

Green Cove Springs Junior High School

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

For the Year Ended June 30, 2009

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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

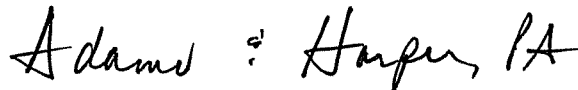
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Green Cove Springs Junior 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 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 Green Cove Springs Junior High School for the year ended June 30, 2009, on the basis of accounting described in Note 1.



Adams & Harper, PA
Certified Public Accountants
August 13, 2009

**Green Cove Springs Junior High
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	
Athletics	\$ 21,875.51	\$ 84,478.48	\$ (77,213.78)	\$ (1,056.60)	\$ 28,083.61
Music Classes, Clubs,	5,770.37	10,638.53	(9,392.31)	18.50	7,035.09
Departments	24,516.78	41,090.60	(50,928.49)	(3,451.95)	11,226.94
Trust	14,866.58	27,927.89	(19,500.58)	(6,705.40)	16,588.49
General	17,536.56	10,229.22	(25,818.16)	11,195.45	13,143.07
Total	\$ 84,565.80	\$ 174,364.72	\$ (182,853.32)	\$ -	\$ 76,077.20

See accompanying notes and independent auditor's report

**Green Cove Springs Junior 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 include the effects of transactions and balances relating to the internal accounts of Green Cove Springs Junior 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 Green Cove Springs Junior High School.

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

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

Basis of accounting

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

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 \$ 76,077.20 consists of \$ 50,846.66 held in the School's interest bearing checking account (insured by the FDIC), \$ 25,131.36 held in an investment account with the Clay County School, and \$ 99.18 in NSF checks.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$ 348.69, representing an annual yield of approximately 1.41%.

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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 Green Cove Springs Junior High School internal funds as reported to us by the school.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of 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 Green Cove Springs Junior High School for the year ended June 30, 2009.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	TOTAL	<u>\$ -</u>
<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	Varsity Spirit	<u>\$ 10,814.06</u>
	TOTAL	<u><u>\$ 10,814.06</u></u>

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 13, 2009

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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 Green Cove Springs Junior High 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 Green Cove Springs Junior High 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.

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

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.

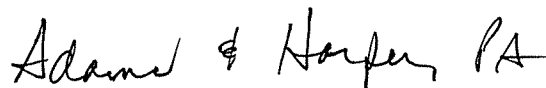
- One instance of Principal's Monthly Report not being printed and signed until after the 15th.
- One instance of Principal's Monthly Report being reissued with no original report retained.
- One Report of Monies Collected that was altered and not initialed.
- Two instances where teacher receipts were not issued.
- One instance of financial recaps for fundraisers not equaling the G/L information.
- Four instances where gift cards were not signed for as being received by the recipient.
(We would recommend that controls around gift cards be tightened. Additional controls need to be implemented to make identification of gift card related transactions easier for auditors or others reviewing school internal records.)

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 note that the recordkeeping has shown significant improvements during the time we have been associated in audits with Green Cove Springs Junior High School.

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

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



Adams and Harper, PA
Orange Park, FL
August 13, 2009

GREEN COVE SPRINGS JUNIOR HIGH

DR. SARYN L. HATCHER
PRINCIPAL



MR. PAUL GOODIER
VICE PRINCIPAL

MS. DEBORAH FISH
ASST. PRINCIPAL

September 1, 2009

Adams & Harper, P.A
1665 Kingsley Ave Ste 100
Orange Park, FL. 32073

Dear Sir,

This letter is in response to the deficiencies found in your audit for Green Cove Springs Jr. High that ended June 30, 2009.

In the instance of the Principal's Monthly Report not being printed or signed until after the 15th of the month this report did not balance. In the future we will print and sign the report on or before the 15th of each month. In the event it does not balance we will print a revised copy to show changes. The original will be kept in the Principal's Monthly Report along with the revised copy.

The following information is in regards to the alterations of a Monies Collected Forms. There were no actual alterations to the monetary transactions. However, we will make sure in the future that if an error is made it will be initialed by the teacher.

We will continue to communicate with our teachers the importance of issuing teacher receipts. However, we must note that on these particular instances according to the Internal Accounts Manual no receipt is necessary when items are given at time money is received.

In the future we will make every effort to insure that the financial recap for fundraisers agree with the G/L information.

In regards to gift cards, we have created a Gift Card Control Log to insure that all gift cards transactions are identified in the future.

Although our records were rated satisfactory, it is still our goal to strive for a higher rating in the years to come and be in total compliance with the Internal Funds Manual of the Clay County School District.

Thank you,


Dr. Saryn L. Hatcher, Principal

9/1/09
Date


Ms. Thawana Huggins, Bookkeeper

9/1/09
Date

Grove Park Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

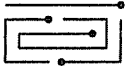
For the Year Ended June 30, 2009



Conner Hubbard & Company, LLC
Certified Public Accountants
Orange Park, Florida

**GROVE PARK ELEMENTARY SCHOOL
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CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
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 Grove Park 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 financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 18, 2009

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Nashville, Georgia 31639
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GROVE PARK 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>Transfers</u>	<u>Cash Balance June 30, 2009</u>
		<u>Receipts</u>	<u>Disbursements</u>		
Music	\$ 49.82	\$ 580.00	\$ 637.35	\$ 43.00	\$ 35.47
Classes, Clubs & Departments	6,188.69	17,869.08	18,369.37	438.77	6,127.17
Trust	7,572.56	24,588.57	23,913.79	(592.36)	7,654.98
General	3,766.28	8,326.07	10,291.76	760.59	2,561.18
Outside Organizations	<u>8,266.27</u>	<u>11,543.73</u>	<u>12,911.31</u>	<u>(650.00)</u>	<u>6,248.69</u>
	<u>\$ 25,843.62</u>	<u>\$ 62,907.45</u>	<u>\$ 66,123.58</u>	<u>\$ -</u>	<u>\$ 22,627.49</u>

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

GROVE PARK ELEMENTARY SCHOOL

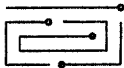
Notes to Statement of Cash Receipts and Disbursements
For The Year Ended June 30, 2009

NOTE 1 The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 As of June 30, 2009, no interest was being earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$219.34 for the fiscal year ended June 30, 2009.

NOTE 3 The cash balance of \$22,627.49 at June 30, 2009, shown on the statement of cash receipts and disbursements consists of \$9,235.10 being held in the checking account and \$13,392.39 invested with the Clay County School Board.

SUPPLEMENTAL INFORMATION



CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

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 Grove Park Elementary School internal funds as reported to us by the School.

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

Accounts Payable

None.

Encumbrances

None.

The above accounts payable were reported on the June 30, 2009 Principal's Monthly Report.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 18, 2009

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Clay County, Florida
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:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Grove Park 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:

We noted four activity accounts had an ending balance in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. The School did not have written documentation as to the specific reason for the excess and how the excess will be applied to assure the funds are used for their intended purpose.

We noted the following during our review of a sample of cash receipts:

One instance where the source name was not listed on the "Report of Monies Collected".

Two instances where the receipt number was not listed on the "Report of Monies Collected".

Five instances where the fundraiser number was not listed on the receipt.

Fourteen instances where the date on the "Report of Monies Collected" form was one or more days after the date of the teacher receipt. Nine of these exceptions were dated the following day.

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

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212 North Davis Street
Nashville, Georgia 31639
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Honorable Members
Clay County School Board
Page 2

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 18, 2009

Grove Park Elementary School

Dream Big Dreams Do Great Things!



1643 Miller Street

Orange Park, FL 32073

Main Office: 278-2010 Fax Number: 278-2015

Lynda Braxton
Principal

Anthony Bradley
Assistant Principal

August 17, 2009

Conner, Hubbard & Company, LLC
1106 Park Avenue
Orange Park, FL 32073

Dear Mr. Hubbard,

Thank you for your thorough audit of the internal funds of Grove Park Elementary School. We are pleased that your findings were neat and orderly and followed procedures outlined by the Clay County School Board.

In response to the following items which were noted the following action will be taken:

Attention to detail will be placed to insure that all information including source name, receipt number and fund raising numbers are listed on the "Report of Monies Collected" forms.

Teachers will be reminded by memo when receipting money that the "Report of Monies Collected" form and the teacher's receipt should be completed and dated for the same day. The forms along with the money should be sent directly to the bookkeeper for receipt.

We appreciate your guidance insuring that we are following the proper procedures outlined in the Clay County School Board Internal Funds Manual.

Sincerely,

Handwritten signature of Lynda C. Braxton.

Lynda C. Braxton
Principal

Keystone Heights Elementary School

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

For the Year Ended June 30, 2009

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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

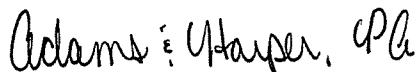
Honorable Members:

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



Adams & Harper, PA
Certified Public Accountants
August 6, 2009

**Keystone Heights Elementary School
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, Classes, Clubs	\$ 322.11	\$ 607.80	\$ (636.24)	\$ 56.00	\$ 349.67
Departments	32,272.24	74,155.44	(90,178.81)	(228.55)	16,020.32
Trust	4,337.18	32,362.71	(32,732.10)	(50.68)	3,917.11
General	23,694.36	10,912.68	(11,941.09)	223.23	22,889.18
Outside Funds	1,917.14	3,499.85	(3,310.98)	-	2,106.01
Total	\$ 62,543.03	\$ 121,538.48	\$ (138,799.22)	\$ -	\$ 45,282.29

See accompanying notes and independent auditor's report

**Keystone Heights 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 Keystone Heights 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 Keystone Heights 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 \$ 45,282.29 consists of \$ 17,564.15 held in the School's interest bearing checking account (insured by the FDIC) and \$ 27,682.14 held in an investment account with the Clay County School Board, and \$ 36.00 representing uncollected NSF checks.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$ 384.06, representing an annual yield of approximately 1.41%. Interest was earned on the school's checking account in the amount of \$ 311.85, representing an annual yield of approximately .80%.

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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 Keystone Heights Elementary School's 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 Keystone Heights Elementary School for the year ended June 30, 2009.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Audio Visual Innovations	\$ 18.00
	GovConnection, Inc.	50.00
	United Art & Education	561.46
	TOTAL	\$ 629.46

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	Audio Visual Innovations	\$ 522.00
	Troxell Communications, Inc.	426.61
	MCM Electronics	175.98
	TOTAL	\$ 1,124.59

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 6, 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 Keystone Heights 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 Keystone Heights 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. During our audit we did notate that the School's bank deposits were validated by more than one School employee before being deposited which exceeds the requirements stated in the Internal Accounts Manual; however we believe further actions should be taken, if possible, to segregate duties beyond bank deposits only. 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 had been altered without being initialed.
- Two instances where money was held over the weekend by the bookkeeper or teacher before being entered and the receipt being issued.
- Five instances where the student receipts were altered without being voided and reissued.
- One instance where the teacher did not sign the Report of Monies Collected.
- Four instances where the student receipt numbers were not listed on the Report of Monies Collected.
- Five instances where the numbers reported on the Fundraiser Application could not be traced to the General Ledger.
- Four instances where no inventory was taken on products that were sold as a fundraiser.
- One instance where the Report of Tickets Sold was not completed; therefore, no calculation could be verified.
- One instance where there was no signature that a gift card had been awarded and accepted.

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 6, 2009

KEYSTONE HEIGHTS ELEMENTARY SCHOOL
"Where Every Kid Is A Winner"

MARY S. MIMBS
Principal

ANGELA M. GENTRY
Assistant Principal



MELBA B. JOHNSON
Guidance Counselor

CODY M. CLARK
Guidance Counselor

September 1, 2009

Mr. Joey Bryan, CPA
Adams & Harper, PA
1665 Kingsley Avenue
Suite 100
Orange Park, FL 32073

Dear Mr. Bryan:

This letter is being written in response to the Independent Auditor's Report received during our school's exit interview on Tuesday, August 25, 2009. We have reviewed all comments very carefully and listed below are our responses.

Independent Auditor's Report on the Internal Control and Other Matters: Segregation of responsibilities has been thoroughly discussed at our District Bookkeepers' Meetings. It is virtually impossible to implement this "perfect system". However, as noted in your report, KHES has followed suggested CCSB Business Affairs Guidelines to have additional personnel to verify all monies collected forms with the sequential list of receipts. The calculator tape and deposit ticket are also attached to these documents for review by the Principal, Assistant Principal, School Secretary, or the School Records Secretary. Their initials appear on bank deposit slips. Keystone Heights Elementary School will continue to follow this procedure for all monies collected and deposited.

1. One instance where the Report of Monies Collected had been altered without being initialed: The importance of initialing errors has been discussed thoroughly in preceding years. Again, this point was stressed during this year's Pre-Planning. The bookkeeper explained to the Faculty and Staff that in the event the monies collected form had errors which were not initialed prior to turning it in, they would be asked to re-do the monies collected form.
2. Two instances where money was held over the weekend by the bookkeeper or teacher before being entered and the receipt being issued: It should be noted in the report that this occurred on the teacher side of responsibility. It should also be noted that the bookkeeper deposits money in a timely manner and on a regular daily basis even though District guidelines allow for the bookkeeper to deposit monies collected within 5 business days. In rare instances, if the teacher has not turned the money into the bookkeeper by the daily deadline time, the money is dropped in the bank's night depository for pick-up the following day.

Weekend events generating monies collected are verified by, the Sponsors, Principal, Assistant Principal, and Bookkeeper before dropping the locked deposit bag at the night depository. For security and safety reasons, the bank bag is dropped at the night depository in the presence of the school administrators. The bag is then picked up on Monday morning for proper documentation thru the EPES Accounting Program. The monies collected are once again verified by school personnel and deposited for final bank receipt verification. **The money is not being held over the weekend. The monies collected are verified following the event, dropped at the night depository for security, re-counted on Monday morning for documentation and reporting with official verification and Administrative signatures, and then deposited in the bank.**

3. Five instances where the student receipts were altered without being voided and re-issued: The Faculty and Staff at Keystone Heights Elementary School have been instructed that when errors are made on the receipt issued from the receipt book, the incorrect receipt should be voided, retained in the receipt book, and new a

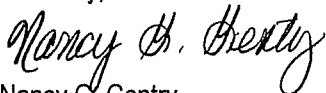
335 South Pecan Street • Keystone Heights, Florida 32656
Phone (352) 473-4844 • Fax (352) 473-4110 • (SUNCOM) 835-1526
"An Equal Opportunity Employer"

4. receipt issued. This procedure is thoroughly covered in our Faculty and Staff Handbook and was discussed during Pre-Planning. To ensure that correct guidelines and procedures are followed for voiding and re-issuing receipts, it will be required for all teachers to turn in their receipt book with the monies collected and the monies collected form.
5. One instance where the teacher did not sign the Report of Monies Collected: All monies collected will be reviewed and checked for teacher signature.
6. Four instances where the student receipt numbers were not listed on the Report of Monies Collected: All monies collected will be checked for accuracy and recording of receipt numbers.
7. Five instances where the numbers reported on the Fundraiser Application could not be traced to the General Ledger report: Data entered into the computer for monies collected of Fundraisers is documented in such a manner that it should be extremely easy for tracking purposes. All sponsors of fundraisers are given a complete report of their monies collected and disbursed for the event. They are also in-serviced on how to obtain the correct financial information for the financial re-cap of the report. The bookkeeper will continue to work with the fundraiser sponsor(s) for reporting accurate Financial Recaps.
8. Four instances where no inventory was taken on the products that were sold as a fundraiser: Inventory will be taken on products that were sold as a fundraiser. The bookkeeper discussed this with the entire Faculty and Staff during Pre-Planning. In addition, as each fundraiser application is presented and approved the inventory of products procedure will again be explained to all sponsors who elect to conduct fundraising. At the conclusion of the fundraiser the bookkeeper will review all of the data along with the sponsor for accuracy.
9. One instance where the Report of Tickets Sold was not completed; therefore, no calculation could be verified: A partial roll of unused tickets had been located in the old PTA room and was used for the fundraising event. Since beginning/ending numbers of the roll could not be determined, the next best alternative was implemented with ticket numbers being documented on the monies collected forms for the event. All tickets are securely locked and KHE will follow all guidelines for ticketed events in the future.
10. One instance where there was no signature that a gift card had been awarded and accepted: It should be noted that the bookkeeper made every attempt to obtain the signature for a gift card given to the individual by the Team Leader. Phone calls to the residence and a personal trip to the individual's home (with a note taped to the front door) were made by the bookkeeper on behalf of the Team Leader. Policies and procedures regarding Gift Cards have been included in the current Faculty and Staff Handbook and discussed during this year's Pre-Planning. It should be noted that KHE will strictly adhere to the established CCSB Gift Card guidelines

Every year at Keystone Heights Elementary School, the Principal and Bookkeeper review all money issues with our faculty and staff at the beginning of each school year. Included in each employee's handbook are the guidelines covering monies collected, disbursements, fundraisers, gift cards, tickets, etc. We will continue to work with our teachers and staff in following internal accounts guidelines throughout the year.

In closing, Keystone Heights Elementary School would like to thank you for the time and effort put forth in completing our audit. We look forward to working with you in the future.

Sincerely,



Nancy G. Gentry
Principal's Secretary and Bookkeeper

cc: Roni Campbell
Accounting and Internal Accounts Coordinator
Clay County School Board

Mary S. Mimbs
Principal
Keystone Heights Elementary School

Keystone Heights Jr/Sr High School

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

For the Year Ended June 30, 2009

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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 Keystone Heights Jr/Sr 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 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 Keystone Heights Jr/Sr High 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 13, 2009

**Keystone Heights Jr/Sr High School
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	
Athletics	\$ 50,268.57	\$ 219,910.30	\$ (240,691.11)	\$ 18,122.37	\$ 47,610.13
Music	357.54	967.90	(3,380.53)	2,869.49	814.40
Classes, Clubs, Departments	82,058.92	131,267.43	(122,719.89)	(8,723.30)	81,883.16
Trust	11,888.89	80,596.57	(76,200.05)	4,164.84	20,450.25
General	20,731.35	6,164.58	(11,956.73)	(1,368.86)	13,570.34
Outside Funds	14,242.46	30,391.89	(24,628.64)	(15,064.54)	4,941.17
Total	\$ 179,547.73	\$ 469,298.67	\$ (479,576.95)	\$ -	\$ 169,269.45

See accompanying notes and independent auditor's report

**Keystone Heights Jr/Sr 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 include the effects of transactions and balances relating to the internal accounts of Keystone Heights Jr/Sr 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 Keystone Heights Jr/Sr High School.

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

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

Basis of accounting

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

Investments

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

Note 2 - Cash

The June 30, 2009, ending cash balance of \$ 169,269.45 consists of \$ 54,841.23 held in the School's interest bearing checking account (insured by the FDIC) and \$ 114,428.22 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 \$ 1,918.43, representing an annual yield of approximately 1.41%.

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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 Keystone Heights Jr/Sr High School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. 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 Keystone Heights Jr/Sr High School for the year ended June 30, 2009.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Omni Cheer	\$ 76.15
	Upbeat Site Furniture	1,788.00
	Algy	817.15
	Marchmaster	99.95
	GTM Sportwear	8.01
	TOTAL	\$ 2,789.26

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

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 13, 2009

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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 Keystone Heights Jr/Sr High 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 Keystone Heights Jr/Sr High 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.

- Five Report of Monies Collected had alterations or erasures.
- One instance of Principal's Monthly Report not being printed and signed until after the 15th.
- One Report of Monies Collected does not have an account indicated to be credited.
- One teacher's receipt has either erasures or alterations.
- Four Report of Monies Collected have no receipts indicated.
- Two instances where receipts do not equal Report of Monies Collected.
- Once instance where the Report of Monies Collected was issued on a day different than the receipt.
- Four instances of financial recaps for fundraisers not equaling the G/L information.
- Three instances of fundraising forms not being completed within the proper timelines.
- Three instances of ticket sales forms not being completed properly.
- Ten instances of no transfer number noted on transfer forms.

We would recommend that controls around gift cards also be tightened. Additional controls need to be implemented to make identification of gift card related transactions easier for auditors or others reviewing internal school records.

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 13, 2009

Keystone Heights Junior -Senior High School
900 S.W. Orchid Avenue
Keystone Heights, FL 32656
Phone: (352) 473-2761 FAX: (352) 473-5920

Susan H. Sailor, Ph.D.
Principal

Justin L. Williams
Vice Principal

Roy S. Shewchuk
Assistant Principal

Linda McGhghy
Assistant Principal

August 28, 2009

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

Mr. Joseph Bryan, MAcc,

We have received the audit completed by your firm for the school year 2008-09. In response to this year's audit, we have already taken steps to ensure that all new teachers are informed of the policies and to reiterate to faculty and staff that have been here the policies and changes. We have sent out packets with helpful information on filling out forms and we have attended meetings going over the specifics with teachers. We have also taken steps to tighten the control over when paperwork is due and how and when it will be processed.

We will continue to take steps to communicate with our faculty and staff to follow the guidelines in our Internal Accounts Manual and any communications/reminders throughout the year will be placed in the monthly internal funds paperwork.

We will also try to make available a listing of check numbers and dates for all gift card request so they can be easily identified by the auditors.

We appreciate the professional and courteous manner in which our audit was conducted, especially the communication level. We also appreciate your invitation to assist us with any questions or concerns we may have throughout this school year and look forward to working with your firm again next year.

Sincerely,



Dr. Susan Sailor, Principal

LAKE ASBURY 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

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EMILY C. HELMS, CPA, PA
Certified Public Accountant

EMILY C. HELMS, CPA, PA
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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 Lake Asbury 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 Lake Asbury Elementary School for the year ended June 30, 2009, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 18, 2009

LAKE ASBURY 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
Athletics	\$ 20.00	\$ -	\$ -	\$ (20.00)	\$ -
Music	6,280.36	15,582.00	21,187.97	1,207.40	1,881.79
Classes, Clubs, Departments	33,956.59	68,213.62	74,108.41	(5,846.82)	22,214.98
Trust	2,234.46	23,479.76	21,017.24	(249.31)	4,447.67
General	25,811.64	24,046.87	27,288.64	5,118.18	27,688.05
Outside Organizations	31,968.90	27,026.79	38,822.44	(209.45)	19,963.80
Total	\$ 100,271.95	\$ 158,349.04	\$ 182,424.70	\$ -	\$ 76,196.29

See accompanying notes and accountant's report.

LAKE ASBURY 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 Lake Asbury 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 Lake Asbury Elementary School.

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

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

Basis of accounting

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

Investments

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

LAKE ASBURY ELEMENTARY 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 \$76,196.29 as reported on the statement of cash receipts and disbursements consists of \$18,705.81 being held in an interest bearing checking account insured by the FDIC, \$57,454.16 held in an investment account with the Clay County School; and \$36.32 held as uncollected NSF Funds.

NOTE 3 Interest Income

Total interest earned of \$811.65 was earned on amounts invested through the Clay County School Board in the amount of \$797.14 and an interest bearing checking account in the amount of \$14.51. Investment interest is maintained in a separate fund account.

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

Mr. 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, Lake Asbury Elementary School reported the following accounts payable and encumbrances as of June 30, 2009:

Accounts Payable

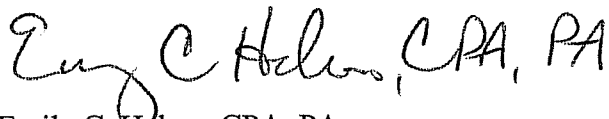
None

Encumbrances

None

The above accounts payable list agrees with the 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 Lake Asbury Elementary School for the year ended June 30, 2009.



Emily C. Helms, CPA, PA
August 18, 2009

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
Ms. 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 Lake Asbury 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. Disbursement procedures are not being fully followed. Routinely, forms are incomplete. In addition, some forms had amounts crossed out and changed. We recommend you review the Disbursement Procedures in the Internal Accounts Manual, Pages 32-37 to ensure proper procedures are followed.
2. Collection procedures are not being followed. Teacher receipts were crossed out and changed, instead of being voided. Several Monies Collected Forms were incomplete. Routinely, Monies Collected Forms were changed without being initialed by the teacher/sponsor. We recommend a review of the Collection Procedures, Internal Accounts Manual, Pages 16-21, with the teachers to ensure correct procedures are being followed.
3. Fundraising procedures are not always being properly followed:
 - a. Fundraising forms were incomplete.
 - b. Three fundraisers were missing Fundraising Appl./Recap.
 - c. Four Fundraising Recaps were not completed in a timely manner.We recommend a review of the Fundraising Procedures, Internal Accounts Manual, Pages 10-12 to ensure correct procedures are being followed.
4. School Store inventory was incomplete. We recommend a review of the Internal Accounts Manual, Pages 63-64 to ensure the proper procedures are being followed.

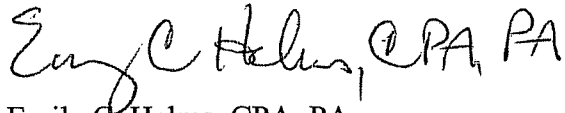
Lake Asbury Elementary School
August 18, 2009

5. Nine Accounts were over the maximum allowed balance. No written notice, as required, was available. Therefore, we recommend a review of the Internal Accounts Manual, Page 9 to ensure the proper procedures to close over allowed balances are followed .

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 Lake Asbury 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 18, 2009



Lake Asbury Elementary School

2901 Sandridge Road
Green Cove Springs, Florida 32043

Main Office: 291-5440 • Guidance: 291-5442 • Clinic: 291-5445 • Cafeteria: 291-5443

Fax Number: 291-5444



Jackie Cory
PRINCIPAL

Carole McCullough
ASSISTANT PRINCIPAL

August 27, 2009

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

Dear Ms. Helms,

In response to the Lake Asbury Elementary School's Internal Accounts audit for the 2008-09 school year, I have noted the suggestions made for improvement and will take the necessary steps by implementing the following:

1. Teachers will be inserviced on the proper way to complete all forms including Monies Collected and Request for Purchase Approval and Check Requisitions as outlined in the School District of Clay County Internal Accounts Manual.
2. Fundraiser Applications will be completed for all fundraisers and the Financial Recap completed in a timely manner as outlined in the Internal Accounts Manual.
3. A School Store inventory will be completed and updated as outlined in the Internal Accounts Manual.
4. We will review and follow proper procedures regarding maximum allowed balances in all Internal Accounts as outlined in the Internal Accounts Manual.

I trust that the above will improve our internal controls and meet all requirements.

We would like to take this opportunity to thank you for the professionalism in which this audit was conducted. We appreciate your remarks and suggestions for improvement.

Again, thank you for your time.

Sincerely,

Jackie Cory
Principal

CC: Roni Campbell



AN EQUAL
OPPORTUNITY EMPLOYER

LAKE ASBURY JUNIOR HIGH SCHOOL

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

**FOR THE YEAR ENDED
JUNE 30, 2009**

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DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' 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 Lake Asbury Junior High School for the year ended June 30, 2009. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Lake Asbury Junior High School for the year ended June 30, 2008, on the basis of accounting described in Note 1.

DuVal & Company, CPAs, P.A.
DuVal & Company, CPA's, P.A.
August 5, 2009

Lake Asbury Junior High School

Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2009</u>
Athletics	\$ 27,996.08	\$ 61,772.30	\$ 65,640.78	\$ 0.00	\$ 24,127.60
Music	10,882.57	18,960.30	22,064.98	(330.12)	7,447.77
Classes, Clubs and Departments	23,639.93	73,389.26	70,289.82	1,286.11	28,025.48
Trusts	6,856.06	19,993.12	21,579.63	(675.15)	4,594.40
General	15,440.17	19,148.72	11,131.91	(280.84)	23,176.14
Outside Organizations	<u>2,233.06</u>	<u>14,292.61</u>	<u>11,752.97</u>	<u>0.00</u>	<u>4,772.70</u>
TOTALS	<u>\$ 87,047.87</u>	<u>\$ 207,556.31</u>	<u>\$ 202,460.09</u>	<u>\$ 0.00</u>	<u>\$ 92,144.09</u>

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

LAKE ASBURY JUNIOR 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 Lake Asbury Junior 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 Lake Asbury Junior High School.

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

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

Basis of accounting

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

LAKE ASBURY JUNIOR 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 (cont.)

Investments

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

NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2009 cash balance, totaling \$92,144.09 consists of \$49,166.94, in a non-interest bearing checking account with Wachovia Bank and \$42,977.15 in an investment account with the Clay County School Board. There are no NSF checks outstanding.

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

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2009 was \$596.28. This represented a yield of approximately 1.40% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Lake Asbury Junior High School at June 30, 2009.

ACCOUNTS PAYABLE

Bigger Stronger Faster	\$ 2,059.20
Orlando Team Sports	121.00
Pioneer Drama Service, Inc.	26.75
Varsity Spirit Fashions	<u>122.74</u>
Total	<u>\$ 2,329.69</u>

ENCUMBRANCES

The Neff Company	\$ 3,898.70
Social Studies School Service, Inc.	78.18
Varsity Spirit Fashions	<u>4,598.97</u>
Total	<u>\$ 8,575.85</u>

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

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

DuVal & Company, CPAs, P.A.

DuVal & Company, CPA's, P.A.
August 5, 2009



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

In planning and performing our audit of the statement of receipts and disbursements of the internal funds of Lake Asbury Junior High School for the year ended June 30, 2009, we considered its internal control structure in order to determine procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure. We did not note any matter that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

Some of the deficiencies noted in the prior year audit were substantially corrected.

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

1. On three (3) occasions, the principal signed on the second signature line on checks that had already cleared the bank and been returned with the statement. It appears the checks only cleared with one signature. A review of all other checks for the entire year uncovered one check with only one signature. We have spoken to the bookkeeper regarding this issue. She indicated that this will not happen again. We further recommend that if a check is found to have cleared the bank with only one signature, an authorized signer should review and initial the check, but not sign it in the signature area.
2. During our cash receipts testing we noted three (3) occasions where money was held by the teacher and not turned into the bookkeeper in accordance with school board policy.

Overall, we found the internal accounting records were neat and orderly. All the issues listed in the prior-year auditor's report were addressed and corrected. In addition, we found the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual even though a number of teachers still fail to comply with the requirements as instructed.

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

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

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

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

August 5, 2009



Lake Asbury Junior High School

Home of the Tigers

2851 Sandridge Road, Green Cove Springs, FL 32043

Telephone 904-291-5582 Fax - 904-291-5593 <http://www.clay.k12.fl.us/LAJH>



Catherine Richardson, Principal

Christina Cornwell

Vice Principal

David Burke

Asst Principal

August 25, 2009

Stephen C. Chesney, MBA
Senior Accountant
Duval Fields Consulting, LLC
428 Walnut Street
Green Cove Springs, FL 32043

Dear Mr. Chesney:

This letter is in response to the comments made on your audit report for Lake Asbury Junior High School for the fiscal year ended June 30, 2009.

Comment # 1 regarding checks signed after return from the bank:

As discussed with Mr. Chesney, we will initial any checks returned from the bank unsigned instead of signing them.

Comment # 2 regarding teaches not turning in money in a timely manner:

Teachers will again be reminded of the board policy stating that all money is to be turned in daily.

It has been a pleasure working with you, and we look forward to working with you again next year.

Sincerely,

Catherine Richardson

Catherine Richardson
Principal

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

Lakeside Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

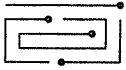
For the Year Ended June 30, 2009



Conner Hubbard & Company, LLC
Certified Public Accountants
Orange Park, Florida

**LAKESIDE ELEMENTARY SCHOOL
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CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

Mr. Ben H. Wortham, Superintendent of Schools,
Clay County, Florida
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 Lakeside 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 financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 18, 2009

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

e-mail: firm@connerhubbard.com

1106 Park Avenue
Orange Park, Florida 32073
(904) 278-1040; Fax (904) 278-9444

212 North Davis Street
Nashville, Georgia 31639
(229) 686-9419

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

	Cash Balance	Transactions			Cash Balance
	July 1, 2008	Receipts	Disbursements	Transfers	June 30, 2009
Music	\$ 52.51	\$ 660.00	\$ 692.28	\$ -	\$ 20.23
Classes, Clubs & Departments	8,650.81	30,550.93	32,609.67	(153.42)	6,438.65
Trust	1,385.08	19,811.91	20,721.85	-	475.14
General	5,449.08	6,243.53	8,123.64	236.92	3,805.89
Outside Organizations	17,232.02	50,704.97	57,919.00	(83.50)	9,934.49
	<u>\$ 32,769.50</u>	<u>\$ 107,971.34</u>	<u>\$ 120,066.44</u>	<u>\$ -</u>	<u>\$ 20,674.40</u>

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

LAKESIDE ELEMENTARY SCHOOL

Notes to Statement of Cash Receipts and Disbursements

For The Year Ended June 30, 2009

NOTE 1 The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2 As of June 30, 2009, no interest was being earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$81.22 for the fiscal year ended June 30, 2009.

NOTE 3 The cash balance of \$20,674.40 at June 30, 2009, shown on the statement of cash receipts and disbursements consists of \$14,820.12 being held in the checking account, \$5,854.28 invested with the Clay County School Board, and \$0.00 in checks were returned for insufficient funds.

SUPPLEMENTAL INFORMATION





CONNER, HUBBARD & COMPANY, LLC
 Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

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 Lakeside Elementary School internal funds as reported to us by the School.

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

There were no encumbrances as of June 30, 2009.

The following is a list of accounts payable as of June 30, 2009:

<u>VENDOR</u>	<u>Amount</u>
Staples Office Supply	<u>\$ 41.34</u>

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

Conner, Hubbard + Company, LLC

CONNER, HUBBARD & COMPANY, LLC
 Certified Public Accountants

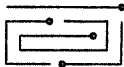
August 18, 2009

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e-mail: firm@connerhubbard.com

1106 Park Avenue
 Orange Park, Florida 32073
 (904) 278-1040; Fax (904) 278-9444

212 North Davis Street
 Nashville, Georgia 31639
 (229) 686-9419



CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Lakeside 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:

We noted that account 3417 (SAC/School Advisory) had an ending balance of \$87.70 which was in excess of the maximum amount allowed as determined by the formula provided by the Internal Funds Manual. The School has written documentation as to the specific reason for the excess and how the excess will be applied to assure the funds are used for their intended purpose.

During our review of a sample of cash receipts, we noted five instances where the fundraiser number was not listed on the receipt.

During our review of a sample of cash receipts, we noted that check #5276 in the amount of \$22.43 was supported by an invoice that included sales tax.

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

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 18, 2009

website: www.connerhubbard.com

Please respond to the office at:

e-mail: firm@connerhubbard.com

1106 Park Avenue
Orange Park, Florida 32073
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212 North Davis Street
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Lakeside Elementary



2752 Moody Avenue
Orange Park, FL 32073
(904) 213-2966

John L. Schlichtman
Principal

Katina Allen
Assistant Principal

August 20, 2009

Conner, Hubbard & Company
1106 Park Avenue
Orange Park, FL 32073

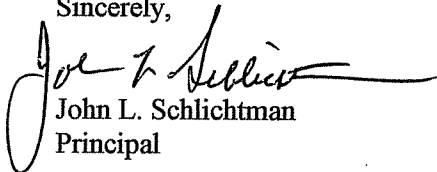
Dear Sirs:

This letter is in response to the recent audit of the Internal Accounts for the 2008-2009 school year at Lakeside Elementary. Again, it was a pleasure to meet with you, and we appreciate your constructive comments about our system.

Regarding the notes, the one instance of refunding sales tax was overlooked; great diligence is given to this issue. Also, with regard to the fundraiser numbering, we will begin that practice with the beginning of the coming school year.

I have total confidence in our Bookkeeper and Principal's Secretary, Judy Crook. Each and every one of the 18 years that we have worked together, I have been extremely pleased with her organizational skills, efficiency, and ability to effectively manage multiple tasks. We are fortunate to have her handling our financial records, and will strive to maintain a high level of performance.

Sincerely,


John L. Schlichtman
Principal

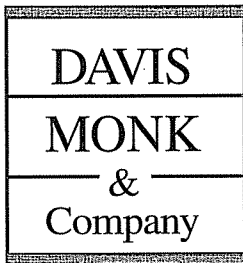
AUDIT REPORT
LAKESIDE JUNIOR
HIGH SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2009

**Lakeside Junior High School
June 30, 2009**

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Certified Public Accountants
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Independent Auditors' Report

District School Board
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Lakeside Junior High School Internal Accounts 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 Statement, the accompanying financial statement includes only the financial activities of the School internal accounts. The financial statement does not include other financial activities of the District School Board.

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

Davis, Monk & Company

August 24, 2009
Gainesville, Florida

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2009
Lakeside Junior High School Internal Accounts**

	Cash Balances <u>July 1, 2008</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Interfund <u>Transfers</u>	Cash Balances <u>June 30, 2009</u>
Athletics	\$ 72,178	\$ 66,870	\$ 71,728	\$ (3,215)	\$ 64,105
Music	25,207	42,894	49,473	(4,809)	13,819
Classes, Clubs & Departments	55,097	60,825	58,594	571	57,899
Trust	21,161	30,873	25,232	(3,064)	23,738
General	15,776	8,512	21,756	10,992	13,524
Outside Organizations	3,739	11,098	12,237	(475)	2,125
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 193,158</u>	<u>\$ 221,072</u>	<u>\$ 239,020</u>	<u>\$ -</u>	<u>\$ 175,210</u>

**Notes to Financial Statement
For the Year Ended June 30, 2009
Lakeside Junior High School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting

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

NOTE 2 – CASH BALANCES

The cash balance of \$175,210 at June 30, 2009, consists of \$6,404 being held in the checking account and \$168,806 invested with the State Board of Administration.

NOTE 3 – ACCOUNTS PAYABLE AND ENCUMBRANCES

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

<u>Vendor</u>	<u>Amount</u>
Music & Arts Centers	\$ 271
Publix	233
	<hr/>
Total	<u>\$ 504</u>

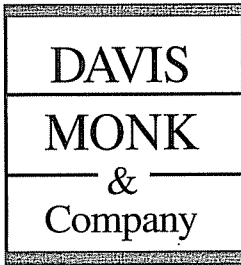
**Notes to Financial Statement
For the Year Ended June 30, 2009
Lakeside Junior High School Internal Accounts**

NOTE 3 – ACCOUNTS PAYABLE AND ENCUMBRANCES

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

<u>Vendor</u>	<u>Amount</u>
Cheer Outfitters	\$ 108
Comp USA. Inc.	212
Dixie Sporting Goods	7,605
Florida Wildlife Magazine	15
Friendship House	75
GOPHER	2,109
John Goble Signs	990
K&W Audio Visual	2,800
NASCO	177
NASSP	100
NEFF	170
Office Depot	141
Orlando Team Sports	516
Sport Time	490
Sports Attack	1,450
Starbuck's	15
Storagecraft, Inc.	8,949
Varsity Brands	2,183
Wal-Mart	<u>130</u>
 TOTAL	 <u><u>\$ 28,235</u></u>

**REPORT ON INTERNAL CONTROL / COMMUNICATION
WITH THOSE CHARGED WITH GOVERNANCE**



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& Business Consultants

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Horwath International

District School Board
Clay County, Florida

We have audited the statement of cash receipts and disbursements of Lakeside Junior High School Internal Accounts (the "School") for the year ended June 30, 2009, and have issued our report thereon dated August 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Report on Internal Control

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Internal Accounts' 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 deficiency described below to be a significant deficiency in internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by 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 and, accordingly, would not necessarily disclose all significant deficiencies that are considered to be material weaknesses. However, we believe that the significant deficiency described below is not a material weakness.

- We noted that the School has not implemented control procedures to monitor the use of the School's credit cards. Adequate controls should include a log of the number of credit cards issued to the School and the authorized employee for each credit card.

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statement prepared by management with your oversight is fairly presented, in all material respects. Our audit of the financial statement 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 that were previously communicated.

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 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The disclosures in the financial statement are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement discloses that the financial statement is prepared using the cash basis of accounting.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement 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.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statement or a determination of the type of auditor's opinion that may be expressed on the statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

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

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

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

Davis, Monk & Company

August 24, 2009
Gainesville, Florida

LAKESIDE JUNIOR HIGH SCHOOL

Accredited

Southern Association of Colleges and Schools

2750 Moody Avenue * Orange Park, Florida 32073 * (904)213-1800 * FAX (904)213-2987

Randall G. Oliver
Principal

Linda S. Pratt
Assistant Principal 213-1800

John W. Green, Jr.
Vice-Principal 213-1817

Lloyd Patterson
Activities Director 213-1872

September 1, 2009

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

Dear Sir/Madam:

Your firm made the following comments in the August 24, 2009 letter to the Superintendent, Mr. Ben Wortham, and the Clay County School Board Members concerning the audit of the Internal Funds of Lakeside Junior High School.

In response to CY Finding:

It was noted internal controls over credit cards were not adequate to ensure prevention or detection of material misstatements on a timely basis.

We have taken steps and cancelled all but four of the credit cards that are in question. We will check out the remaining cards using the same form the School Board uses for Budget credit purchases.

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

Sincerely,



Randall G. Oliver
Principal

RGO/ltk

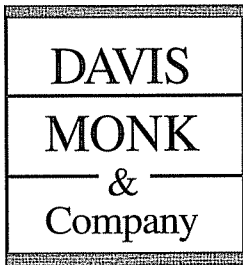
AUDIT REPORT
MIDDLEBURG ELEMENTARY
SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2009

**Middleburg Elementary School
June 30, 2009**

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Horwath International

Independent Auditors' Report

District School Board
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Middleburg Elementary School Internal Accounts 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 Statement, the accompanying financial statement includes only the financial activities of the School internal accounts. The financial statement does not include other financial activities of the District School Board.

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

Davis, Monk & Company

August 24, 2009
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2009
Middleburg Elementary School Internal Accounts**

	<u>Cash Balances July 1, 2008</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2009</u>
Music	\$ 59	\$ 937	\$ 941	\$ -	\$ 55
Classes, Clubs & Departments	6,330	32,662	29,788	309	9,513
Trust	1,658	19,579	15,986	(364)	4,887
General	16,111	43,008	43,591	137	15,665
Outside Organizations	<u>82</u>	<u>-</u>	<u>-</u>	<u>(82)</u>	<u>-</u>
TOTAL	<u>\$ 24,240</u>	<u>\$ 96,186</u>	<u>\$ 90,306</u>	<u>\$ -</u>	<u>\$ 30,120</u>

**Notes to Financial Statement
For the Year Ended June 30, 2009
Middleburg Elementary School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting

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

NOTE 2 – CASH BALANCES

The cash balance of \$30,120 at June 30, 2009, shown on the statement of cash receipts and disbursements consists of \$24,370 being held in the checking account, \$5,728 invested with the State Board of Administration, and \$22 in checks returned by the bank for insufficient funds and awaiting redeposit.

NOTE 3 – ACCOUNTS PAYABLE AND ENCUMBRANCES

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

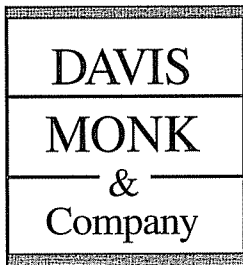
<u>Vendor</u>	<u>Amount</u>
Leonard Studios	<u>\$ 2,372</u>

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

<u>Vendor</u>	<u>Amount</u>
Budget Text	\$ 578
Rochester 100 Inc.	665
GOV Connection	<u>323</u>
TOTAL	<u>\$ 1,566</u>



**REPORT ON INTERNAL CONTROL / COMMUNICATION
WITH THOSE CHARGED WITH GOVERNANCE**



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& Business Consultants

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Horwath International

District School Board
Clay County, Florida

We have audited the statement of cash receipts and disbursements of Middleburg Elementary School Internal Accounts (the "School") for the year ended June 30, 2009, and have issued our report thereon dated August 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Report on Internal Control

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

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

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

However, we noted the following matter which we feel should be brought to your attention.

- We noted certain instances in which the School did not prohibit the practice of signing checks in advance. That practice is not in accordance with disbursement procedures provided in the Internal Accounts Manual. Greater care should be exercised to ensure that disbursement procedures adequately reflect those established by the District School Board.

Communication with Those Charged with Governance

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

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statement prepared by management with your oversight is fairly presented, in all material respects. Our audit of the financial statement 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 that were previously communicated.

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 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The disclosures in the financial statement are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement discloses that the financial statement is prepared using the cash basis of accounting.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement 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.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the financial statement or a determination of the type of auditor's opinion that may be expressed on the statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

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

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

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

Davis, Mark & Company

August 24, 2009
Gainesville, Florida



Middleburg Elementary School

3958 Main Street

Middleburg, Florida 32068

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

Becky Wilkerson
Principal

"Nothing Less Than The Best"

Amy Kennedy
Assistant Principal

August 25, 2009

Davis, Monk & Company
Certified Public Accountants
PO Box 13494
Gainesville, FL 32604

Gentlemen:

In response to the audit conducted by your company the following measures have been taken:

- Greater care will be taken to ensure no checks will be pre-signed.

I would like to thank you for your efficient and thorough audit of our documents including receipts and disbursements. Additionally, I would like to thank Tavera for meeting with us to answer our questions and give more specific details on any areas that were noted as concerns.

Please feel free to contact me if you have any questions.


Becky Wilkerson

MONTCLAIR ELEMENTARY SCHOOL

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

**FOR THE YEAR ENDED
JUNE 30, 2009**

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DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' 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 Montclair Elementary School for the year ended June 30, 2009. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

DuVal & Company, CPAs, PA
DuVal & Company, CPA's, P.A.
August 12, 2009

Montclair Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2009</u>
Music	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Classes, Clubs and Departments	6,640.29	26,987.40	26,770.77	681.69	7,538.61
Trusts	17,623.33	15,195.57	15,282.57	(697.69)	16,838.64
General	3,460.51	17,156.05	18,179.13	16.00	2,453.43
Outside Organizations	<u>12,669.96</u>	<u>24,919.57</u>	<u>28,132.52</u>	<u>0.00</u>	<u>9,457.01</u>
TOTALS	<u>\$ 40,394.09</u>	<u>\$ 84,258.59</u>	<u>\$ 88,364.99</u>	<u>\$ 0.00</u>	<u>\$ 36,287.69</u>

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

MONTCLAIR 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 Montclair 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 Montclair Elementary School.

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

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

Basis of accounting

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

MONTCLAIR 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 (cont.)

Investments

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

NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2009 cash balance, totaling \$ 36,287.69 consists of \$13,062.19 in a noninterest bearing checking account with Wachovia Bank, \$21,727.06 in an investment account with the Clay County School Board, and NSF checks receivable in the amount of \$1,498.44.

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2009 was \$301.44. This represented a yield of approximately 1.40% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Montclair Elementary School at June 30, 2009.

<u>ACCOUNTS PAYABLE</u>	<u>\$0.00</u>
<u>ENCUMBRANCES</u>	<u>\$0.00</u>

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

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

DuVal & Company, CPAs, PA

DuVal & Company, CPA's, P.A.
August 12, 2009



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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 receipts and disbursements of the internal funds of Montclair Elementary School for the year ended June 30, 2009, we considered its internal control structure in order to determine procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure. We did not note any matters that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

The majority of deficiencies reported in the prior year management letter appear to have been corrected.

However we would like to point out the following item observed during our audit:

1. NSF checks continue to be an area of concern. Prior year response to management comments indicated that the school would start using Insuracheck during the 2008-2009 school year, however we find no indication of this occurring. The total outstanding checks at the end of 2009 increased over the prior year. We would recommend the school analyze this account and request permission to write off uncollectible amounts.

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

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

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

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

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

August 12, 2009



Montclair Elementary School

2398 Moody Avenue

Orange Park, Florida 32073

Phone (904) 278-2030 • Fax (904) 278-2090

William Miller
Principal

Tracy McLaughlin
Assistant Principal

September 3, 2009

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

CC: Roni Campbell
Clay County School Board

Patrick-

This is in response to the noted item in Montclair Elementary School's annual audit for the school year of 2008/2009.

1. We have received the information to set-up and start using Insuracheck and will be using them for the 2009-2010 school year and will work on collecting any outstanding checks that we have for prior years.

We will continue to follow the procedures outline in the Internal Funds Manual of the Clay County School Board, and make every effort to correct the above.

Sincerely-

A handwritten signature in cursive script that reads "William Miller".

William Miller
Principal

A handwritten signature in cursive script that reads "Stacia Nettles/Hood".

Stacia Nettles/Hood
Principals Secretary/Bookkeeper