

**ADULT & COMMUNITY EDUCATION**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2007**

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# ADAMS & HARPER, PA

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

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

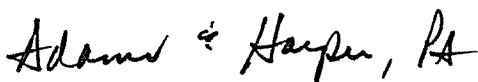
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2007. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2007, on the basis of accounting described in Note 1.



Adams & Harper, PA  
Certified Public Accountants  
August 8, 2007

**Adult and Community Education  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2007**

	<b>Cash Balance July 1, 2006</b>	<b>Transactions</b>			<b>Cash Balance June 30, 2007</b>
		<b>Receipts</b>	<b>Disburse- ments</b>	<b>Transfers</b>	
Trust	6,325.70	12,601.22	(7,218.44)	(100.00)	11,608.48
General	7,219.21	11,778.27	(13,285.51)	-	5,711.97
<b>Total</b>	<b>\$ 13,544.91</b>	<b>\$ 24,379.49</b>	<b>\$ (20,503.95)</b>	<b>\$ (100.00)</b>	<b>\$ 17,320.45</b>

See accompanying notes and independent auditor's report

**ADULT & COMMUNITY EDUCATION**  
**NOTES TO STATEMENT OF CASH RECEIPTS**  
**AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
For the Year Ended June 30, 2007

**Note 1 - Summary of Significant Accounting Policies**

**Reporting entity**

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

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

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

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

**Basis of accounting**

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

**Investments**

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

**Note 2 - Cash**

The June 30, 2007, ending cash balance of \$17,320.45 consists of \$12,779.49 held in the School's non-interest bearing checking account (insured by the FDIC) and \$4,540.96 held in an investment account with the Clay County School Board.

**Note 3 - Interest Income**

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$259.11 representing an annual return of approximately 5.7%. No interest was earned on the School's checking account.

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**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2007 of the Adult & Community Education internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2006-2007 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2007.

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

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	Copyfax	\$ 64.00

The above accounts payable amount agrees with the Principal's Monthly Report as of June 30, 2007.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 8, 2007

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

## Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Adult & Community Education for the year ended June 30, 2007, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. When reviewing cash receipts, several items were noted:
  - There were three (3) instances of monies being collected and held over the weekend.
  - There were multiple incidents where the teachers held money overnight and delivered it to the bookkeeper with the ROMC the following day.
  - There were no copies of duplicate deposit tickets kept in the School office. The Internal Accounts Manual requires the preparation of a duplicate deposit slip which should be retained in the School's records along with the bank's validation form acknowledging receipt for the deposit itself.
2. When reviewing the school store the following items were noted:
  - No inventory value or number was available for beginning inventory.
  - Not all items held for sale had the cost associated with that item so that an ending inventory value could be confirmed.
  - The ending inventory provided was not signed by two (2) individuals
  - Regarding the beginning and ending inventory – this is a repeat of an item from the prior year and represents a contradiction to the directed response of Mr. Chappell in his letter on August 18, 2006.

These above items are not in compliance with the Clay County School Board procedures as outlined in the Internal Accounts Manual.

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

It has been a pleasure to serve Adult & Community Education and the Clay County District Schools.

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

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 8, 2007





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

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

**John Chappell**  
Supervisor of Adult & Community  
Education  
Orange Park 272-8170

August 28, 2007

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

Dear Mr. Harper,

Thank you for your thorough and professional audit of our internal accounts for the 2006/2007 school year. We are pleased that the financial statement, which was prepared on the basis of cash receipts and disbursements, has been represented correctly.

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

1. Every effort will be made to insure monies collected are not held over the weekend.
2. Since monies are sent to the Adult Education office from other schools in the county, teachers will be reminded that if the money is not turned in to our office that day, it should be turned into the school bookkeeper for securing in the school's safe. Money should then be sent to the Adult Education office by county mail or in person the next business day.
3. The bookkeeper has ordered deposit slips with carbon copies attached that will be retained with the bookkeeping records.
4. An inventory report was submitted to the auditors, but did not meet all specifications outlined in the internal accounts manual. A revised inventory sheet from the manual will be implemented to address the requirements stated in the auditor's comments.

Sincerely,

John Chappell  
Supervisor

ARGYLE ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE  
INTERNAL FUNDS

For the Year Ended June 30, 2007

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

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Fax (904) 282-6990

## INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2007. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 14, 2007

ARGYLE ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2007

	Cash Balance <u>July 1, 2006</u>	Transactions		Interfund Transfers	Cash Balance <u>June 30, 2007</u>
		<u>Receipts</u>	<u>Disburse- ments</u>		
Music	\$ 523.50	\$ 3,118.00	\$ 3,273.37	\$ 43.02	\$ 411.15
Classes, Clubs & Departments	12,151.08	75,226.92	75,845.50	(1,905.00)	9,627.50
Trust	3,418.85	37,139.96	38,978.98	24,677.51	26,257.34
General	4,834.71	47,357.15	35,275.49	(11,815.53)	5,100.84
Outside Organization	<u>.00</u>	<u>16,043.80</u>	<u>4,403.16</u>	<u>(11,000.00)</u>	<u>640.64</u>
Total	\$ <u>20,928.14</u>	\$ <u>178,885.83</u>	\$ <u>157,776.50</u>	\$ <u>.00</u>	\$ <u>42,037.47</u>

See accompanying notes to statement of cash receipts and disbursements.

ARGYLE ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2007

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

Of the June 30, 2007 cash balance of \$42,037.47 as reported on the Statement of Cash Receipts and Disbursements, \$41,937.77 is being held in a non-interest bearing checking account insured by the FDIC, and \$99.70 in uncollected checks.

S  
H

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Argyle Elementary School reported no accounts payable or encumbrances at June 30, 2007 for the internal funds. However, during audit testing, I noted the following accounts payable item at June 30, 2007.

Accounts Payable

Music Express \$195.00

Encumbrances

None

The above amount does not agree with the list provided by the school at June 30, 2007 nor with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 14, 2007



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

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2007, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. Three checks have been outstanding for more than six months. These should be voided in accordance with the procedures outlined in the Internal Funds Manual.
2. Donations for specific items were coded to the general fund but should be coded to the account for the purposes, i.e., donations for covered playground area should be coded to that account.
3. One check and purchase requisition did not have supporting documentation that agreed to the check amount. Only a portion of the invoice was attached. More care should be taken to ensure all supporting documentation is attached.
4. Several disbursements were charged to inappropriate accounts. When additional funds are needed to cover an expense, the funds should be transferred from one account to the appropriate expenditures account. A disbursement for a field trip was charged to the appropriate grade account, and the balance charged to 5120, pictures.



5. Check #2210 was a reimbursement to a staff member for \$39.95. However, the receipt totaled \$29.95 resulting in an overpayment of \$10.00.
6. Check #2215 to Art to Remember included only a statement of the balance due. No invoice was attached to substantiate the charges. All payments should be made by invoice.
7. A transfer from #6152, Parents in Education, to a trust fund in the amount of \$11,000 did not contain approval of the appropriate sponsor party.
8. No fundraising forms were prepared for the spring and fall festivals, or the Santa shop.
9. One accounts payable item was not listed on the Principal's Report at June 30, 2007.

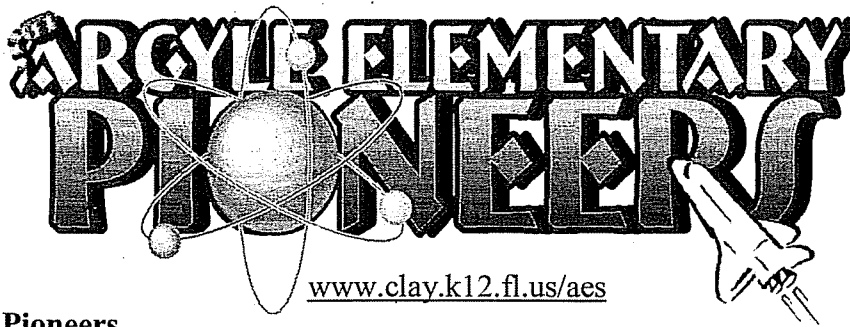
The internal funds accounting records were overall very neat and orderly. I also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were followed by the School.

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

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

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 14, 2007



[www.clay.k12.fl.us/aes](http://www.clay.k12.fl.us/aes)

**We are all Pioneers...**

**...Pathfinders on the Trail of a New Frontier**

Theresa Roman, Principal  
[troman@mail.clay.k12.fl.us](mailto:troman@mail.clay.k12.fl.us)

Sarah Timm, Assistant Principal  
[stimm@mail.clay.k12.fl.us](mailto:stimm@mail.clay.k12.fl.us)

September 18, 2007

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

Dear Ms. Hatcher:

This letter is in response to the audit report of the internal funds of Argyle Elementary School for the year ending June 30, 2007. Steps have been taken to correct the items noted in our audit draft for the 2007-2008 school year.

1. In regards to the three checks which were outstanding for more than six months: The bookkeeper sent letters to each of these payees and only one of these payees responded. Upon receiving verification from this payee, the previous check was voided and a new one issued. As per direction from the finance department, the remaining two checks were being held until January of the following year when notification is received to send in all "stale" check funds. The bookkeeper will continue to monitor all checks that are outstanding more than six months.
2. In regards to donations for specific items being coded to the general fund: Funds for the covered PE play area were being raised by the school administration using the donations deposited into the general fund as per the fundraiser application form that was filled out for donations to be used "at the principal's discretion". The covered PE area account was created in June of 2007 and the funds received for the covered play area were transferred into this account. Parents in Education (PIE) were also using all of the money they raised to go toward the covered play area; these funds were also transferred in June 2007. Once the PIE account was created, all donations designated for the covered PE play area were deposited into this account because PIE was raising money exclusively for the covered play area. The bookkeeper will take special care to ensure all funds are deposited into designated accounts and when raising funds for a specific reason, the bookkeeper will create a trust account prior to receiving funds.
3. In regards to the one check and requisition that did not have supporting documentation: The bookkeeper will take extreme care to be sure all documentation is attached and does not become separated from the check and requisition by taping smaller pieces of documentation to a blank sheet of paper so it is more easily attached to the requisition.

4. In regards to the disbursements charged to inappropriate accounts: When additional funds are needed in an account for a disbursement, the bookkeeper will be sure to transfer the funds into the correct account to cover the expense and disburse the entire amount from the appropriate account.
5. In regards to check #2210, an overpayment in a reimbursement to a staff member: The bookkeeper will take great care to check the total amount paid and not the cost of the item to be sure all discounts are noted and deducted.
6. In regards to check #2215 including only a statement and not an invoice: The bookkeeper will contact all companies who invoice with a statement and be sure the company provides an invoice prior to payment.
7. In regards to the transfer from account #6152, Parents in Education to a trust fund not containing approval of the appropriate sponsor party: The bookkeeper will ensure the appropriate sponsor(s) authorize all transfers. Transfers will only be approved by the principal; transfers will not be initiated by the Principal unless the Principal is the account sponsor.
8. In regards to no fundraising forms being prepared for the spring festival, fall festival and Santa Shop: The bookkeeper will inform the responsible parties that a fundraiser application is required. The bookkeeper will then follow-up with the responsible parties to be sure the application and re-cap is completed.
9. In regards to an accounts payable item not being listed on the June 30, 2007 Principal's Report: The Music Express subscription that was paid for in July 2007 was not an accounts payable. This is a subscription we had the option to renew and was not payable until it was ordered. It was not ordered, received, or paid for until July 2007.

Argyle Elementary appreciates the patience and guidance of our auditor, Shirley Hatcher. Having a new Principal, Assistant Principal and Bookkeeper for the 2007 – 2008 school year is sure to bring many new challenges and learning opportunities. We would like to thank Ms. Hatcher for her thorough examination of the 2006-2007 internal accounts. The new Bookkeeper received valuable information in this report which will assist her in her new position at Argyle Elementary.

Sincerely,

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

Theresa Roman  
Principal

**R. C. BANNERMAN LEARNING CENTER**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2007**

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## INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2007. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2007, on the basis of accounting described in Note 1.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 7, 2007

**R. C. BANNERMAN LEARNING CENTER**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**OF THE INTERNAL FUNDS**  
For the Year Ended June 30, 2007

	Cash	Transactions			Cash
	Balance July 1, 2006	Receipts	Disburse- ments	Transfers	Balance June 30, 2007
Classes, Clubs & Departments	\$ 3,090.01	\$ 3,360.65	\$ (4,392.77)	\$ 473.49	\$ 2,531.38
Trust	13,368.44	28,434.18	(26,684.60)	(585.04)	14,532.98
General	530.27	105.00	(607.83)	111.55	138.99
<b>Total</b>	<b>\$ 16,988.72</b>	<b>\$ 31,899.83</b>	<b>\$ (31,685.20)</b>	<b>\$ -</b>	<b>\$ 17,203.35</b>

See accompanying notes and independent auditor's report

**R. C. BANNERMAN LEARNING CENTER**  
**NOTES TO STATEMENT OF CASH RECEIPTS**  
**AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
For the Year Ended June 30, 2007

**Note 1 - Summary of Significant Accounting Policies**

**Reporting entity**

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of R.C. Bannerman Learning Center 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 R.C. Bannerman Learning Center.

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, 2007, ending cash balance of \$ 17,203.35 consists of \$ 17,203.35 held in the School's non-interest bearing checking account (insured by the FDIC).

**Note 3 - Interest Income**

There was no interest income.



# ADAMS & HARPER, PA

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Beth A. Linder, CPA  
Kathlyn C. Jordan, CPA

Members:  
American and Florida Institutes  
of Certified Public Accountants

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2007 of the R.C. Bannerman Learning Center internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2006-2007 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2007.

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

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

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2007.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 7, 2007

# ADAMS & HARPER, PA

Certified Public Accountants

1665 Kingsley Avenue, Suite 100

Orange Park, Florida 32073

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

www.adams-harper-pa.com

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

## Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of R. C. Bannerman Learning Center for the year ended June 30, 2007, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

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

- One (1) student receipt was altered with a pen in the teacher receipt book reflecting a new date.
- Cash was recorded on the Receipt for Monies Collected and the bookkeeper deposit slip for \$ 100.00, but was listed as \$ 101.82 on the monthly cash receipts report and the bank statement.
- One (1) internal transfer of funds form did not include a signature from the principal or any authorized designee.

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

### 2. When reviewing the Principal's Monthly Reports, we noted two (2) instances of the Principal not signing the report within the allotted fifteen (15) days as required by the IAM.

This is not in compliance with the Clay County School Board procedures as outlined in the Internal Accounts Manual, pages 54 – 57.

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

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

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

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

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 7, 2007

# Bannerman Learning Center

608 Mill Street • Green Cove Springs, Florida 32043

Phone: (904) 529-2100

Fax: (904) 529-1025

Linda K. Turner, Principal



8-30-07

Dear Adams and Harper,

This letter is in response to Bannerman Learning Center's audit of internal funds for the year ending June 30, 2007.

I will pay more attention to the teacher receipt books and will have the teacher's correct the problem immediately.


I will also pay close attention to my monies collected forms and deposit slips to make sure they coincide.

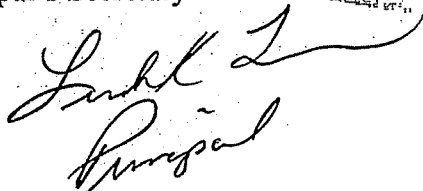
I will double check all papers that require the principal's signatures to make sure they have been signed.

I will promptly finish and have signed by the principal by the 15<sup>th</sup> of each month, my monthly principal's report.

Thank you for your opinions and I will do my best to correct these items.

Sincerely,

  
Renee Taylor  
Principal's Secretary

  
Principal

# **Charles E. Bennett Elementary School**

---

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

**For the Year Ended June 30, 2007**

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

**CHARLES E. BENNETT ELEMENTARY SCHOOL  
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**CONNER, HUBBARD & COMPANY, P.A.**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2007. 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 Charles E. Bennett Elementary School for the year ended June 30, 2007 on the basis of accounting described in Note 1.

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

August 13, 2007

---

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(904) 398-1710; Fax (904) 398-5298

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

**CHARLES E. BENNETT ELEMENTARY SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2007**

	Cash Balance July 01, 2006	Transactions			Cash Balance June 30, 2007
		Receipts	Disbursements	Transfers	
Music	\$87.66	\$411.15	\$304.90	\$100.00	\$293.91
Classes, Clubs & Departments	10,282.36	42,244.94	46,308.86	4,657.47	10,875.91
Trust	26,949.45	21,479.45	22,004.13	1,862.83	28,287.60
General	4,326.36	12,179.76	15,010.70	2,658.55	4,153.97
Outside Organizations	<u>13,250.18</u>	<u>23,371.42</u>	<u>20,283.24</u>	<u>(9,278.85)</u>	<u>7,059.51</u>
	<u>\$54,896.01</u>	<u>\$99,686.72</u>	<u>\$103,911.83</u>	<u>\$0.00</u>	<u>\$50,670.90</u>

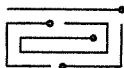
See Independent Auditors' Report and Notes to Statement of Cash Receipts and Disbursements.



**CHARLES E. BENNETT ELEMENTARY SCHOOL**  
**NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
For The Year Ended June 30, 2007

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- NOTE 1        The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2        For the year ended June 30, 2007, no interest was earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$781.08 for the fiscal year ended June 30, 2007.
- NOTE 3        The cash balance of \$50,670.90 at June 30, 2007, shown on the statement of cash receipts and disbursements consists of \$35,703.02 being held in the checking account, \$14,917.88 invested with the Clay County School Board, and \$50.00 in checks which were returned for insufficient funds and have been turned over to Insure A Check for collection. As of the statement date one of the checks has been successfully recovered.



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---

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2007 of the Charles E. Bennett Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. These payables and encumbrances were not paid during the 2006-2007 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, 2007.

There were no accounts payable as of June 30, 2007.

The zero balance of accounts payable agrees with the June 30, 2007, Principal's Monthly Report.

There were no encumbrances as of June 30, 2007.

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

August 13, 2007

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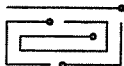
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---

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2007, 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.

None of the funds year-end balances exceeded the maximum amount allowed as determined by the formula provided by the Internal Funds Manual.

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

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

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

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

August 13, 2007

---

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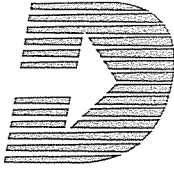
**CLAY HIGH SCHOOL**

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

**FOR THE YEAR ENDED  
JUNE 30, 2007**

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## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

### INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay High School for the year ended June 30, 2007. 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 Clay High School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

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

DuVal & Company, CPA's, P.A.  
August 7, 2007

## Clay High School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2007

	Balance July 1, 2006	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2007
Athletics	\$ 48,818.62	\$ 270,848.91	\$ 259,288.21	\$ 156.46	\$ 60,535.78
Music	2,986.45	47,086.16	31,568.96	(80.00)	18,423.65
Classes, Clubs and Departments	31,191.77	159,037.49	157,525.90	5,739.14	38,442.50
Trusts	44,035.81	65,701.32	69,275.72	(15,755.06)	24,706.35
General	14,350.48	103,964.17	108,783.90	9,939.46	19,470.21
Outside Organizations	6,304.63	120,378.14	110,345.75	0.00	16,337.02
<b>TOTALS</b>	<b>\$ 147,687.76</b>	<b>\$ 767,016.19</b>	<b>\$ 736,788.44</b>	<b>\$ 0.00</b>	<b>\$ 177,915.51</b>

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

## **CLAY HIGH SCHOOL**

### **Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2007**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Reporting entity**

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

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

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning that 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.



## CLAY HIGH SCHOOL

### Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2007

#### **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, 2007 cash balance, totaling \$177,915.51 consists of \$13,606.16, in a non-interest bearing checking account with Wachovia Bank, \$163,916.85 in an investment account with the Clay County School Board, and \$392.50 in NSF checks receivable, which are expected to be collected.

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, 2007 was \$8,050.81. This represented a yield of approximately 5.97% for that period.



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Clay High School at June 30, 2007.

### ACCOUNTS PAYABLE

Algy	\$ 321.00
Anaconda Sports	642.00
Baker Sporting Goods	1,938.50
Candy Lady Fundraising	1,972.95
Carmen's Flower Gardens	36.00
Dancewear Solutions	776.29
Heartland Rehabilitation	2,500.00
Hodge Products, Inc.	12.42
Home Depot	374.00
Ikon	190.81
Jostens	9.79
Just for Kix	176.63
Justin Designs	1,763.77
The Library Store	336.16
Office Depot	221.47
Orlando Team Sports	877.32
Publix	94.28
Robertson Press	439.00
Sam's Direct Club	413.65
Signs & Shapes International	270.00
Varsity	9,941.86
WalMart	<u>387.40</u>
Total	<u>\$23,695.30</u>

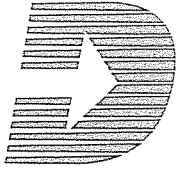
ENCUMBRANCES

ALGY	\$ 1,800.00
Baker Sporting Goods	5,545.00
Swim Zone	<u>199.50</u>
Total	<u>\$ 7,544.50</u>

The accounts payable and encumbrances above do not agree with the Principal's Monthly Report for June 30, 2007.

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

*DuVal & Company, CPA's PA*  
DuVal & Company, CPA's, P.A.  
August 7, 2007



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

Mr. David L. Owens, Superintendent of Schools  
Clay County, Florida  
Ms. Carol Vallencourt  
Ms. Carol Studdard  
Mr. Charles Van Zant, Sr.  
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 Clay High School for the year ended June 30, 2007, 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 and management letter were not corrected.

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

1. There was one (1) check that was written and cashed without the payee being filled in. The check was issued to a student for a reading award in the amount of \$500.
2. The change fund procedures are not being followed properly. According to the Internal Funds Manual, transactions to establish and repay change funds for events are to be made through the change fund account 995. There were several change funds that were established for various activities that were disbursed and re-deposited into the activity accounts instead of the change fund account. When the change fund is turned back in to the bookkeeper, a separate deposit slip is required per the manual. On two (2) occasions, a separate deposit slip was not prepared.

3. The NSF check procedures are being followed substantially. There was one (1) occasion that the NSF re-deposit was not prepared on a separate deposit slip.

4. During our cash receipts testing we noted several items that have not been corrected from the prior year. There were four (4) times when money was held over the weekend. There were three (3) times when money was collected and held by the teacher. The Report of Monies Collected form was completed several days later and turned into the bookkeeper late. There was one (1) time when money was collected from 15 students, according to the Report of Monies Collected form, and only four (4) had a written teacher's receipt.

5. There were two (2) occasions when the fund raising forms were not completed properly. The financial recap was not correct on these forms. On one (1) occasion the cost of the fund raiser included items that were purchased with the profits of the fund raiser. On one (1) occasion the amount reported as income was more than the amount that was recorded in the activity account.

6. During our cash disbursement testing there was one (1) occasion when the check was cut for the wrong amount. The check was issued for the amount listed as price not to exceed instead of the actual cost listed. The company that was overpaid did refund the excess amount. There is a note explaining that the check was prepared in the absence of the bookkeeper. However, the bookkeeper signed the check. According to the bookkeeper she was out on medical leave for three weeks and presigned checks. The checks were locked in a safe, however the manual states that checks are not to be pre-signed.

7. The school is not completing the school inventory sheet properly. It appears that they are only filling in the number of items on hand and the cost of those items. The school needs to make sure that the form is completed in its entirety.

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

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

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

*DuVal & Company, CPA's, PA*

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

August 7, 2007

# CLAY HIGH SCHOOL

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

**Peter J. McCabe, Principal**  
**Cary Dicks, Assistant Principal**



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

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

September 4, 2007

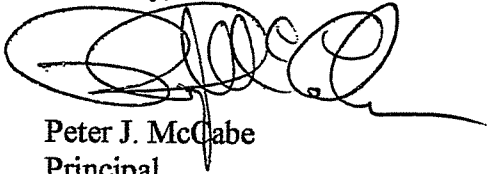
Dear Sirs:

This letter is in response to Clay High School's 2006-2007 audit comments.

1. We will be certain that the payee is always filled in on checks written.
2. The bookkeeper was not aware that the procedures for change funds had changed. The procedures in the Internal Funds Manual will be followed from now on.
3. In this incidence the teacher was given money for the returned check and turned it in as a regular deposit. The bookkeeper will be sure that teachers know to turn check collections in separately.
4. Every year the issues of turning money in on time and writing proper receipts are addressed with teachers at the beginning of the year. The bookkeeper constantly instructs them during the year, both in person and in writing. We will continue to stress the importance of these procedures. We recognize this is an area that really needs improvement.
5. Fundraiser recaps will have a report attached showing how they were figured. Recaps will be done with the bookkeeper or by her and approved by the sponsor.
6. We will not pre-sign checks again, even in extraneous circumstances.
7. If we open the school store again, the inventory sheet will be done properly.

We will try our best to improve in the areas you have commented on. We appreciate your guidance and recommendations. It is our desire to be in compliance with the Internal Accounts Manual of Clay County School Board.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter J. McCabe', with a long horizontal flourish extending to the right.

Peter J. McCabe  
Principal



**CLAY HILL ELEMENTARY SCHOOL**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2007**

EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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*Certified Public Accountant*

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**INDEPENDENT AUDITOR'S REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2007. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA  
August 14, 2007

# CLAY HILL ELEMENTARY SCHOOL

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2007

	Cash	Transactions			Cash
	Balance July 1, 2006	Receipts	Disburse- ments	Interfund Transfers	Balance June 30, 2007
Classes, Clubs, Departments	\$ 17,706.87	\$ 42,840.34	\$ 42,210.78	\$(1,764.46)	\$ 16,571.97
Trust	1,778.19	9,463.95	6,511.90	2,231.86	6,962.10
General	12,064.79	28,870.86	32,978.44	4,843.49	12,800.70
Outside Organizations	3,738.11	24,815.61	16,898.98	(5,310.89)	6,343.85
<b>Total</b>	<b>\$ 35,287.96</b>	<b>\$ 105,990.76</b>	<b>\$ 98,600.10</b>	<b>\$ -</b>	<b>\$ 42,678.62</b>

See accompanying notes and accountant's report.

# CLAY HILL ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2007

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

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

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

### **NOTE 2 Cash**

The June 30, 2007, total cash balance of \$42,678.62 as reported on the statement of cash receipts and disbursements consists of \$30,684.09 being held in a non interest bearing checking account insured by the FDIC and \$11,968.03 held in an investment account through the Clay County School Board and \$26.50 held as NSF Funds.

### **NOTE 3 Interest Income**

Interest was earned on amounts invested through the Clay County School Board in the amount of \$626.64. This represents a yield of approximately 5.4 percent. Investment interest is maintained in a separate account

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay Hill Elementary School reported the following accounts payable and encumbrances as of June 30, 2007:

**Accounts Payable**

Oriental Trading	\$115.97
------------------	----------

**Encumbrances**

None

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2007.

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 2006-2007 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay Hill Elementary School for the year ended June 30, 2007.



Emily C. Helms, CPA, PA  
August 14, 2007

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2007, 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. Fund Raising Procedures are not being followed. Routinely, the Fund Raising Applications and Financial Recaps were incomplete. Rarely was the form totally completed or the required information attached as prescribed. Often the Financial Recap was not completed timely. Stated clearly under the Financial Recap on the form is "Financial Recap to be completed within three weeks following delivery of items sold." In order to comply with Clay County School Board Policy, we recommend reviewing the procedures outlined in the Internal Accounts Manual, Fund Raising Procedures, pages 10-13 with those teachers/sponsors involved in the fundraising activities.
2. Check number 8022 cleared the bank with only one signature. Depository Procedures, page 7, item 5, Internal Accounts Manual Clay County School Board require all disbursements to have two manual signatures.

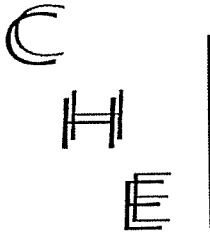
The internal funds accounting records were overall very neat and orderly. We found that the School substantially followed the procedures outlined in the Internal Accounts Manual of the Clay County School Board.

It has been a pleasure to have this opportunity to serve Clay Hill 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 14, 2007



# Clay Hill Elementary School

6345 CR 218 West  
Jacksonville, Florida 32234



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

**Evelyn Chastain**  
Principal

[www.clay.k12.fl.us/che](http://www.clay.k12.fl.us/che)

**Kimberly Phillips**  
Assistant Principal

September 5, 2007

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

Dear Ms. Helms:

Please accept this letter as my response to the Internal Audit you conducted during the summer for the 2006-07 school year. I appreciate the commendation of the principal and the bookkeeper, Janie Lloyd.

The items noted will be addressed this fiscal year by ensuring that fund-raising procedures will be followed according to the Internal Accounts Manual. We have already reviewed the proper procedures and have provided clear directions to our entire staff to ensure that these procedures are followed in their entirety.

We appreciate the opportunity to improve our fiscal responsibility as discussed in our exit interview. We will strive to make the modifications or adjustments to accommodate these issues. Wishing you continued professional success.

Sincerely,

Evelyn S. Chastain  
Principal

ESC:jl



**Doctors Inlet Elementary School**

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

**June 30, 2007**

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

**June 30, 2007**

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## Independent Auditors' Report

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2007. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

*DDF CPA Group*

August 13, 2007

*ddfcpa.com*

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**Doctors Inlet Elementary School**  
**Statement of Cash Receipts and Disbursements of the Internal Funds**  
**As of and for the Fiscal Year Ended June 30, 2007**

	<u>Balances</u> <u>July 1, 2006</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund</u> <u>Transfers</u>	<u>Balances</u> <u>June 30, 2007</u>
Music	\$ 764.66	\$ 3,715.16	\$ 3,095.91	\$ -	\$ 1,383.91
Classes, clubs and departments	26,627.07	82,111.46	79,604.77	20.00	29,153.76
Trust	5,058.33	25,210.53	22,731.22	-	7,537.64
General	5,548.52	10,267.43	7,647.57	-	8,168.38
Outside organizations	<u>16,318.49</u>	<u>10,759.61</u>	<u>12,676.31</u>	<u>(20.00)</u>	<u>14,381.79</u>
<b>Total</b>	<u>\$ 54,317.07</u>	<u>\$ 132,064.19</u>	<u>\$ 125,755.78</u>	<u>\$ -</u>	<u>\$ 60,625.48</u>

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

**Doctors Inlet Elementary School**  
**Notes to Statement of Cash Receipts and Disbursements**  
**As of and for the Fiscal Year Ended June 30, 2007**

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

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

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

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

**Basis of accounting**

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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2007 cash balance, totaling \$60,625.48, consists of \$26,380.81 in a non-interest bearing checking account with Wachovia Bank and \$31,342.48 in an investment account with the Clay County School Board. The remaining \$2,902.19 is for checks returned for insufficient funds during the school year. The School does not expect to collect the returned checks and is in the process of getting approval to write off the returned check balance.

**Note 3 - Interest Income**

The School earned \$1,641.04 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 5.38 percent during that period for monies invested with the SBA.

**Note 4 - Investments**

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

**Doctors Inlet Elementary School  
Notes to Statement of Cash Receipts and Disbursements  
As of and for the Fiscal Year Ended June 30, 2007  
(Concluded)**

**Note 4 – Investments (concluded)**

In accordance with GASB Statements No. 40, as of June 30, 2007, the School had the following investment:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
State Board of Administration - LGSF	54 Day Average	\$31,342

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

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

As of June 30, 2007, the investment in the Local Government Surplus Funds Trust Fund investment pool was unrated.



**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

As requested by the Clay County School Board, we reviewed and tested for accounts payable and encumbrances for Doctors Inlet Elementary School at June 30, 2007.

<b>Vendor</b>	<b>Amounts</b>
<b>Accounts Payable</b>	
None	<u>\$ -</u>
<b>Encumbrances</b>	
National Geographic	<u>\$ 616.36</u>

The accounts payable does agree with the Principal's Report for June 30, 2007. The Principal's Report does not include a spot for encumbrances, however the list of accounts payable and encumbrances provided by the school does agree to the audit procedures performed.

Such auditing procedures as we considered necessary were applied to the verification of these accounts payable and encumbrances. The following accounts payable and encumbrances were not paid during the year ended June 30, 2007 and, accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

*DDF CPA Group*

August 13, 2007



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

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School (the School) for the year ended June 30, 2007, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

1. Monies received for the sale of pies in the amount of \$411 were not supported by individual teacher receipts. We recommend that the School require teachers and sponsors to issue individual receipts when necessary to comply with Chapter Seven and the Internal Accounts Manual.
2. The Internal Accounts Manual of the Clay County School Board states that individual purchases of \$5,000 or more require formal bids which are to be handled by the Clay County School Board purchasing department. The manual also states when not going with the lowest quote/bid, that all information be submitted to the Superintendent for approval of the purchase before the contract is signed by the School.

The School purchased a sign for \$6,762 from a vendor who was not the lowest bidder. In addition, the purchase was handled by the School and not by the District purchasing department. We recommend that the School adhere to District purchasing policies.

3. The Internal Accounts Manual of the Clay County School Board requires all purchases be approved in writing prior to spending internal account funds. We noted a number of disbursements that received approval after the purchase was made. We recommend that all purchases have a written approval, prior to ordering and spending internal account funds.

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

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



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


Page Two

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

*DDF CPA Group*

August 13, 2007

# Memo

**To:** DDF CPA Group  
**From:** Anne Miller, Principal   
**CC:** Mr. David Owens, Superintendent of Schools; Clay County School Board  
**Date:** 8/31/2007  
**Re:** Doctors Inlet Elementary School Audit Response for 2006-2007

---

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

1. Reportable Condition of monies received from the sale of pies was not supported by individual receipts. Teachers did a grade level fund raiser and turned all monies in on a common monies collected form. The pies were sold for \$5.00. In the past, items \$5.00 or less did not require a receipt. We met with the teachers and informed them that any future fundraiser would need to be receipted and placed on individual teacher's monies collected forms.
2. Reportable Condition of formal bid not submitted to the Superintendent was the purchase of our school sign with monies from our PFA and Student Council. The purchase was handled by the school instead of the District purchasing department due to the monies coming from two accounts - PFA and Student Council. We did have three bids and did not take the lowest bid. However, we did go through the proper procedures of securing the permit and having the sign approved by James Connell in facilities. I was unaware that all of the information should have been sent to the Superintendent in addition to James Connell. In the future, all procedures will be followed.
3. Reportable Condition of approval in writing before spending internal accounts. The bookkeeper and I have spoken with the individuals who followed the procedures incorrectly. We have reminded them of the correct procedure and informed them that they will be responsible for the payment in the future should this occur again.

**FLEMING ISLAND ELEMENTARY SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2007**

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## Independent Auditor's Report

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

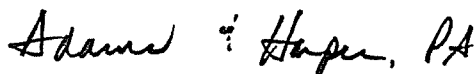
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2007. 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 Fleming Island Elementary School for the year ended June 30, 2007, on the basis of accounting described in Note 1.



Adams & Harper, PA  
Certified Public Accountants  
August 8, 2007

**Fleming Island Elementary  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2007**

	Cash	Transactions			Cash
	Balance July 1, 2006	Receipts	Disburse- ments	Transfers	Balance June 30, 2007
Music Classes, Clubs,	\$ 796.24	\$ 1,724.25	\$ 2,202.61	\$ -	\$ 317.88
Departments	17,480.50	99,813.73	96,698.34	(839.79)	19,756.10
Trust	8,298.41	47,998.26	40,642.53	15.00	15,669.14
General	34,871.43	56,709.74	75,062.53	1,199.79	17,718.43
Outside Organizations	7,863.27	38,306.36	17,952.77	(375.00)	27,841.86
<b>Total</b>	<b>\$ 69,309.85</b>	<b>\$ 244,552.34</b>	<b>\$ 232,558.78</b>	<b>\$ -</b>	<b>\$ 81,303.41</b>

See accompanying notes and independent auditor's report

**FLEMING ISLAND ELEMENTARY SCHOOL**  
**NOTES TO STATEMENT OF CASH RECEIPTS**  
**AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
For the Year Ended June 30, 2007

**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 Fleming Island Elementary School within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at Fleming Island Elementary 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, 2007, ending cash balance of \$ 81,303.41 consists of \$ 53,200.43 held in the School's non-interest bearing checking account (insured by the FDIC) and \$ 28,102.98 held in an investment account with the Clay County School Board.

**Note 3 - Interest Income**

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$ 1,471.43, representing an annual yield of approximately 5.4%. No interest was earned on the School's checking account.

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## Schedule of Accounts Payable and Encumbrances

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2007 of the Fleming Island Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. The accounts payable and encumbrances were not paid during the 2006-2007 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2007.

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

The above accounts payable amount agrees with the Principal's Monthly Report as of June 30, 2007.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 8, 2007



# ADAMS & HARPER, PA

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American and Florida Institutes  
of Certified Public Accountants

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

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

### Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2007, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. When reviewing cash receipts, several items were noted:
  - Five (5) Report of Monies Collected forms were incomplete, and one (1) Receipt of Monies collected was altered.
  - One (1) instance of deposit documentation could not be located.
  - There were sixteen (16) instances when money was held over a weekend or too long as specified by the Internal Accounts Manual.
  - One (1) transfer request was filled out incompletely without a reason for the transfer.
  - Ticket sales were not accompanied by a "Report of Tickets Sold or Admission" for Drama Club productions.
  - Fundraising applications were not properly filled out as outlined in the Internal Accounts Manual.

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

2. When reviewing disbursements, one item was noted:

- Three (3) instances of checks not matching receipts documentation

These items are not in compliance with Clay County School Board procedures as outlined in Internal Accounts Manual, pages, 34-36.

3. When reviewing the Principal's Monthly Reports, one item was noted:

- The principal did not sign one any of the Principal's Monthly Reports. The assistant principal signed each report in lieu of the principal.

These items are not in compliance with Clay County School Board procedures as outlined in Internal Accounts Manual, pages 54-57.

During our audit procedures, we also noted that sales taxes were not remitted on collections from students nor paid to the vendor during the purchase of musical recorders for students. Our research into this area indicated no specific exemption for such transactions occurring on a regular basis. We spoke with school board representatives who believed that such minor activity would warrant exemption. We encourage the school board and/or individual schools to research this tax position and then disseminate clarifying language to all parties involved. Although the position represents a small amount of liability, it does present a possible source of embarrassment later or produce a larger liability in the event of later discovery by taxing authorities (due to penalties and interest for delinquent payment).

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

It has been a pleasure to serve Fleming Island Elementary School and the Clay County District Schools.

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

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 8, 2007

# FLEMING ISLAND ELEMENTARY SCHOOL

4425 Lakeshore Drive  
Orange Park, Florida 32003

**Lynda C. Braxton**

Principal

**Sandra D. Mead**

Assistant Principal

September 10, 2007

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

Dear Sirs:

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

1. The teachers will be reminded of the procedures for completing monies collected forms and receipts.
2. During our meeting with the auditor we provided him, the deposit document he could not located in our records.
3. During our meeting with the auditor, we provided him with documentation showing proof that neither teachers nor bookkeeper held money over the weekend.
4. My bookkeeper will make sure that every space on the transfer form will be completed as needed.
5. My bookkeeper has ordered the forms for the Ticket sales.
6. The Fundraising applications will be signed before the fundraising begins.
7. The disbursements of checks will match the total of receipts.
8. My bookkeeper will make sure that the Principal will sign the Principal Monthly Reports.

Thank you very much for the suggestions.

Sincerely,



Lynda Braxton,  
Principal

Cc: George Copeland, Assistant Superintendent

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