SHEWCHUK
ASST. PRINCIPAL



JANIE K. PHILLIPS
VICE-PRINCIPAL

JUSTIN L. WILLIAMS
ASST. PRINCIPAL

August 28, 2006

Davis Monk & Company
4010 N.W. 25th Place
Gainesville, FL 32606

Gentlemen,

We have received the audit completed by your firm for the school year 2005-06. We appreciate the professional manner in which your company has conducted this audit. We especially appreciate the helpful and courteous manner in which Alice McClellan extended to us during this period of time. We feel that your company was fair and reasonable in all of their request and respectful of our time and circumstances.

In response to the reportable condition, when a cash receipt discrepancy occurs, we do require verification from backup staff. On the noted matters of concern, we continue to emphasize the importance of faculty/staff turning in their monies collected in a timely manner. Throughout the year, reminders of this will be sent out through our email system. We will also take steps to help insure that payables are reported to the bookkeeper at the end of the year.

We would like to thank Davis, Monk & Company for their audit of our records this year. We would also like to state that working with the employees of Davis, Monk & Company has been a pleasure.

Sincerely,

Dr. Susan Sailor
Principal

Middleburg High School

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**

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

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Middleburg High School for the year ended June 30, 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 Middleburg High 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

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

e-mail: firm@connerhubbard.com

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

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

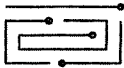
Middleburg High School
Statement of Cash Receipts and Disbursements of the Internal Funds
For the Year Ended June 30, 2006

	Cash Balance <u>July 1, 2005</u>	<u>Transactions</u>		<u>Transfers</u>	Cash Balance <u>June 30, 2006</u>
		<u>Receipts</u>	<u>Disbursements</u>		
Athletics	\$69,245.04	\$189,370.51	\$198,558.69	\$7,563.02	\$67,619.88
Music	4,478.33	33,518.44	34,241.14	1,616.82	5,372.45
CC&D	28,954.64	276,824.85	267,549.21	14,353.62	52,583.90
Trust	29,401.22	92,981.96	91,105.28	5,584.80	36,862.70
General	31,155.36	215,836.04	172,758.46	(24,913.81)	49,319.13
Outside Org	<u>18,540.11</u>	<u>63,923.50</u>	<u>52,366.07</u>	<u>(4,204.45)</u>	<u>25,893.09</u>
	<u>\$181,774.70</u>	<u>\$872,455.30</u>	<u>\$816,578.85</u>	<u>\$0.00</u>	<u>\$237,651.15</u>

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

MIDDLEBURG HIGH SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For The Year Ended June 30, 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 As of June 30, 2006, no interest was being earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$9,204.61 for the fiscal year ended June 30, 2006.
- NOTE 3 The cash balance of \$237,651.15 at June 30, 2006, shown on the statement of cash receipts and disbursements consists of \$48,716.95 being held in the checking account and \$188,934.20 invested with the Clay County School Board.



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

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

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

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 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.

Accounts Payable

<u>VENDOR</u>	<u>Amount</u>
Wabash Valley Mfg.	\$ 787.95
Justins Designs	158.00
Somerset Media	213.79
Orlando Team Sports	336.50
Consolidated Plastics Co.	177.95
Enterprise Leasing	513.10
The Sport Shop	1,456.23
School Lock Company	<u>1,227.50</u>
Total	<u>\$ 4,871.02</u>

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Please respond to the office at:

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☐ 212 North Davis Street
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(229) 686-3377; Fax (229) 686-3566

Mr. David Owens, Superintendents of Schools,
Clay County, Florida
August 7, 2006
Page Two

Encumbrances

<u>VENDOR</u>	<u>Amount</u>
Trainer's Warehouse	\$ 58.27
Holmes Stamp Co.	15.47
Quill	36.89
5 Star Design	533.14
NSSE	1,422.50
Varsity /CDT	9,076.05
Allen Sport Center	175.00
Matt's Jackets	<u>756.63</u>
Total	<u>\$ 12,073.95</u>

The above accounts payable were reported on the June 30, 2006, Principal's Monthly Report.

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

August 7, 2006



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

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Middleburg High School for the year ended June 30, 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 three activity accounts had an ending balance in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. These accounts were numbers 1147(Slow-Pitch Softball), 1157(Girl's Track), 3417(School Advisory Council) and 3502(Spanish National Honor Society). However, the school does have written documentation as to the specific purpose for which the funds are being accumulated.

We noted two check requisition forms were incomplete - missing one of the required signatures and/or no amount and/or total amount was listed in the request section.

We noted one teacher held money over the week-end before submitting funds for deposit.

We noted that the school store inventory taken at the end of the year was signed by only one individual and not two as required by the Internal Accounts Manual.

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

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

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Mr. David Owens, Superintendents of Schools,
Clay County, Florida
August 7, 2006
Page Two

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

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

August 7, 2006

MIDDLEBURG HIGH SCHOOL

3750 County Road 220 Middleburg, FL 32068

Phone: (904) 213-2100

Fax: (904) 291-5462

David S. Broskie

Principal

Treasure Pickett
Vice Principal

Charles McGuckin
Assistant Principal

Al De Jesus
Assistant Principal

Brenda Troutman
Assistant Principal

W. Alan Powers
Athletic Director

August 18, 2005

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

Sirs:

We have reviewed the management letter for our 2005-06 audit.

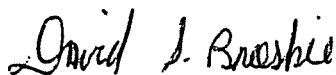
As per the Clay County School Board Internal Accounts Manual, page 9, the *procedures* were followed. Written documentation was provided for the three accounts over the formula limit.

Every effort will be made to secure the *required* signatures and to provide the appropriate information on the check requisitions.

Teachers are periodically reminded to deposit monies daily. We believe the teacher in question allowed students to pay for this trip the day of departure and submitted the monies the following Monday.

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

Sincerely,



David S. Broskie
Principal

Orange Park High School
Statement of Cash Receipts
and
Disbursements of the
Internal Funds
June 30, 2006

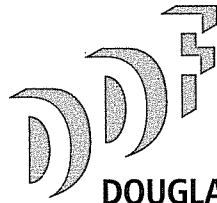
Douglas, Douglas & Farnsworth
Certified Public Accountants

**Orange Park High 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 Orange Park High 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 Orange Park High School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

Douglas, Douglas & Farnsworth

July 28, 2006

Orange Park High 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</u> <u>July 1, 2005</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund</u> <u>Transfers</u>	<u>Balances</u> <u>June 30, 2006</u>
Athletics	\$ 14,500.98	\$ 236,162.43	\$ 227,756.20	\$ (2,411.31)	\$ 20,495.90
Music	18,737.59	83,693.45	98,206.12	5,953.82	10,178.74
Classes, clubs and departments	91,189.70	313,051.61	309,878.45	9,622.46	103,985.32
Trust	85,326.10	106,140.95	141,950.61	(4,339.73)	45,176.71
General	57,591.91	136,455.49	97,454.84	(999.89)	95,592.67
Outside organizations	<u>9,894.19</u>	<u>51,206.80</u>	<u>49,053.05</u>	<u>(7,825.35)</u>	<u>4,222.59</u>
Total	<u>\$ 277,240.47</u>	<u>\$ 926,710.73</u>	<u>\$ 924,299.27</u>	<u>\$ -</u>	<u>\$ 279,651.93</u>

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

Orange Park High 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 Orange Park High School (the School) within the Clay County, Florida school system.

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

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

The internal account balances and transactions are 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 \$279,651.93 consists of \$4,464.28 in a non-interest bearing checking account with Wachovia Bank and \$273,926.13 in an investment account with the Clay County School Board. The school board invests with the SBA. The remaining \$1,261.52 is for checks returned for insufficient funds during the school year, which collection is expected.

Note 3 - Interest Income

The School earned \$12,103.09 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 4.35 percent during that period.

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).

Orange Park High 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)

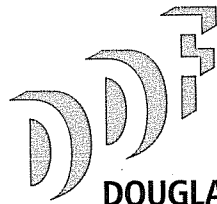
In accordance with GASB Statements No. 40, as of June 30, 2006, the School had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration - LGSF	54 Day Average	\$273,926

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, listed below is a schedule of accounts payable and encumbrances for Orange Park High School at June 30, 2006.

Vendor	Amounts
Accounts Payable	
F. Allen Gentry	\$ 214.00
Blythe's Athletics, Inc.	123.50
MF Athletics	2,445.30
Neff	492.51
Justin Designs	1,674.28
Baker's Sporting Goods	2,388.00
Circle System Group	5,742.50
Publix	22.14
Office Max	71.98
Denise Boivin	10.90
Anderson's Custom Embroidery	194.74
Just for Kix	482.18
Heriff Jones	1,688.29
Lowe's	174.76
Varsity	500.00
Algy Costumes	3,310.00
Total	<u>\$ 19,535.08</u>
Encumbrances	
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.

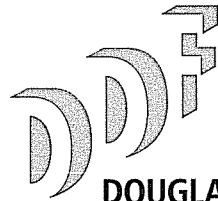
Mr. David L. Owens, Superintendent of Schools
Clay County, Florida

Page Two

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 28, 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 Orange Park High 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. We reviewed selected fundraising approval and financial recap forms during the year which are required by the Internal Accounts Manual. We noted that these forms were not always filled out completely. For example, the inventory section is sometimes not filled in. Also, the Internal Accounts Manual requires documentation on what is to be done with inventory items that are not sold or returned. The fundraising forms are an internal control procedure necessary to prevent fraud or theft from occurring. We recommend that the School personnel receive training from the District as to how these forms should be prepared.
2. We noted some deposits that were not deposited timely. Chapter 7 of the Department of Education's "Red Book", requires teachers and sponsors to turn in monies by the next business day. We discovered that monies for parking permits, a fieldtrip and collections for a basketball league were held up to 16 days. We recommend that the School discuss with teachers and sponsors the necessity of turning in monies timely.
3. We noted a number of disbursements that were ordered and/or received prior to written approval from the principal. We also noted that on two occasions that the principal's date of approval was changed to make it appear that the approval was made prior to incurring the obligation. We also noted that one purchase was approved by someone other than the principal or his designee. We recommend that the School provide instruction to teachers and sponsors about the necessity of seeking written approval for purchases prior to incurring any obligations.

4. During the fiscal year, the School issued tickets for athletic events. Chapter 7 of the Department of Education's Red Book requires the use of a ticket inventory log. The inventory log is a necessary element for ensuring that the school is controlling the use and issuance of tickets. Lack of controls over the issuance and use of tickets can result or allow fraud to occur and not be detected by school management. In fiscal year 2005/2006, the athletic director was responsible for preparing this log. Although, this log was requested by the bookkeeper, it was not provided for audit review.

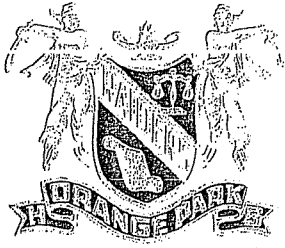
This report is intended solely for the information and use of the Clay County District Schools. This restriction is not, however, intended to limit the distribution of this report, which, upon acceptance, is a matter of public record.

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



ORANGE PARK HIGH SCHOOL

"HOME OF THE RAIDERS"

MICHAEL WINGATE
Principal

JIM SALEM
Vice Principal

KIM ALFORD
RAY DUKES
MICHAEL ELIA
TREASURE PICKETT
Assistant Principals

September 15, 2006

Douglas, Douglas, & Farnsworth
P. O. Box 9089
Orange Park, FL 32006-0023

Dear Sirs,

Thank you for the courteous and efficient manner with which you conducted the recent audit of the Internal Funds of Orange Park High School for 2005-2006.

We will take the following steps to eliminate the items noted in your audit report for the school year 2006-2007.

1. The procedures for filling out fundraising forms will be will be monitored more closely by the bookkeeper.
2. The faculty of Orange Park High School will be reminded that funds collected should be turned in the same day or at least the following day.
3. The faculty will be advised of needing prior approval before an item is purchased or ordered.
4. The new Athletic Director will be advised of their responsibility for keeping the ticket log. Last year the Athletic Director left and did not supply information to bookkeeper as requested of him.

Carole Lowe
Bookkeeper

Michael Wingate
Principal

2300 Kingsley Avenue, Orange Park Florida 32073
Phone (904) 272-8110 Fax (904) 213-2944

"An Equal Opportunity Employer"

RIDGEVIEW HIGH SCHOOL
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

1665 Kingsley Avenue, Suite 100

Orange Park, Florida 32073

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

www.adams-harper-pa.com

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

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 Ridgeview High 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 accounting principles generally accepted in the United States of America.

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

Adams & Harper, PA

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

Ridgeview High 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	
Athletics	\$ 61,959.98	\$ 269,618.98	\$ (278,349.53)	\$ (1,583.51)	\$ 51,645.92
Music Classes, Clubs,	16,890.71	102,061.06	(107,924.42)	(4,621.28)	6,406.07
Departments	64,805.63	291,906.80	(294,687.41)	(1,439.07)	60,585.95
Trust	33,918.26	82,589.01	(84,461.16)	(254.03)	31,792.08
General	13,478.38	74,008.69	(66,670.36)	6,929.14	27,745.85
Outside Organizations	14,349.08	49,328.12	(43,166.92)	968.75	21,479.03
Total	\$ 205,402.04	\$ 869,512.66	\$ (875,259.80)	\$ 0.00	\$ 199,654.90

See accompanying notes and independent auditor's report

Ridgeview High 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

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 Ridgeview High School within the Clay County, Florida school system.

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

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

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

Basis of accounting

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

Investments

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

Note 2 - Cash

The June 30, 2006, ending cash balance of \$199,654.90 consists of \$101,339.70 held in the School's non-interest bearing checking account (insured by the FDIC), \$97,413.20 held in an investment account with the Clay County School Board, and \$902.00 held in uncollected NSF checks.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$4,051.58, representing an annual return of approximately 4.1%. No interest was earned on the School's checking account.

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Schedule of Accounts Payable and Encumbrances

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol 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 Ridgeview High School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of 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 Ridgeview High School for the year ended June 30, 2006.

Accounts Payable

<u>Vendor</u>	<u>Amount</u>
Kyle McKaig Sports	\$ 80.00
Orlando Team Sports	90.50
Riddell/ All American	689.54
Stumps	100.00
TOTAL	\$ 960.04

Encumbrances

<u>Vendor</u>	<u>Amount</u>
College Board	\$ 180.00
Dance Distributors	395.25
Neff Company	525.20
Orlando Team Sports	2,765.10
Orlando Team Sports	1,670.00
TOTAL	\$ 5,535.55

The above accounts payable amount agrees 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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Independent Auditor's 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 Ridgeview High 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 report the following items noted during our audit:

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

- Two (2) receipt amounts did not agree to their respective Report of Monies Collected forms.
- In nine (9) instances, Report of Monies Collected forms were incomplete and the bookkeeper filled in the date.
- There were seven (7) instances when teachers did not turn monies collected in to the bookkeeper on the day it was collected, including five (5) of the seven (7) over a weekend.
- Three (3) receipts from our sample were altered without voiding.
- One (1) receipt was not found.
- One (1) receipt copy had been torn out of one of the receipt books.
- On all six (6) of the Report of Tickets Sold or Admissions sampled, the dates the reports were received and the receipt numbers were missing.
- On one (1) Report of Tickets Sold or Admissions, the number of tickets sold did not equal the calculation (subtracting the beginning ticket number from the ending ticket number on the roll).
- One (1) transfer request was not authorized by the sponsor.

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

2. When reviewing a sample of cash disbursements, two items were noted:

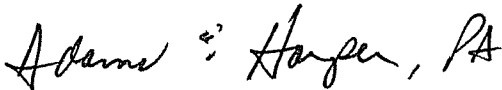
- Two (2) check requisition forms were not signed by the principal.

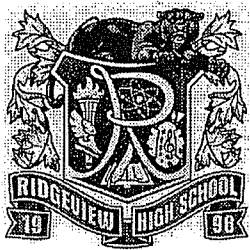
These items are not in compliance with Clay County School Board procedures as outlined in Internal Accounts Manual, pages 34-38.

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. However, the recurrence of items identified above suggests the school's administrative staff should re-emphasize the importance to complying with procedures and instructions contained in the Internal Accounts Manual.

It has been a pleasure to serve Ridgeview High School 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
Certified Public Accountants
August 4, 2006



Ridgeview High School

466 Madison Avenue
Orange Park, Florida 32065

9/12/06

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

Dear Mr. Harper:

It has been a pleasure working with you again for another year.

In response to your findings for Ridgeview High School's internal audit, I will do the following:

Review policies and procedures with teachers including the completion of forms, voiding receipts and reissuing receipts when an error is made. I will review forms for appropriate signatures and be certain to obtain those that may be missing.

Sincerely,

Toni McCabe
Principal

Annie Taylor
Bookkeeper

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

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Independent Auditor's Report

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

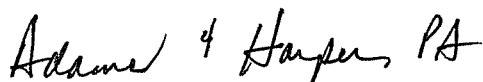
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Adult and Community Education 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Adult and Community Education 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

**Adult and Community Education
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	
Trust	19,176.90	11,200.76	(7,051.96)	(17,000.00)	6,325.70
General	1,779.08	10,415.28	(21,975.15)	17,000.00	7,219.21
Total	\$ 20,955.98	\$ 21,616.04	\$ (29,027.11)	\$ -	\$ 13,544.91

See accompanying notes and independent auditor's report

**Adult and Community Education
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

Reporting entity

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

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

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

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

Basis of accounting

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

Investments

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

Note 2 - Cash

The June 30, 2006, ending cash balance of \$13,544.91 consists of \$0.30 cash on hand, \$6,172.76 held in the School's non-interest bearing checking account (insured by the FDIC), \$7,281.85 held in an investment account with the Clay County School Board, and \$90.00 held in uncollected NSF checks.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$302.86, representing an annual return of approximately 4.1%. No interest was earned on the School's checking account.

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Schedule of Accounts Payable and Encumbrances

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Ms. Carol 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 Adult and Community Education internal funds as reported to us by the School.

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

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

The above accounts payable amount agrees 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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Independent Auditor's 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 Adult and Community Education 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. However, we noted certain matters involving internal control 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 that, in our judgment, could adversely affect the organization's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

1. We discovered that the school has a rubber signature stamp which is routinely used to sign documents on behalf of the supervisor.
2. We also discovered that selected school administrative personnel are routinely signing documents in the name of other school personnel.

In addition to the reportable conditions described above, we also noted other matters which we feel should be brought to your attention. Such matters are sequentially listed below for your consideration.

1. When reviewing cash receipts, several items were noted which are not in compliance with the Clay County School Board procedures as outlined in the Internal Accounts Manual, pages 16-19.

Cash receipts for teachers

- Out of a sample representing two months of activity, eleven (11) of the total twelve (12) receipts had multiple discrepancies within the seven (7) attributes we tested. One (1) receipt had only one (1) discrepancy. Our testing reflects that at least one error was observed in each item we tested.

Cash receipts for bookkeeper

- Two (2) instances were discovered where improper signatures were observed and two (2) instances of incorrect dating.
2. When reviewing school store information, the following items were noted which are not in compliance with the Clay County School Board procedures as outlined in the Internal Accounts Manual, pages 58-60.
 - Beginning and ending inventories were not taken.
 - There was not a person in charge of running the store.
 3. The bookkeeper failed to transfer investment earnings to vending account, thereby creating an unacceptable overage in the SBA interest account.

This item is not in compliance with Clay County School Board procedures as outlined in Internal Accounts Manual, page 9.

Although we found that the School substantially followed the procedures outlined in the Internal Accounts Manual of the Clay County School Board, the number and recurrence of items identified above and our discovery of the previously identified reportable conditions suggests that this school is not meeting acceptable standards for compliance at the date of our audit.

We understand that the school has already had multiple personnel changes. We suggest that the new school management personnel meet with a representative of the Clay County School Board internal audit staff to review and discuss pertinent sections of the Internal Accounts Manual and to determine steps to achieve normal compliance levels. We further suggest that interim steps be considered to determine whether these control steps are being immediately and fully implemented.

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

It has been a pleasure to serve Adult and Community Education and the Clay County District Schools and its Board. We want to express our thanks to the supervisor and his staff for their cooperation and the courtesies extended to us during the conduct of our audit. We look forward to a continuing relationship to all.

Adams & Harper, PA

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



August 18, 2006

**CENTER FOR ADULT AND COMMUNITY EDUCATION
SCHOOL DISTRICT OF CLAY COUNTY**

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

David L. Owens
Superintendent of Schools
Green Cove Springs 284-6500
Orange Park 272-8170
Keystone Heights 352-473-2761

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

Dear Mr. Harper,

Thank you for your thorough and professional audit of our internal accounts for the 2005/2006 school year. We are pleased that the financial statement, which was prepared on the basis of cash receipts and disbursements, has been represented correctly.

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

1. No signature stamp will be used on documents requiring the supervisor's signature.
2. No one in the Adult & Community Education Department will be signing documents in the name of other school personnel.
3. Close attention will be paid to cash receipts from teachers in order to avoid any discrepancies.
4. Although the Adult & Community Education Department does not have a school store. Books, caps and gowns are sold from the office. An inventory will be conducted to keep an account of items purchased and sold.
5. Monies earned in the SBA investment account have already been rolled for the upcoming school year.

The new personnel who are now employed in the Adult & Community Education Department are very familiar with the policies outlined in the Internal Account Manual of the Clay County School Board and are taking the necessary steps to implement these procedures.

Sincerely,

John Chappell
Supervisor