

Adult & Community Education

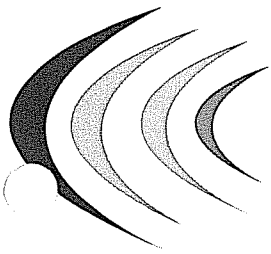
Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2009

Adult & Community Education

Table of Contents

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



Coleman and Associates, CPA Firm

Independent Auditors' Report

Mr. Ben Wortham, Superintendent of Clay County Schools
Ms. Denise Adams, Deputy Superintendent of Clay County Schools
Mr. Charles Van Zant, Jr., Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Carol Vallencourt, Member
Mr. Frank Farrell, Member
Ms. Carol Studdard, Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Adult & Community Education (the School) for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2009 on the basis of accounting described in Note 1.

Coleman & Associates Cpa firm

August 18, 2009

**Adult & Community Education
Statement of Cash Receipts and Disbursement of the Internal Funds
For the Year Ended June 30, 2009**

| <u>Accounts</u> | <u>Cash Balance July 1, 2008</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Transfers</u> | <u>Cash Balance June 30, 2009</u> |
|-----------------|--------------------------------------|---------------------|----------------------|------------------|---------------------------------------|
| Trust | \$ 12,222.41 | \$ 7,162.34 | \$ 18,155.08 | \$ 200.00 | \$ 1,429.67 |
| <u>General</u> | <u>6,751.49</u> | <u>6,489.78</u> | <u>11,080.13</u> | <u>(200.00)</u> | <u>1,961.14</u> |
| Totals | <u>\$ 18,973.90</u> | <u>\$ 13,652.12</u> | <u>\$ 29,235.21</u> | <u>\$ --</u> | <u>\$ 3,390.81</u> |

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

**Adult & Community Education
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009**

Note 1 – Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of Accounting

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

Note 2 – Cash and Cash Equivalents

As of June 30, 2009, the School's total cash balance of \$3,390.81 consists of \$2,627.71 held in a non-interest bearing checking account and \$763.10 held in an investment account. The School earned \$44 during the fiscal year by investing excess funds into the Local Government Trust Fund.

Note 3 – Investments

The School Board has authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. Many Clay County 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).

**Adult & Community Education
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009
(Concluded)**

Note 3 – Investments (concluded)

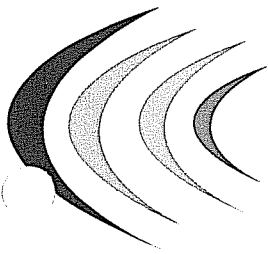
In accordance with GASB Statement No. 40, as of June 30, 2009, the School invested \$763 with the State Board of Administration (LGSF) with an average maturity of forty-six days.

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

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

As of June 30, 2009, the Schools invested money in the Local Government Surplus Funds Trust Fund investment pool (LGIP). The LGIP is considered a SEC 2a-7 like fund and the account balance equals the fair value. The LGIP is rated by Standard and Poors and the current rating is AAAM. The Schools did not have any investments in the Fund B Surplus Funds Trust Fund. The Fund B investments are not rated by any nationally recognized statistical rating agency.

Supplemental Information



Coleman and Associates, CPA Firm

Schedule of Accounts Payable and Encumbrances

Mr. Ben Wortham, Superintendent
 Ms. Denise Adams, Deputy Superintendent
 Mr. Charles Van Zant, Jr., Chairman
 Ms. Lisa Graham, Vice-Chairman
 Ms. Carol Vallencourt, Member
 Mr. Frank Farrell, Member
 Ms. Carol Studdard, Member

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2009, for Adult & Community Education's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 2009, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2009.

Accounts Payable as of June 30, 2009

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

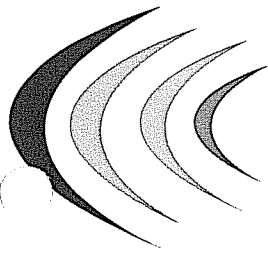
Encumbrances as of June 30, 2009

| |
|-------|
| \$ -- |
|-------|

The above accounts payable amount was reported on the June 30, 2009 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

Coleman & Associates Cpa firm

August 18, 2009



Coleman and Associates, CPA Firm

Mr. Ben Wortham, Superintendent
Ms. Denise Adams, Deputy Superintendent
Mr. Charles Van Zant, Jr., Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Carol Vallencourt, Member
Mr. Frank Farrell, Member
Ms. Carol Studdard, Member

Honorable Members:

We have audited the internal funds financial statement of Adult & Community Education as of and for the fiscal year ended June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

In planning and performing our audit of the internal funds of Adult & Community Education for the year ended June 30, 2009; in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

- During our audit testing we noted that the School did not prepare a Request for Purchase Approval and Check Requisition form for six disbursements. We recommend that the Request for Purchase Approval and Check Requisition form be prepared for all checks to document that the purchase has been approved by the Principal and that funds are available.
- We noted that a few purchases were made prior to the Principal signing the Request for Purchase Approval and Check requisition form. All purchases are required to be approved by the Principal in writing prior to ordering goods and services.
- In July 2008 the School collected approximately \$200 from various individuals and the monies were not deposited within five business days. A couple of these receipts were held for up to two weeks. We recommend that all receipts are deposited as soon as possible and sooner than the five business days allowed by the District.

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

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

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

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

Communication with Those Charged with Governance

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

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 15, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing. There was a discussion of the planned scope and timing at a meeting conducted on June 9, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2009. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus.

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

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

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

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

Coleman & Associates Cpa firm

August 18, 2009



CENTER FOR ADULT AND COMMUNITY EDUCATION
SCHOOL DISTRICT OF CLAY COUNTY

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

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

August 20, 2009

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

Dear Mr. Coleman:

Thank you for your thorough and professional audit of our internal accounts for the 2008/2009 school year. We are pleased that the financial statement, which was prepared on the basis of cash receipts and disbursements, has been represented correctly.

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

1. Every effort will be made to insure Requests for Purchase Approval and Check Requisition forms will be prepared for all checks to document that the purchase has been approved by the Principal and that funds are available.
2. Every effort will be made to insure that no purchases will be made prior to the Principal signing the Request for Purchase Approval and Check requisition form. All purchases will be approved by the Principal in writing prior to ordering goods and services.
3. Every effort will be made to insure that all receipts are deposited as soon as possible and sooner than the five business days allowed by the District.

Sincerely,

John Chappell
Supervisor

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

For the Year Ended June 30, 2009

CONTENTS

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2009, on the basis of accounting described in Note 1.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 10, 2009

ARGYLE ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2009

| | Cash Balance <u>July 1, 2008</u> | Transactions | | | Cash Balance <u>June 30, 2009</u> |
|---------------------------------|--|---------------------|----------------------------|--------------------------------|---|
| | | <u>Receipts</u> | <u>Disburse- ments</u> | <u>Interfund Transfers</u> | |
| Music | \$ 457.66 | \$ 2,808.00 | \$ 3,227.50 | \$ 300.00 | \$ 338.16 |
| Classes, Clubs & Departments | 13,568.33 | 62,323.78 | 64,885.34 | (141.00) | 10,865.77 |
| Trust | 4,144.74 | 25,540.30 | 19,900.89 | (698.64) | 9,085.51 |
| General | 1,300.54 | 19,887.28 | 19,233.67 | 3,521.48 | 5,475.63 |
| Outside Organization | <u>6,315.14</u> | <u>20,624.27</u> | <u>15,708.30</u> | <u>(2,981.84)</u> | <u>8,249.27</u> |
| Total | <u>\$ 25,786.41</u> | <u>\$131,183.63</u> | <u>\$122,955.70</u> | <u>\$.00</u> | <u>\$ 34,014.34</u> |

See accompanying notes to statement of cash receipts and disbursements.

ARGYLE ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2009

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 Argyle Elementary School within the Clay County, Florida school system.

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

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

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

Basis of Accounting

The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

ARGYLE ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(CONTINUED)
For the Year Ended June 30, 2009

NOTE 2 – Cash and Cash Equivalents

Of the June 30, 2009 cash balance of \$34,014.34 as reported on the Statement of Cash Receipts and Disbursements, \$33,637.51 is being held in a non-interest bearing checking account insured by the FDIC and \$376.83 in uncollected funds which are expected to be collected.

**S
H**

SHIRLEY W. HATCHER, CPA, P.A.

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E-Mail Hatchercpa@comcast.net

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

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Argyle Elementary School reported one accounts payable item and one encumbrance at June 30, 2009 for the internal funds.

Accounts Payable

Scholastic Book Clubs \$ 20.35

Encumbrance

Amsterdam \$316.53

The above amount agrees with the list provided by the school at June 30, 2009 and with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 10, 2009



SHIRLEY W. HATCHER, CPA, P.A.

P.O. Box 541
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Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Mr. Frank Farrell
Ms. Lisa Graham
Mr. Charles Van Zant, Jr.
Mrs. Carol Studdard
Mrs. Carol Vallencourt

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2009, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. The List of Sequential Checks contained in the monthly folders for March and June 2009 did not equal the total checks written as indicated on the financial reports for the respective months. Several checks were included in the reports from prior years. These reports should be reconciled each month to insure accuracy of the accounting reports.
2. I have provided a listing of disbursement exceptions to the school. Numerous exceptions included incomplete purchase requisitions, missing approval signatures, incorrect coding and input errors, purchases prior to approval, and missing or inadequate documentation. More care should be taken to insure that all forms are completed and approved in compliance with the Internal Funds Manual.
3. At least 24 expenditures were made without supporting documentation and/or without sufficient documentation such as receipts. On numerous occasions, the supporting documentation provided did not agree with the amount of the payment made, and several items were paid from statements without detailed invoices or receipts. Purchase requisitions were not included in at least five instances.

4. Two checks have been outstanding for more than six months and should be voided in accordance with the Internal Funds Manual procedures.
5. Numerous receipting exceptions were noted during our audit, and a detailed listing has been provided to the school. These exceptions include incomplete Report of Monies Collected forms, white copies of voided teacher receipts missing, monies being held over the weekend, discrepancies in dating of reports and receipts, and inadequate documentation for changes in posted amounts.
6. Thirteen Report of Monies Collected forms did not contain detail of student name and/or receipt number as required by the Internal Funds Manual.
7. In one instance, the Report of Monies Collected stated that \$50.00 was being remitted for the sale of roses. However, the receipt issued was for \$40.16. A receipt for \$9.84 was attached to the Report of Monies Collected form indicating that the roses were purchased out of the proceeds. All proceeds should be deposited in tact. Reimbursements should be paid by check and not from fundraising proceeds.
8. Three Report of Monies Collected forms were dated on 12/13/08, a Saturday. However, the deposit slip was dated on 12/12/08 by the bookkeeper. The actual deposit was made on Saturday, 12/13/08. All forms should be dated when completed to provide an accurate audit trail.
9. One deposit was made for \$408. However, the List of Sequential Receipts and the Report of Monies Collected totaled \$407. In a later month, the difference of \$1 was adjusted to a receipt but no indication was made on the original ROMC form. All funds should be verified by the bookkeeper at the time of receipting the ROMC form to prevent further discrepancies in deposits.
10. Several transfer forms were incomplete as to date of transfer and reason for the transfer. Two transfer forms (in separate months) contained the same transfer number.
11. Two separate gift card purchases had no signed acknowledgement forms from recipients. One was for \$50 to one recipient, and the other was for \$125, \$25 each to five recipients.
12. Only three of the 22 reported fundraiser forms were submitted to the Business Affairs Office as required in the Internal Funds Manual.
13. The bank reconciliation report for November 2008 did not include the list of outstanding checks.

Argyle Elementary School
Management Letter (2008-2009)
Page -3-

The internal funds accounting records were overall very neat and orderly. It has been a pleasure to have had this opportunity to serve you.

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

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 10, 2009



www.clay.k12.fl.us/aes

We are all Pioneers...

...Pathfinders on the Trail of a New Frontier

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

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

September 02, 2009

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

Dear Ms. Hatcher:

This letter is in response to the audit report of the internal funds of Argyle Elementary School for the year ending June 30, 2009. Steps have been taken to correct the items noted in our audit draft for the 2009-2010 school year.

1. In regards to the List of Sequential Checks not equaling the total checks written: The bookkeeper will reconcile each month to ensure its accuracy for the accounting reports.
2. In regards to the discrepancies in disbursements and incomplete forms (acknowledgements forms, purchase orders, transfer forms): The bookkeeper has reviewed the Internal Funds Manual and will take special care to ensure that all procedures are followed as described in the Internal Funds Manual.
3. In regards to the receipting exceptions and incomplete Report of Monies Collected forms: On August 17th and 18th the bookkeeper went over new procedures put in place with all teachers detailing the importance of following the guidelines given
4. In regards to the two checks which were outstanding for than six months: The bookkeeper will send a letter to the payee. Upon receiving verification from the payee, the check will be voided and a new one issued. If no response is received, the bookkeeper will follow "Abandoned Property" procedures for submitting payment to the District for processing. The bookkeeper will continue to monitor all checks that are outstanding more than six months.
5. In regards to fundraising forms being submitted to the Business Affairs Office: The bookkeeper reviewed the pertinent pages in the Internal Funds Manual and will ensure all guidelines are followed as described in the Internal Funds Manual.

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

Sincerely,

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

Theresa Roman
Principal

R.C. Bannerman Learning Center

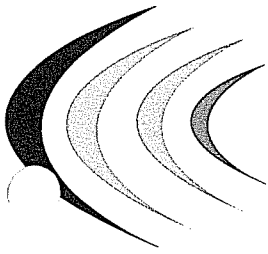
Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2009

R.C. Bannerman Learning Center

Table of Contents

| | |
|---|---|
| Independent Auditors' Report | 1 |
| Statement of Cash Receipts and Disbursements of the Internal Funds | 2 |
| Notes to the Financial Statements | 3 |
| Supplemental Information: | |
| Schedule of Accounts Payable and Encumbrances | 4 |
| Report on Internal Control Over Financial Reporting and on Compliance And Other Matters / Communication with Those Charged with Governance | 5 |
| Management's Response to Audit Findings | 8 |



Coleman and Associates, CPA Firm

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Ms. Denise Adams, Deputy Superintendent of Clay County Schools
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Mr. Frank Farrell, Member
Ms. Carol Studdard, Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of R.C. Bannerman Learning Center (the School) for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of R.C. Bannerman Learning Center for the year ended June 30, 2009 on the basis of accounting described in Note 1.

Coleman & Associates Cpa firm

August 17, 2009

**R.C. Bannerman Learning Center
Statement of Cash Receipts and Disbursement of the Internal Funds
For the Year Ended June 30, 2009**

| <u>Accounts</u> | <u>Cash Balance July 1, 2008</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Transfers</u> | <u>Cash Balance June 30, 2009</u> |
|-----------------------------------|--------------------------------------|----------------------------|----------------------------|---------------------|---------------------------------------|
| Classes, Clubs and Departments | \$ 2,873.76 | \$ 4,087.77 | \$ 5,092.95 | \$ (91.67) | \$ 1,776.91 |
| Trust | 12,693.67 | 29,855.16 | 30,336.36 | (37.20) | 12,175.27 |
| General | 24.99 | 5,119.34 | 4,059.17 | 128.87 | 1,214.03 |
| Totals | <u>\$ 15,592.42</u> | <u>\$ 39,062.27</u> | <u>\$ 39,488.48</u> | <u>\$ --</u> | <u>\$ 15,166.21</u> |

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

**R.C. Bannerman Learning Center
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009**

Note 1 – Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of Accounting

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

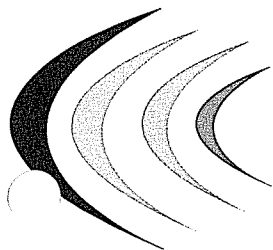
Note 2 – Cash and Cash Equivalents

As of June 30, 2009, the School's total cash balance of \$15,166.21 was held in a checking account earning no interest for the School. Currently, the School has not invested any excess funds into an investment account where interest can be earned.

Note 3 – Investments

The School Board has authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools 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). R.C. Bannerman Learning Center has not invested any funds with the SBA, including the LGSF.

Supplemental Information



Coleman and Associates, CPA Firm

Schedule of Accounts Payable and Encumbrances

Mr. Ben Wortham, Superintendent
Ms. Denise Adams, Deputy Superintendent
Mr. Charles Van Zant, Jr., Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Carol Vallencourt, Member
Mr. Frank Farrell, Member
Ms. Carol Studdard, Member

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2009, for R.C. Bannerman Learning Center's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 2009, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2009.

Accounts Payable as of June 30, 2009

\$ --

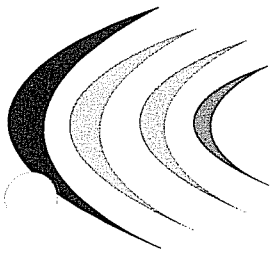
Encumbrances as of June 30, 2009

\$ --

The above accounts payable amount was reported on the June 30, 2009 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

Coleman & Associates Cpa firm

August 17, 2009



Mr. Ben Wortham, Superintendent
Ms. Denise Adams, Deputy Superintendent
Mr. Charles Van Zant, Jr., Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Carol Vallencourt, Member
Mr. Frank Farrell, Member
Ms. Carol Studdard, Member

Honorable Members:

We have audited the internal funds financial statement of R.C. Bannerman Learning Center as of and for the fiscal year ended June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

In planning and performing our audit of the internal funds of R.C. Bannerman Learning Center for the year ended June 30, 2009; in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

We did note other matters involving the internal control and its operation that we have described below:

- The School held a breakfast at the beginning of the fiscal year and entered into a contract to hold the event. The contract was signed and dated prior to the principal signing and dating the purchase approval and check requisition form. We recommend that the Principal formerly approve all purchases prior to staff signing any contracts that obligate the school.
- During the year, we noted that monies were collected and not turned into the bookkeeper for deposit for fifteen days. We recommend that the School remind teachers and sponsors that all monies collected should be turned in by the next business day.

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

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

Communication with Those Charged with Governance

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

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 15, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing. There was a discussion of the planned scope and timing at a meeting conducted on June 9, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ending June 30, 2009. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus.

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

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

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

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

Coleman & Associates Cpa firm

August 17, 2009

Bannerman Learning Center

608 Mill Street • Green Cove Springs, Florida 32043

Phone: (904) 529-2100

Fax: (904) 529-1025

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



August 24, 2009

To Whom It May Concern:

This letter is in response to Bannerman Learning Center's audit report for the 08/09 school year.

I will make sure Mrs. Turner signs the check requisition before I sign a contract. I will also remind the teachers to turn their monies collected in on a daily.

Thank you,

Renee Taylor
Bookkeeper

Cc: Linda Turner

CHARLES E. BENNETT ELEMENTARY SCHOOL

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

For the Year Ended June 30, 2009

CONTENTS

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

**S
H**

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INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2009, on the basis of accounting described in Note 1.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 10, 2009

CHARLES E. BENNETT ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2009

| | Cash Balance <u>July 1, 2008</u> | <u>Transactions</u> | | | Cash Balance <u>June 30, 2009</u> |
|---------------------------------|--|----------------------------|----------------------------|--------------------------------|---|
| | | <u>Receipts</u> | <u>Disburse- ments</u> | <u>Interfund Transfers</u> | |
| Music | \$ 360.90 | \$ 5,704.76 | \$ 5,271.74 | \$.00 | \$ 793.92 |
| Classes, Clubs & Departments | 9,286.84 | 36,195.28 | 35,490.95 | (239.86) | 9,751.31 |
| Trust | 27,623.86 | 16,597.12 | 32,193.31 | (10,035.17) | 1,992.50 |
| General | 3,987.73 | 7,263.85 | 8,882.70 | 2,827.27 | 5,196.15 |
| Outside Organization | <u>3,671.03</u> | <u>15,200.62</u> | <u>18,372.18</u> | <u>7,447.76</u> | <u>7,947.23</u> |
| Total | <u>\$ 44,930.36</u> | <u>\$ 80,961.63</u> | <u>\$100,210.88</u> | <u>\$.00</u> | <u>\$ 25,681.11</u> |

See accompanying notes to statement of cash receipts and disbursements.

CHARLES E. BENNETT ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2009

NOTE 1 – Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basis of Accounting

The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

**CHARLES E. BENNETT ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(CONTINUED)**

For the Year Ended June 30, 2009

NOTE 2 – Cash and Cash Equivalents

Of the June 30, 2009 cash balance of \$25,681.11 as reported on the Statement of Cash Receipts and Disbursements, \$4,624.23 is being held in a non-interest bearing checking account insured by the FDIC, \$21,035.27 in the investment account with the School Board, and \$21.61 in uncollected funds which are expected to be collected.

NOTE 3 - Interest Income

Interest on the investment account for the year was \$420.41, which amounts to an annual yield of approximately 1.44%.

**S
H**

SHIRLEY W. HATCHER, CPA, P.A.

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Charles E. Bennett Elementary School reported no accounts payable or encumbrances at June 30, 2009 for the internal funds.

Accounts Payable

NONE

Encumbrances

NONE

The above amount agrees with the list provided by the school at June 30, 2009 and with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 10, 2009

**S
H**

SHIRLEY W. HATCHER, CPA, P.A.

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

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2009, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. On two separate occasions, I noted funds were held over the weekend by a teacher. Per the Internal Funds Manual, all funds should be turned into the bookkeeper on a daily basis.
2. There is no supporting documentation of issuance of gift cards as outlined in the Internal Funds Manual. Recipients are required to acknowledge receipt of a gift card, and no such signatures were available.

The internal funds accounting records were overall very neat and orderly. I also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were followed by the School. I commend the principal and bookkeeper for an excellent job. It has been a pleasure to have had this opportunity to serve you.

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

Shirley W. Hatcher, CPA, P.A.

SHIRLEY W. HATCHER, CPA, P.A.
August 10, 2009

Charles E. Bennett Elementary School

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

Monica Bocchieri
Principal

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

Mark G. Phelps
Assistant Principal

August 18, 2009

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

Dear Ms. Hatcher:

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

1. Mrs. Francisco has reiterated to the staff the need for all monies to be receipted and turned daily. Receipts must be dated correctly.
2. The issuance of gift cards will be in compliance with the Internal Funds Manual. The bookkeeper has already addressed and corrected this matter. The supporting documentation will be signed.

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

Sincerely,



Monica Bocchieri
Principal

c: Roni Campbell
Nicholli Francisco

COPPERGATE ELEMENTARY SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2009**

EMILY C. HELMS, CPA, PA
Certified Public Accountant

CONTENTS

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

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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Certified Public Accountant

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Orange Park, FL 32073

Kingsley Center

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INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2009, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 5, 2009

COPPERGATE ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2009

| | Cash | Transactions | | | Cash |
|--------------------------------|---------------------|---------------------|---------------------|-------------|---------------------|
| | Balance | | Disburse- | Interfund | Balance |
| | July 1, 2008 | Receipts | ments | Transfers | June 30, 2009 |
| Music | \$ 30.92 | \$ 1,740.48 | \$ 1,445.50 | | \$ 325.90 |
| Classes, Clubs, Departments | 2,952.29 | 42,985.20 | 41,894.17 | 2,608.65 | 6,651.97 |
| Trust | 2,052.77 | 25,991.93 | 18,621.10 | 3,884.10 | 13,307.70 |
| General | 3,118.80 | 18,823.48 | 17,242.65 | (2,879.04) | 1,820.59 |
| Outside Organizations | 3,052.55 | 6,867.12 | 4,221.95 | (3,613.71) | 2,084.01 |
| Total | \$ 11,207.33 | \$ 96,408.21 | \$ 83,425.37 | \$ - | \$ 24,190.17 |

See accompanying notes and accountant's report.

COPPERGATE ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2009

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of accounting

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

NOTE 2 Cash

The June 30, 2009, total cash balance of \$24,190.17 as reported on the statement of cash receipts and disbursements consists of \$24,190.17 being held in a government advantage interest bearing checking account insured by the FDIC.

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Coppergate Elementary School reported the following accounts payable and encumbrances as of June 30, 2009:

Accounts Payable

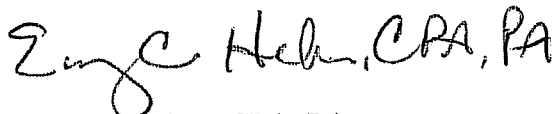
Staples \$8.99

Encumbrances

None

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2009.

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 2008-2009 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Coppergate Elementary School for the year ended June 30, 2009.



Emily C. Helms, CPA, PA
August 5, 2009

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2009, 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.

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

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

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



Emily C Helms, CPA, PA
August 5, 2009



COPPERGATE ELEMENTARY SCHOOL

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

David Nix
Principal

Debra Gaynes
Asst. Principal

August 20, 2009

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

Dear Ms. Helms:

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

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

We are looking forward to another successful school year and another excellent audit report next summer. Thank you again for your kind words and we hope to see you again in the near future.

Sincerely,

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

David Nix, Principal

DN:bd

Clay Hill Elementary School

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

For the Year Ended June 30, 2009

Contents

| | PAGE |
|---|------|
| Independent Auditor's Report | 3 |
| Statement of Cash Receipts and Disbursements of the Internal Funds | 4 |
| Notes to Statement of Cash Receipts and Disbursements of the Internal Funds | 5-6 |
| Supplemental Information | |
| Schedule of Accounts Payable and Encumbrances | 7 |
| Independent Auditor's Report on the Internal Control Structure and Other Matters | 8-9 |

ADAMS & HARPER, PA

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Orange Park, Florida 32073

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Gary O. Harper, CPA
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Beth A. Linder, CPA
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Independent Auditor's Report

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2009. 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 Hill Elementary School for the year ended June 30, 2009, on the basis of accounting described in Note 1.

Adams & Harper, PA

Adams & Harper, PA
Certified Public Accountants
August 5, 2009

**Clay Hill Elementary School
Statement of Cash Receipts and Disbursements
of the Internal Funds
For the Year Ended June 30, 2009**

| | <u>Cash Balance July 1, 2008</u> | <u>Transactions</u> | | | <u>Cash Balance June 30, 2009</u> |
|--------------------------------|--|---------------------|----------------------------|------------------|---|
| | | <u>Receipts</u> | <u>Disburse- ments</u> | <u>Transfers</u> | |
| Classes, Clubs, Departments | \$ 11,889.27 | \$ 43,055.75 | \$ (45,395.78) | \$ 4,284.27 | \$ 13,833.51 |
| Trust | 2,441.80 | 16,125.78 | (13,542.34) | (3,743.30) | 1,281.94 |
| General | 3,647.72 | 17,695.29 | (16,574.94) | 1,359.03 | 6,127.10 |
| Outside Funds | 5,550.74 | 9,289.87 | (7,051.89) | (1,900.00) | 5,888.72 |
| Total | \$ 23,529.53 | \$ 86,166.69 | \$ (82,564.95) | \$ - | \$ 27,131.27 |

See accompanying notes and independent auditor's report

**Clay Hill Elementary School
Notes to Statement of Cash Receipts
and Disbursements of the Internal Funds
For the Year Ended June 30, 2009**

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

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at Clay Hill Elementary 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, 2009, ending cash balance of \$ 27,131.27 consists of \$ 14,517.92 held in the School's interest bearing checking account (insured by the FDIC) and \$ 12,613.35 held in an investment account with the Clay County School.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$ 174.98, representing an annual yield of approximately 1.41%. No interest was earned on the school's checking account.

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Schedule of Accounts Payable and Encumbrances

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

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, 2009 of the Clay Hill Elementary School internal funds as reported to us by the school.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. The accounts payable and encumbrances were not paid during the 2008-2009 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2009.

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

| <u>Encumbrances</u> | <u>Vendor</u> | <u>Amount</u> |
|---------------------|-------------------------|------------------|
| | Winn Dixie Stores, Inc. | \$ 173.12 |
| | TOTAL | \$ 173.12 |

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2009.

Adams & Harper, PA

Adams & Harper, PA
Certified Public Accountants
August 5, 2009

ADAMS & HARPER, PA

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

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

Honorable Members:

In planning and performing our audit of the financial statement of Clay Hill Elementary School (the "School") as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Clay Hill Elementary School's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

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

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

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

- One instance where the Report of Monies Collected form was not numbered.
- Five instances where the teachers had not labeled the student receipt numbers on the Report of Monies Collected form.
- One instance where the receipt date and Report of Monies Collected date differ.
- Two instances where student receipts were altered without being voided and reissued.
- One instance where the Fundraiser deposit did not tie to the vendor's summary worksheet.
- Eleven instances where the Request for Purchase Approval and Check Requisition was not properly completed.
- Thirty-five instances where gift cards were not signed for by the recipients when they were awarded. (This violation was more troubling due to the number of instances discovered. Ergo, immediate and specific education of all applicable personnel is encouraged.)

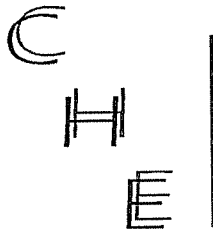
This report is intended solely for the information and use of the Clay County District School Board and its management and is not intended to be an should not be used by anyone other than these specified parties.

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

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

Adams & Harper, PA

Adams and Harper, PA
Orange Park, FL
August 5, 2009



Clay Hill Elementary School

6345 CR 218 West
Jacksonville, Florida 32234



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

Evelyn Chastain
Principal

www.clay.k12.fl.us/che

Bonnie Barker
Assistant Principal

August 25, 2009

Mrs. Laura Webster
Adams & Harper, P.A.
1665 Kingsley Avenue, Suite 100
Orange Park, Florida 32073

Dear Mrs. Webster:

Please accept this letter as my response to the Internal Account audit conducted by your firm during the summer for the 2008-2009 school year. I appreciate how supportive you were of our new bookkeeper, Mary Ann Padgett, for the professional manner in which she handled all financial matters during her inaugural year.

The items noted on your report will be addressed this fiscal year by ensuring that all gift cards are signed by the recipient instead of simply listed. We have begun including all addresses on the Request for Purchase Approval and Check Requisition forms. Procedures have been reviewed with the teachers on Monies Collected Forms and receipts. Mrs. Padgett will ensure that teachers complete the details according to county procedures. Fundraiser summaries will align to full accountability.

We appreciate the opportunity to improve our fiscal responsibility as discussed in our exit interview. We will strive to make the corrections to accommodate these issues.

Sincerely,

Evelyn Chastain
Principal

Cc: R. Campbell

CLAY HIGH SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2009**

EMILY C. HELMS, CPA, PA
Certified Public Accountant

CONTENTS

| | PAGE |
|--|------|
| Independent Auditor's Report | 3 |
| Statement of Cash Receipts and Disbursements Of the Internal Funds | 4 |
| Notes to Statement of Cash Receipts and Disbursements of the Internal Funds | 5 |
| Supplemental Information | |
| Accounts Payable and Encumbrance Letter | 7 |
| Management Letter | 9 |

EMILY C. HELMS, CPA, PA
Certified Public Accountant

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2009, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 12, 2009

CLAY HIGH SCHOOL

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2009

| | Cash | Transactions | | | Cash |
|--------------------------------|-------------------------|----------------------|----------------------|------------------------|--------------------------|
| | Balance July 1, 2008 | Receipts | Disburse- ments | Interfund Transfers | Balance June 30, 2009 |
| Athletics | \$ 69,872.79 | \$ 276,623.51 | \$ 279,716.64 | \$(2,720.69) | \$ 64,058.97 |
| Music | 7,755.61 | 24,569.13 | 22,692.54 | 241.78 | 9,873.98 |
| Classes, Clubs, Departments | 47,855.88 | 167,103.68 | 182,011.17 | 4,869.51 | 37,817.90 |
| Trust | 22,430.77 | 55,364.68 | 53,799.05 | 1,067.46 | 25,063.86 |
| General | 20,102.30 | 61,986.27 | 69,471.94 | (2,376.90) | 10,239.73 |
| Outside Organizations | 1,186.20 | 90,433.27 | 80,119.28 | (1,081.16) | 10,419.03 |
| Total | \$ 169,203.55 | \$ 676,080.54 | \$ 687,810.62 | \$ - | \$ 157,473.47 |

See accompanying notes and accountant's report.

CLAY HIGH SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2009

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of accounting

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

Investments

The School Board has the authority, under Florida Statue, 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.

CLAY HIGH SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2009

NOTE 2 Cash

The June 30, 2009, total cash balance of \$157,473.47 as reported on the statement of cash receipts and disbursements consists of \$9142.10 being held in an interest checking account insured by the FDIC, \$148,083.18 held in an investment account with the Clay County School, \$50.00 being held in a change account and \$198.19 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 \$2,054.52. Investment interest is maintained in a separate fund account.

EMILY C. HELMS, CPA, PA

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Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Frank Farrell
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, 2009, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. Collection procedures for the Teacher Receipts are not being followed. Receipts were skipped, used out of numerical order, and changed in ink on the yellow copy. In addition, three teacher receipt books are missing. We recommend that the Principal review with the teachers the Internal Accounts Manual, Collection Procedures, Procedures: Teacher/Sponsor, pages 16-21 to insure proper procedures will be followed in the future.
2. Fundraising procedures are not always being properly followed:
 - a. Written approval was obtained after the start of three fundraising activities.
 - b. On fundraiser 09-12 the recap was incorrectly calculated. On fundraiser number 09-37 the ending date was changed from November 2008 to May 2009 well beyond the prescribed "two week period after onset of sales." Upon completion of the recap, cash was short and the fundraising chairman agreed to repay the club for the cash shortage in the 2009-2010 school year.
 - c. On one occasion, the fundraising application was incomplete as to the items being sold and the purpose of the fundraiser.

Clay High School
August 12, 2009

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

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

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

Emily C. Helms, CPA, PA.

Emily C. Helms, CPA, PA
August 12, 2009

EMILY C. HELMS, CPA, PA
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Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay High School reported the following accounts payable and encumbrances as of June 30, 2009:

Accounts Payable

| | |
|---------------------------------|---------------------|
| Bando Shoes | \$ 176.60 |
| Brown & Cartwright Ace Hardware | 43.78 |
| City of Jacksonville | 22.50 |
| CP&S | 339.60 |
| Dell Marketing | 85.94 |
| 5 Star Designs | 108.00 |
| Herff Jones | 12,460.52 |
| Jerry Williams | 1,141.50 |
| J.W. Pepper & Sons | 129.98 |
| Kathie Langevin | 84.86 |
| Music & Arts Center | 4,463.00 |
| Rhapsody Music | 293.41 |
| Software House International | 47.86 |
| Varsity | 15,016.00 |
| Hodge Products | 541.32 |
| Wal-Mart | 326.88 |
| Winn Dixie | 16.11 |
| | <u>\$ 35,296.86</u> |

Encumbrances

| | |
|-----------------|--------------------|
| MCM Electronics | \$ 291.50 |
| Music Depot | 4,880.00 |
| Pats Nursery | 620.00 |
| Troxell | |
| Communications | <u>1,045.74</u> |
| | <u>\$ 6,837.24</u> |

The above accounts payable and encumbrance lists agree with the Principal's Monthly Report as of June 30, 2009.

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 2008-2009 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay High School for the year ended June 30, 2009.



Emily C. Helms, CPA, PA
August 12, 2009

CLAY HIGH SCHOOL

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

Peter J. McCabe, Principal
Cary Dicks, Assistant Principal



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

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

August 25, 2009

Dear Mrs. Helms:

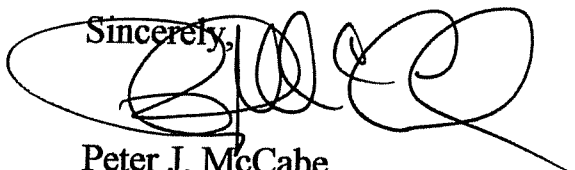
This letter is in response to Clay High School's 2008-2009 audit comments.

When teachers receive a receipt book the bookkeeper will go over the procedures for proper use as stated in the Internal Funds Manual. The importance of not losing the receipt book will be stressed. A label saying "Do Not Lose" has now been attached to each book.

Fundraiser applications will be carefully examined for dates, items being sold and purposes. The recap calculations will be checked for accuracy and done within the prescribed time period.

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

Sincerely,


Peter J. McCabe
Principal

**Doctors Inlet Elementary School
Internal Funds**

**Statement of Cash Receipts
and Disbursements**

June 30, 2009

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

June 30, 2009

Table of Contents

| | |
|--|---|
| Independent Auditors' Report | 1 |
| Statement of Cash Receipts and Disbursements | 2 |
| Notes to Financial Statement | 3 |
| Management Letter | 4 |



Independent Auditors' Report

District School Board
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the Doctors Inlet Elementary School Internal Funds for the year ended June 30, 2009. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

As described in Note 1 of the Notes to Financial Statements, the accompanying financial statement includes only the financial activities of Doctors Inlet Elementary School Internal Funds. The financial statement does not include other financial activities of the District School Board.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Doctors Inlet Elementary School Internal Funds for the year ended June 30, 2009, on the basis of accounting described in Note 1.

DDF CPA Group

August 14, 2009

ddfcpa.com

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

**Doctors Inlet Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2009**

| | <u>Cash Balances July 1, 2008</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Interfund Transfers</u> | <u>Cash Balances June 30, 2009</u> |
|--------------------------------|---|---------------------------|---------------------------|--------------------------------|--|
| Music | \$ 704.58 | \$ 1,554.72 | \$ 2,214.01 | \$ - - | \$ 45.29 |
| Classes, Clubs and Departments | 19,232.86 | 38,801.84 | 39,321.28 | - - | 18,713.42 |
| Trust | 3,956.76 | 14,763.76 | 14,486.10 | - - | 4,234.42 |
| General | 6,678.63 | 5,552.67 | 5,905.19 | - - | 6,326.11 |
| Outside Organizations | <u>370.29</u> | <u>23,602.52</u> | <u>19,645.29</u> | <u>- -</u> | <u>4,327.52</u> |
| Total | <u>\$30,943.12</u> | <u>\$84,275.51</u> | <u>\$81,571.87</u> | <u>\$- -</u> | <u>\$33,646.76</u> |

See accompanying Notes to Financial Statement

**Doctors Inlet Elementary School
Internal Funds
Notes to Financial Statement
For the Year Ended June 30, 2009**

Note 1 - Summary of Significant Accounting Policies

Reporting entity

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

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

Basis of accounting

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

Note 2 - Cash and Cash Equivalents

The June 30, 2009 cash balance, totaling \$33,646.76, consists of \$20,942.69 in a non-interest bearing checking account and \$12,704.07 invested with the State Board of Administration. Interest earnings on the investment amounted to \$176.27.

Note 3 - Accounts Payable and Encumbrances

As requested by the Clay County School Board, the following is a schedule of accounts payable at June 30, 2009.

| <u>Vendor</u> | <u>Amount</u> |
|-------------------------|-----------------|
| Accounts Payable | |
| CCSB/Transportation | <u>\$125.60</u> |
| Total | <u>\$125.60</u> |

The School had no encumbrances at June 30, 2009.



Management Letter

District School Board
Clay County, Florida

Honorable Members:

In connection with our audit of Doctors Inlet Elementary School's (the "school") financial statement as of June 30, 2009 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2009 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants require that we advise you of the following internal control matters identified during our integrated audit.

Our responsibility is to plan and perform our integrated audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. The integrated audit is not designed to detect deficiencies that, individually or in combination, are less severe than a material weakness. However, we are responsible for communicating to management and those charged with governance significant deficiencies and material weaknesses identified during the integrated audit. We are also responsible for communicating to management deficiencies that are of a lesser magnitude than a significant deficiency, which we discussed at our exit conference held on August 18, 2009.

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

- To make certain that funds collected each year are expected to benefit those students currently in school, the School Board set account balance limits, specified on page 9 of the Clay County School Board Internal Accounts Manual. Our review noted that 16 internal accounts with balances totaling \$10,627.17 were in excess of the calculated balance limits. We did note one class requesting carryover of its balance in the amount of \$62.68; however the request was not approved by the principal. We recommend that the balances in question be transferred to the General Fund.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that, in the auditors' professional judgment, is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be significant deficiencies:

- Section IV of the Internal Accounts Manual outlines requirements regarding inventory of all tickets used for school activities. We found that the School does not keep ticket logs. We did find that the tickets were listed on the Report of Monies Collected, however there was no Report of Tickets Sold or Ticket Disbursement Log completed by the sponsor. We recommend that the bookkeeper ensures the sponsor of each event is adequately keeping up with the Ticket Disbursement Log if sponsoring an event which requires ticket sales and that once tickets are issued the Report of Tickets Sold agree with amount shown as disbursed on the ticket log.
- We noted many issues relating to fundraisers. Monies Collected Forms were lacking the fundraiser application number when relating to receipts from fundraisers, as required by School Board policy. Additionally, the financial recap of the fundraiser form was either not complete or was inaccurate with regards to the inventory section. We recommend that in-service training be provided to all those involved with fundraising to refresh the understanding of the documentation required by School Board policy.

As part of our audit we consider the correction of prior year findings. In our prior audit, we noted improvement needed in documentation of phone quotations for purchases and we did observe improvement in this area. However, our findings relative to fundraisers have again been addressed in the previous paragraph.

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

DDF CPA Group

August 14, 2009

Memo

To: DDF CPA Group
From: Anne Miller, Principal *Anne Miller*
CC: Mr. Ben Wortham, Superintendent of Schools; Clay County School Board
Date: 9/4/2009
Re: Doctors Inlet Elementary School Audit Corrected Response for 2008-2009

These are the procedures that have been implemented to address concerns in our audit:

1. The deficiency cited was to make certain that some of the fund accounts that were collected in 2008-2009 were not spent to benefit students were over the account balance limit and not spent by June 30th. One class requested to carry over the balance but did not have a signed request approved by the principal. We have reviewed the accounts and will transfer them to the general fund. Certain funds were not transferred due to receiving donations in May, 2009. Policies have been reviewed and will be followed in the future.
2. The significant deficiency of not keeping a ticket log for a 5th grade dance. The bookkeeper has reviewed the policy with teachers. The teacher did in fact have a log and the tickets were not sold for the dance, but for the food at the dance.
3. The significant deficiency of fundraisers and Monies Collected Forms has been addressed in a workshop with the bookkeeper and teachers to ensure policies are followed. The citation was in reference to inventory control of a Scholastic Book Fair. We have discussed with the auditors the procedures Scholastic requires and that an inventory is not feasible during the Book Fair. Scholastic collects the money and does the inventory. Quarterly reviews will be conducted by the bookkeeper and administration to make sure proper procedures are followed.

FLEMING ISLAND ELEMENTARY SCHOOL

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2009**

Joan O. Michael, CPA, PA
Certified Public Accountant

CONTENTS

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

Joan O. Michael, CPA, PA
Certified Public Accountant

JOAN O. MICHAEL, CPA, PA
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669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
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INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2009. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2009, on the basis of accounting described in Note 1.

Joan O. Michael, CPA, PA

Joan O. Michael, CPA, PA
August 12, 2009

FLEMING ISLAND ELEMENTARY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2009

| | Cash Balance July 1, 2008 | Transactions | | | Cash Balance June 30, 2009 |
|--------------------------------|---------------------------------|----------------------|----------------------|-------------|----------------------------------|
| | | Receipts | Disburse- ments | Transfers | |
| Music | \$ 791.49 | \$ 1,743.80 | \$ 1,907.73 | \$ 441.51 | \$ 1,069.07 |
| Classes, Clubs, Departments | 13,520.82 | 89,725.91 | 82,488.54 | (2,721.69) | 18,036.50 |
| Trust | 9,161.56 | 31,155.88 | 31,974.46 | 16,859.36 | 25,202.34 |
| General | 10,591.71 | 28,782.77 | 37,291.58 | 3,693.04 | 5,775.94 |
| Outside Organizations | 16,311.58 | 46,084.38 | 33,744.18 | (18,272.22) | 10,379.56 |
| Total | \$ 50,377.16 | \$ 197,492.74 | \$ 187,406.49 | \$ - | \$ 60,463.41 |

See accompanying notes and independent auditor's report.

FLEMING ISLAND ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2009

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of accounting

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

NOTE 2 Cash

The June 30, 2009, total cash balance of \$60,463.41 as reported on the statement of cash receipts and disbursements consists of \$30,845.11 being held in a non interest bearing checking account insured by the FDIC, \$29,618.30 held in an investment account with the Clay County School and no uncollected NSF checks.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$410.92. This represents a yield of approximately 1.4 percent. Investment interest is maintained in a separate fund account.

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Mansard Place

Telephone (904) 269-6748
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Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Fleming Island Elementary School reported the following accounts payable and encumbrances as of June 30, 2009:

Accounts Payable

None

Encumbrances

None

The above accounts payable list agrees with the Principals Report as of June 30, 2009. Encumbrances are not included in the Principals Report.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2008-2009 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Fleming Island Elementary School for the year ended June 30, 2009.

Joan O. Michael, CPA, PA

Joan O. Michael, CPA, PA
August 12, 2009

JOAN O. MICHAEL, CPA, PA
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Mansard Place

Telephone (904) 269-6748
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Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Carol Vallencourt
Ms. Carol Studdard
Mr. Charles Van Zant, Jr.
Mr. Frank Farrell
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2009, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. Review of the Report of Monies Collected forms for March revealed that no receipt numbers were entered as required on page 17 of the Internal Accounts Manual.

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

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

Joan O. Michael, CPA, PA

Joan O. Michael, CPA, PA
August 12, 2009

Fleming Island Elementary

4425 Lakeshore Drive
Orange Park, Fl. 32003

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

Sandra Mead
Principal

Jeanne Hiatt Jones
Assistant Principal

August 26, 2009

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

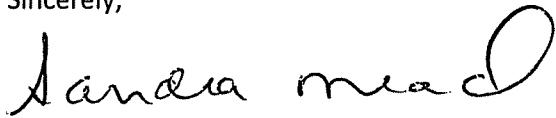
Dear Madam:

We are responding to the audit of internal funds at Fleming Island Elementary School.

1. The teachers will be reminded of the procedures for completing the monies collected forms and receipts.

We appreciate you help and patients.

Sincerely,



Sandra Mead,
Principal

Cc: George Copeland, Assistant Superintendent

**Fleming Island High School
Internal Funds**

**Statement of Cash Receipts
and Disbursements**

June 30, 2009

**Fleming Island High School
Internal Funds
Statement of Cash Receipts
and Disbursements**

June 30, 2009

Table of Contents

| | |
|--|---|
| Independent Auditors' Report | 1 |
| Statement of Cash Receipts and Disbursements | 2 |
| Notes to Financial Statement | 3 |
| Management Letter | 4 |



Independent Auditors' Report

District School Board
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the Fleming Island High School Internal Funds for the year ended June 30, 2009. This financial statement is the responsibility of the School Board's Management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

As described in Note 1 of the Notes to Financial Statements, the accompanying financial statement includes only the financial activities of the Fleming Island High School Internal Funds. The financial statement does not include other financial activities of the District School Board.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Fleming Island High School Internal Funds for the year ended June 30, 2009, on the basis of accounting described in Note 1.

DDF CPA Group

August 12, 2009

ddfcpa.com

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

**Fleming Island High School
Internal Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2009**

| | <u>Cash Balances July 1, 2008</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Interfund Transfers</u> | <u>Cash Balances June 30, 2009</u> |
|--------------------------------|---|------------------------------|------------------------------|--------------------------------|--|
| Athletics | \$ 48,875.27 | \$ 222,000.00 | \$ 239,410.54 | \$ 2,600.49 | \$ 34,065.22 |
| Music | 18,366.59 | 212,907.24 | 241,412.37 | 30,681.37 | 20,542.83 |
| Classes, Clubs and Departments | 53,448.30 | 365,828.48 | 336,273.35 | (5,249.13) | 77,754.30 |
| Trust | 15,038.72 | 50,850.64 | 49,517.41 | (7,687.39) | 8,684.56 |
| General | 13,963.82 | 252,752.69 | 247,684.64 | 2,129.00 | 21,160.87 |
| Outside Organizations | <u>58,681.40</u> | <u>213,099.05</u> | <u>199,760.69</u> | <u>(22,474.34)</u> | <u>49,545.42</u> |
| Total | <u>\$208,374.10</u> | <u>\$1,317,438.10</u> | <u>\$1,314,059.00</u> | <u>\$ - -</u> | <u>\$211,753.20</u> |

See accompanying Notes to Financial Statement

**Fleming Island High School
Internal Funds
Notes to Financial Statement
For the Year Ended June 30, 2009**

Note 1 - Summary of Significant Accounting Policies

Reporting entity

The accompanying financial statement includes the effects of transactions and balances relating to the internal fund activities of Fleming Island High School.

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

Basis of accounting

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

Note 2 - Cash and Cash Equivalents

The June 30, 2009 cash balance, totaling \$211,753.20 consists of \$40,757.17 in a non-interest bearing checking account, \$169,365.03 invested with the State Board of Administration and \$1,631.00 in checks returned to the school for insufficient funds. The School will either collect and re-deposit the NSF checks or seek approval from the District School Board to write them off as uncollectible after collection efforts have been exhausted. Interest earnings on the investment amounted to \$3,370.70.

Note 3 - Accounts Payable and Encumbrances

As requested by the Clay County School Board, the following is a schedule of accounts payable and encumbrances at June 30, 2009.

| <u>Vendor</u> | <u>Amount</u> |
|----------------------------|---------------------------|
| Algy | \$ 130.00 |
| Baudville | 160.25 |
| Eastbay | 35.00 |
| Home Depot Credit Services | 33.77 |
| Park Avenue Florist | 57.00 |
| Power Bows | 354.90 |
| Varsity | <u>10,571.40</u> |
| Total | <u>\$11,342.32</u> |

The following is a schedule of encumbrances at June 30, 2009.

| <u>Vendor</u> | <u>Amount</u> |
|-------------------------|---------------------------|
| De Moulin Bros | \$ 1,186.44 |
| Penguin Group USA, Inc. | 746.28 |
| Spirit Mall | 174.65 |
| Varsity | <u>2,258.20</u> |
| Total | <u>\$ 4,365.57</u> |



Management Letter

District School Board
Clay County, Florida

Honorable Members:

In connection with our audit of Fleming Island High School's (the "school") financial statement as of June 30, 2009 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2009 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants require that we advise you of the following internal control matters identified during our integrated audit.

Our responsibility is to plan and perform our integrated audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. The integrated audit is not designed to detect deficiencies that, individually or in combination, are less severe than a material weakness. However, we are responsible for communicating to management and those charged with governance significant deficiencies and material weaknesses identified during the integrated audit. We are also responsible for communicating to management deficiencies that are of a lesser magnitude than a significant deficiency, which we discussed at our exit conference held on August 13, 2009.

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

- Many purchases were not authorized in advance as required by School Board policy. We recommend that teachers and sponsors be reminded that neither the school nor the School Board will be liable for any purchase without express written approval and, therefore, they can be held personally liable for the unauthorized purchase.
- We noted many issues relating to fundraisers. Some fundraisers were held before approval had been obtained by the principal. Additionally, the financial recap of the fundraiser form was either not complete or were inaccurate. We recommend that in-service training be provided to all those involved with fundraising to refresh their understanding of the documentation required by school board policy.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that, in the auditors' professional judgment, is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency:

- With regard to ticket sales we found that controls over the ticket inventory was inadequate, noting inconsistencies in ticket numbers between the Tickets Sold Report and the Ticket Disbursement Sheets and gaps in the sequence of ticket numbers with no explanation of their disposition. The disbursed ticket numbers were not in inventory or reported as sold.

As part of our audit we consider the correction of prior year findings. With regard to our findings from June 30, 2008, the current status is as follows:

- The documentation of fundraisers continues to be an issue and we have repeated our comments in this area.
- We found improvement with our finding regarding payments from fundraiser proceeds. We were not aware of any payments to individuals from fundraiser proceeds during the audit period and found that all refunds were supported by adequate documentation.
- With regard to stadium seat passes sold by the Touchdown Club, we found that the Athletic Director is keeping a log with signatures of those who purchased the passes along with providing a diagram of the stadium section detailing what seats have been sold each time a new transaction occurs. Therefore, we feel this issue is resolved and no longer a material weakness.
- We found much improvement in the documentation for yearbook sales. We noted that the fundraiser form was adequately completed and that total cost for publication was not much larger than the stated contract price.

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

DDF CPA Group

August 12, 2009



Fleming Island High School

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

William S. "Sam" Ward
Principal

Dan Finley
Vice Principal

Teresa Hankel
Assistant Principal

Greg Henderson
Assistant Principal

Thomas Pittman
Assistant Principal

Tara Richardson
Assistant Principal

September 2, 2009

ddf CPA Group
P.O. Box 9089
Orange Park, FL 32006

Re: Response to Management letter

Dear Mr. Coleman:

Item #1 –Teachers or sponsors will be informed of fundraiser procedures/policies at staff meeting. They will be asked to sign a paper stating that they are aware of the procedures. A completed fundraiser form will be given as an example of proper way to fill one out.

Item #2 –Teachers and sponsors will be informed of purchasing policies at staff meeting, and that all items purchased with school monies must have prior written approval. They will be asked to sign a paper stating that they are aware of this policy. A completed request for purchase approval and check requisition form will be given as an example of proper way to fill out form.

Ticket inventory and logs are kept by the athletic director. The bookkeeper will continue to monitor these logs. The athletic director was shown where the gaps in numbers were on the logs and is aware of the need for accuracy.

Sincerely,

William S. Ward
Principal.

WSW:sle

cc: Susan Edmonds, FIHS Bookkeeper
Sonja Findley, Director of Finance, CCSD
Roni Campbell, Acct/Internal Accounts Coordinator, CCSD
"Preparing tomorrow's leaders, today."