

Fleming Island High School
Statement of Cash Receipts
and
Disbursements of the
Internal Funds
June 30, 2007

**Fleming Island High 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 Fleming Island 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 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 Fleming Island High School for the year ended June 30, 2007, on the basis of accounting described in Note 1.

DDF CPA Group

August 9, 2007

ddfcpa.com

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Fleming Island High 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>
Athletics	\$ 19,823.15	\$ 229,664.64	\$ 224,694.44	\$ 10,874.46	\$ 35,667.81
Music	26,020.66	206,542.06	227,253.11	13,336.30	18,645.91
Classes, clubs and departments	87,048.01	320,475.71	359,328.95	1,050.35	49,245.12
Trust	6,319.74	75,140.81	74,108.88	1,050.74	8,402.41
General	22,749.92	162,995.58	155,198.12	(6,830.76)	23,716.62
Outside organizations	<u>51,816.28</u>	<u>214,198.98</u>	<u>177,303.85</u>	<u>(19,481.09)</u>	<u>69,230.32</u>
Total	<u>\$ 213,777.76</u>	<u>\$ 1,209,017.78</u>	<u>\$ 1,217,887.35</u>	<u>\$ --</u>	<u>\$ 204,908.19</u>

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

Fleming Island High 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 Fleming Island High School (the School) within the Clay County, Florida school system.

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

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

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

Basis of accounting

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

Note 2 - Cash and Cash Equivalents

The June 30, 2007 cash balance, totaling \$204,908.19 consists of \$30,803.07 in a non-interest bearing checking account with Wachovia Bank and \$173,179.37 in an investment account with the Clay County School Board. The school board invests its funds with the SBA. The School has \$775.75 in an insufficient fund account for checks returned to the school. The School expects to collect these funds in the near future. The remaining \$150 is kept for change.

Note 3 - Interest Income

The School earned \$10,740.09 in interest in the investment account with the Clay County School Board. This represents a yield of approximately 5.5 percent during the fiscal year 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).

Fleming Island High 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	\$173,179

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 investments in the Local Government Surplus Funds Trust Fund investment pool were 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 Fleming Island High School at June 30, 2007.

Vendor	Amounts
Accounts Payable	
BES Industries	\$ 69.98
Chevron	139.80
Dancewear Solutions	298.35
Enterprise	253.98
Executive Limousine	2,300.00
Home Depot Credit Services	355.92
Insight Public Sector	87.93
Jostens	497.38
Sam's Club Direct	292.46
Staples Credit Plan	57.97
Supply Room Inc.	18.00
Total	<u>\$ 4,371.77</u>
Encumbrances	
Algy	\$ 3,150.00
ARES Sportswear	1,241.23
Varsity	18,379.25
Total	<u>\$ 22,770.48</u>

The accounts payable does agree with the Principal's Report for June 30, 2007. The Principal's Report does not require the reporting of 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 9, 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 Fleming Island High 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. The Internal Accounts Manual of the Clay County School Board requires receipts to be supported by proper documentation, such as original deposit slips, report of monies collected, teacher receipts, tally sheets and other auditable record. We discovered four instances where monies were collected without the proper support being retained. For one example, cash collected for candy sales had a total amount of \$453.58 but did not have any auditable supporting documentation as to how the total was reached, such as receipts issued by the teacher / sponsor or tally sheets. We recommend that the school comply with the documentation sections of the receipt procedures as described in the Internal Accounts Manual.
2. The Internal Accounts Manual of the Clay County School Board requires purchases to be approved prior to spending internal account funds. We noted a number of disbursements that were approved in writing by the Principal after the purchases were made by the teachers and sponsors. We recommend that all purchases have prior written approval, before ordering and spending internal account funds.
3. The Internal Accounts Manual of the Clay County School Board requires purchases to be supported prior to payments being issued. When reviewing the disbursements, we noted a check in the amount of \$4,089 issued for payment to a hotel with only a statement from the hotel showing they received a payment of \$4,089 and cash in the amount of \$17.52. We recommend that detail hotel receipts are submitted to support such payments, detailing the number of rooms utilized and the dates they were used.
4. During the audit we reviewed payments by the School for the cost of the yearbook. The final invoice for the 2006 and 2007 yearbooks, in the amounts of \$19,135 and \$32,987 did not include sufficient detail. For instance, the number of books printed by the vendor and the unit cost was not provided. Also, any credits and interim payments were not included on the final invoice. We recommend that the School request a detail invoice and also review the yearbook contract to verify the accuracy of the billing.

5. The Internal Accounts Manual of the Clay County School Board requires formal bids on purchases in excess of \$5,000 that are not purchased on state contract. All formal bids are required to be handled by the purchasing department of the School Board. In April 2007 the School purchased a mower at a cost of \$8,758 and noted on the purchase order that it was made using a state contract bid. However, the state bid information was not included in the packet or made available for our review. We recommend that any state bid contract information be attached to the invoice packet and verified prior to payment.

The School purchased a bunker rake at a cost of \$9,730 and the School received quotes from various vendors. In addition, the School purchased \$14,378 worth of camera and recording equipment and software to be used by the Athletic Department. This purchase was documented as a "sole source" from a specific vendor. School Board policies require purchases more than \$5,000 to be handled by the purchasing department of the School Board and formal bids are required. We believe the School Board purchasing department should make the determination that the vendor is a sole source supplier. We also noted that the camera equipment and recording equipment was not reported as a fixed asset to the School Board.

6. Chapter Seven of the Department of Education's Red Book requires the use of a ticket inventory log for tickets issued at athletic events. The inventory log is a necessary element for ensuring that the School is controlling the use and issuance of tickets. Lack of controls over the issuance and use of tickets can result in fraud occurring and not be detected by School management. The School delegates the preparation of the ticket inventory log to the Athletic Director. We noted the athletic ticket log was incomplete and inaccurate and could not have been used as a fraud control procedure. We ask that someone other than the Athletic Director verify periodically that the ticket log is maintained and accurate. Any unused tickets should be turned in at year end and checked by School personnel to ensure that there are no missing or unaccounted for tickets.

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

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

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

DDF CPA Group

August 9, 2007



Fleming Island High School

2233 Village Square Parkway

Orange Park, FL 32003

Phone: (904) 541-2100

Fax: (904) 541-2110

William S. "Sam" Ward

Principal

Dan Finley
Vice Principal

Teresa Hankel
Assistant Principal

Greg Henderson
Assistant Principal

Thomas Pittman
Assistant Principal

Tara Richardson
Assistant Principal

To: ddf CPA Group
From: Susan Edmonds, Bookkeeper, Fleming Island High School
Cc: Sonja Findley
Date: August 27, 2007
Re: Response to Management letter

Item #1 –I will make sure that lump sums of money turned in have an explanation (ex:Sold feathers in cafeteria at lunchtime) , tally sheet or student receipts.

Item #2 –A copy of the disbursement procedures will be placed in teachers mailboxes. Administration has reminded teachers and coaches to get written approval before purchasing anything. Written reminders will be given to Booster clubs, teachers, sponsors if procedure is not followed.

Item #3-I will be more thorough in making sure the backup documentation has proper details.

Item #4-I will request that the yearbook sponsor and/or company provide more detailed invoices and that a copy of the contract be furnished to me for review.

Item #5-I will make sure all bid information is in writing and attached to check requisitions. I will check with Mr. Finley to make sure that all items \$750 and over are added to the inventory.

Item#6-I will furnish ticket inventory sheets and directions with the proper way to fill them out to the Athletic Director. I will check these sheets monthly. I will keep the inventory log for all activities other than Athletics.

Susan Edmonds -Bookkeeper

William S. Ward

"Preparing tomorrow's leaders, today."



Celebrating 20 Years of Service

September 11, 2007

Nancy Racine-Purchasing
School District of Clay County
814 Walnut Street
Green Cove Springs, FL 32043

Dear Nancy:

Fleming Island High School purchased digital editing equipment from Webb Electronics, Ltd. Back in July 2006. In reference to this equipment, we have the following Sole Source information relating to our products.

Webb Electronics, Ltd. is the creator, designer, manufacturer and sole integrator of the Digital Coaches Playmaker Editing Software (DCPM) that includes a Webb modified NBRCUSB Cowboy Remote used exclusively with DCPM Software. The DCPM Software Package is not sold by third party distributors and is custom engineered and tested prior to shipment.

Webb Electronics, Ltd. is also the creator, designer, manufacturer and sole integrator of the DVD Package (DVD PKG 1) which includes a WEB-DVDSVHS dual deck, NBRCW1 New Cowboy Remote, and 3 bay duplicator. The DVD PKG 1 is not sold by third party distributors and is custom engineered and tested prior to shipment.

Webb Electronics has made proprietary modifications within the dual deck unit that allows connectivity with the trademarked and patented Cowboy Remote. This creates a VCR that has added functions and abilities when used with our 'Cowboy Remote'. We are also the sole creator, designer and manufacturer of the Cowboy Remote. The WEB-DVDSVHS dual deck VCR has a proprietary Cowboy Remote connection and cannot be used with any other wired remote.

Webb offers a solution for just about every sports video requirement. Our customers range from high schools to the professional ranks, in a wide variety of sports.

Sincerely,

Jim Lynch
Sales Representative
Webb Electronics
jiml@webbelectronics.com
615-890-0151 phone
615-890-4417 fax

GREEN COVE SPRINGS JUNIOR HIGH SCHOOL
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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Gary O. Harper, CPA
John A. Adams, CPA
Beth A. Linder, CPA
Kathlyn C. Jordan, CPA

Members:
American and Florida Institutes
of Certified Public Accountants

Independent Auditor's Report

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

Honorable Members:

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

Adams & Harper, PA

Adams & Harper, PA
Certified Public Accountant
August 13, 2007

**Green Cove Springs Junior High
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
Athletics	\$ 21,553.76	\$ 87,176.32	\$ 86,581.10	\$ (854.00)	\$ 21,294.98
Music Classes, Clubs,	8,807.43	45,371.64	39,649.67	854.00	15,383.40
Departments	16,232.54	118,793.10	118,961.19	(1,118.00)	14,946.45
Trust	7,236.17	38,445.77	24,685.51	(6,331.00)	14,665.43
General	13,057.74	19,697.46	25,216.98	7,449.00	14,987.22
Total	\$ 66,887.64	\$ 309,484.29	\$ 295,094.45	\$ -	\$ 81,277.48

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, 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 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, 2007, ending cash balance of \$81,277.48 consists of \$57,025.88 held in the School's interest bearing checking account (insured by the FDIC) and \$23,845.60 held in an investment account with the Clay County School Board and \$406.00 in non-sufficient fund checks.

Note 3 - Interest Income

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$1,248.51, representing an annual yield of approximately 5.0%. No interest was earned on the School's checking account.

ADAMS & HARPER, PA

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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 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 2006-2007 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, 2007.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Brown & Cartwright	\$ 82.91
	Riddell / All American	1,442.20
	Herff Jones	8,520.60
<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	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 13, 2007

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

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Green Cove Springs Junior High 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:

- One (1) instance of "Receipt of Money Collected" not being numbered by the bookkeeper
- One (1) instance of "Receipt of Monies Collected" not being signed by the bookkeeper
- One (1) instance of no memo regarding the purpose of the collection of funds by the bookkeeper
- Ten (10) instances of altered receipts from teachers on the "Receipts of Monies Collected"
- Two (2) instances of "Reports of Monies Collected" not being signed by the teacher or staff member
- Two (2) instances of incorrect dates being reported on receipts
- One (1) instance of missing receipts from the teachers

- Two (2) instances of monies being held overnight or over the weekend by teachers or staff before it is turned into the bookkeeper
- None of the deposits had "Sequential Lists of Receipts" for the individual deposits made
- One (1) instance of a fundraising application with no sponsor signature
- Five (5) instances where the activity reported on the fundraising recap sheets does not equal the amounts reported in the general ledger
- No instances of "Reports of Tickets Sold or Admissions" being completed for the 2006-07 school year
- Four (4) instances of transfers of funds that were not assigned a transaction number and were completed without a sponsor's signature for the transfer to account
- One (1) instance of transfers of funds that did not have the name of the school on the transfer request

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 the Principal's Monthly Reports, one item was noted:

- One (1) instance of Principal's Monthly Report not being approved until the 17th of the month

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

3. When reviewing the cash disbursements, one item was noted:

- Eight (8) purchase requisitions were missing information needed in order to be complete

This item is not in compliance with Clay County School Board procedures as outlined in Internal Accounts Manual, pages, 34-36.

The internal funds accounting records were overall satisfactory. We found that the School substantially followed the procedures outlined in the Internal Accounts Manual of the Clay County School Board. However, the number of items identified above which are in violation of the Internal Accounting Manual (IAM) are larger than normal for other Clay County Schools and indicate a need for greater attention to the manual and an improvement in management oversight of the accounting function at the school.

It has been a pleasure to serve Green Cove Springs Junior High School and the Clay County District Schools.

Mr. David L. Owens, Superintendent of Schools,
Clay County, Florida
Page 3

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 13, 2007

GREEN COVE SPRINGS JUNIOR HIGH

DR. SARYN L. HATCHER
PRINCIPAL



MRS. JANICE TUCKER
VICE PRINCIPAL

MR. PAUL GOODIER
ASST. PRINCIPAL

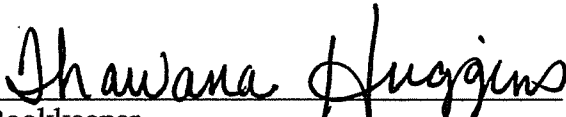
Adams & Harper
1665 Kingsley Avenue Ste 100
Orange Park, Florida 32073

Dear Sir,

This letter is in response to the deficiencies found in your audit for Green Cove Springs Jr. High that ended June 30, 2007.

1. In regards to cash receipts I have contacted the district office and have received guidance and additional information on how to insure that the occasional incidents that occurred during the 2006-07 school year does not occur in the future.
2. In regards to the principal's report every effort will be made to ensure that the principal reviews and approves the report in a timely manner. However, it should be noted that all principal monthly reports packets were prepared and delivered to the principal on, or before the 15th of each month.
3. In regards to requisitions forms every effort will be made to insure that each blank is completed including the vendors area.

Although our records were rated overall satisfactory, it is our goal to strive for an even higher rating for the 2007/08 school year and to be in compliance with the Internal Funds Manual of the Clay County School.


Bookkeeper


Principal

GROVE PARK ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE
INTERNAL FUNDS

For the Year Ended June 30, 2007

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Management Letter	5



SHIRLEY W. HATCHER, CPA, P.A.

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

	Cash Balance July 1, 2006	Transactions		Interfund Transfers	Cash Balance June 30, 2007
		Receipts	Disburse- ments		
Music	\$ 74.41	\$ 1,241.65	\$ 1,267.39	\$.00	\$ 48.67
Classes, Clubs & Departments	4,877.13	17,832.64	16,414.80	(514.30)	5,780.67
Trust	4,932.81	18,123.33	19,541.60	(283.00)	3,231.54
General	3,775.69	17,722.30	17,472.13	2,397.30	6,423.16
Outside Organi- zations	<u>13,388.63</u>	<u>22,229.04</u>	<u>21,978.43</u>	<u>(1,600.00)</u>	<u>12,039.24</u>
Total	<u>\$ 27,048.67</u>	<u>\$ 77,148.96</u>	<u>\$ 76,674.35</u>	<u>\$.00</u>	<u>\$ 27,523.28</u>

See accompanying 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, 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

Interest was earned on the SBA investment account at the rate of 5.80%, and total interest earned on the SBA investment account amounted to \$876.59. Interest was earned on the checking account at the rate of .10%, and total interest on checking was \$13.06.

NOTE 3

Of the June 30, 2007 cash balance of \$27,523.28 as reported on the Statement of Cash Receipts and Disbursements, \$12,366.77 is being held in an interest bearing checking account insured by the FDIC, \$15,080.44 is being held in the SBA investment account, and \$76.07 in uncollected funds.

**S
H**

SHIRLEY W. HATCHER, CPA, P.A.

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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, Grove Park Elementary School reported the following accounts payable or encumbrances at June 30, 2007 for the internal funds.

Accounts Payable

None

Encumbrance

None

The above amount agrees with the list provided by the school at June 30, 2007, and the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher CPA PA

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



SHIRLEY W. HATCHER, CPA, P.A.

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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 planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Grove Park 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 noted the following items during my audit:

1. Numerous discrepancies were noted in deposit of funds including teachers holding money overnight, dates of receipts different from the Report of Monies Collected forms, dates changed on teachers' receipts, and missing white copies of voided teacher receipts. One instance was noted of a teacher holding money for two weeks before submitting to the bookkeeper.
2. The bookkeeper is dating the official receipt the date the deposit is made at the bank. The receipts should be dated the date the funds are received by the bookkeeper.
3. Several purchases were made prior to approval. All persons should obtain approval prior to the purchase of any items to be reimbursed.
4. Check #3504 for \$1,710 was supported by documentation totaling \$1,680, resulting in an apparent overpayment of \$30. Additionally, one purchase request for \$42.79 did not contain a receipt or supporting documentation, and several receipts were faded and unreadable.

Grove Park Elementary School
August 14, 2007
Management Letter
Page -2-

5. Several Report of Monies Collected forms did not list the students' names, receipt numbers, and/or purpose of the funds. These forms should be completed in accordance with the Internal Funds Manual.

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



Grove Park Elementary School

Where Great Minds Come To Grow!

1643 Miller Street

Orange Park, Florida 32073

Main Office: 278-2010 – Guidance Office: 278-2012 – Clinic: 278-2011 – Cafeteria: 278-2013

Fax Number: 278-2015

Website: clay.k12.fl.us/gpe

Colette Wyant
Principal

Renee' Pleasant
Assistant Principal

September 5, 2007

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

This letter is in response to the documented notations you have listed on my 2006/07 audit:

1. Numerous discrepancies were noted in deposit of funds including teachers holding money overnight, dates of receipts different from the Report of Monies Collected forms, dates changed on teachers' receipts, and missing copies of voided teacher receipts. One instance was noted of a teacher holding money for two weeks before submitting to the bookkeeper.

Response: I have spoken with teachers and team leads at the beginning of the school year and will reiterate this information as teachers check out receipt books.

2. The bookkeeper is dating the official receipt the date the deposit is made at the bank. The receipts should be dated the date the funds are received by the bookkeeper.

Response: I have reviewed this with Roni and have since used the date on the money collected form.

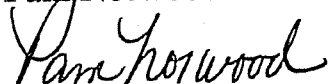
3. Check #3504 for \$1710 was supported by documentation totaling \$1680, resulting in an apparent overpayment of \$30. Additionally, one purchase request for \$42.79 did not contain a receipt or supporting documentation, and several receipts were faded and unreadable.

Response: Check #3504 was for transportation for a field trip. The fee had to be prepaid but at the last minute they had to change to a mini bus based on numbers of students. The company was to reimburse the \$30 difference. I called and they are sending a check for the difference. The check for \$42.79 was for a personalized quilt bought from Things Remembered in the mall as a retirement gift. I called corporate and they did a search for the amount and check number but could not find it. They suggested the teacher who picked up the quilt may have purchased additional items and that is why they are not able to find the information. I will try and be more aware that I have all receipts accounted for in the coming year. Also if a receipt is light I will make a darkened copy so it is easier to read.

4. Several Report of Monies Collected forms did not list the student's name, receipt numbers, and/or purpose of the funds. These forms should be completed in accordance with the Internal Funds Manual.

Response: I will pay closer attention to the amount of detail I add to the monies collected form. I will recheck closer to make sure the receipt number/students name is listed if one is required.

Pam Norwood


Bookkeeper

Colette Wyant


Principal

AUDIT REPORT
KEYSTONE HEIGHTS
ELEMENTARY SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2007

**Keystone Heights Elementary School
June 30, 2007**

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Independent Auditors' Report

District School Board
Clay County, Florida

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

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

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

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

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

Davis, Monk & Company

August 17, 2007
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2007
Keystone Heights Elementary School Internal Accounts**

	<u>Cash Balances July 1, 2006</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2007</u>
Music	\$ 407	\$ 609	\$ 646	\$ -	\$ 370
Classes, Clubs & Departments	9,005	92,507	88,751	965	13,726
Trust	4,966	37,539	39,841	1,700	4,364
General	17,169	29,169	26,628	5,339	25,049
Outside Organizations	11,692	6,512	8,495	(8,004)	1,705
	<u>43,239</u>	<u>166,336</u>	<u>164,361</u>	<u>-</u>	<u>45,214</u>
TOTAL	\$ 43,239	\$166,336	\$ 164,361	\$ -	\$ 45,214

**Notes to Financial Statement
For the Year Ended June 30, 2007
Keystone Heights Elementary School**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statement includes the effects of transactions and balances relating exclusively to the internal account activities of Keystone Heights 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 \$45,214 at June 30, 2007, shown on the statement of cash receipts and disbursements consists of \$8,822 being held in the checking account, and \$36,210 invested with the State Board of Administration. Checks deposited by the School but returned for insufficient funds and being held for redeposit total \$182.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of Keystone Heights Elementary School (the "School") for the year ended June 30, 2007 in accordance with auditing standards generally accepted in the United States of America, 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 effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified 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 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 deficiency 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 a separation of employee duties and responsibilities, we think it is important that we make you aware of this condition.

In addition to the significant deficiency described above, we also noted the following matter which we feel should be brought to your attention.

We noted occasions whereby monies were received by teachers/sponsors but were not turned into the bookkeeper in a timely manner. We recommend that all monies collected on behalf of the School be given to the bookkeeper in a timely manner for deposit.

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

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

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

Davis, Monk & Company

August 17, 2007
Gainesville, Florida

KEYSTONE HEIGHTS ELEMENTARY SCHOOL

"Where Every Kid Is A Winner"

MARY S. MIMBS

Principal

ANGELA M. GENTRY

Assistant Principal



MELBA B. JOHNSON

Guidance Counselor

JACQUELYN K. WELCH

Guidance Counselor

September 5, 2006

Mrs. Alice A. McClellan, CPA
Davis, Monk & Company
Certified Public Accountants
4010 NW 25th Place
P. O. Box 13494
Gainesville, FL 32604

Dear Mrs. McClellan:

Thank you for the commendations as noted in your audit report. We all take great pride in providing a high level of cooperation and courtesies in every aspect of our school operation.

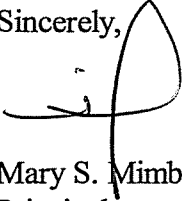
Listed below is my response with regards to several recommendations:

1. With respect to the segregation of duties for Internal Accounts, one of the suggestions given to our school by your accounting firm in 2005 was that the Principal and/or Vice Principal would conduct a careful review of the monthly bank statement prior to delivery to the Bookkeeper. This course of action was followed as a solution to the segregation of duties. In fact, this suggestion was mentioned in the Fall Bookkeeper's Meeting as this seems to be a concern of auditors among the schools in our District. We will continue to conduct random checks of the daily receipts per the office receipt copy and will compare it with the bank deposit amount to comply with the segregation of duties.

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

2. Every effort is made to enforce the guidelines and procedures with regards to monies collected and received from teachers and/or sponsors in a timely manner to the bookkeeper as outlined in our Faculty and Staff Handbook and in faculty meetings. Reminders are often included in our daily announcement sheet.

Sincerely,



Mary S. Mimbs
Principal

MSM/ngg

cc: Mr. David Owens, Superintendent of Schools, Clay County School Board
Dr. George Copeland, Assistant Superintendent for Business Affairs
Ms. Carol Studdard, Vice-Chairman, Clay County School Board
Ms. Carol Vallencourt, Chairman, Clay County School Board
Mr. Wayne Bolla, School Board Member
Ms. Lisa Graham, School Board Member
Mr. Charles VanZant, School Board Member

AUDIT REPORT
KEYSTONE HEIGHTS
HIGH SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2007

**Keystone Heights High School
June 30, 2007**

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Independent Auditors' Report

District School Board
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Keystone Heights High School Internal Accounts for the year ended June 30, 2007. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Keystone Heights High School Internal Accounts for the year ended June 30, 2007, on the basis of accounting described in Note 1.

Davis, Mark & Company

August 17, 2007
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2007
Keystone Heights High School Internal Accounts**

	Cash Balances <u>July 1, 2006</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Interfund <u>Transfers</u>	Cash Balances <u>June 30, 2007</u>
Athletics	\$ 34,873	\$ 223,113	\$ 217,750	\$ 112	\$ 40,348
Music	1,487	287	1,288	53	539
Classes, Clubs & Departments	81,142	168,623	156,461	(5,561)	87,743
Trust	19,011	64,584	68,714	655	15,536
General	10,055	53,970	56,673	4,841	12,193
Outside Organizations	9,480	38,645	38,854	(100)	9,171
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$ 156,048	\$ 549,222	\$ 539,740	\$ -	\$ 165,530

See accompanying notes.

**Notes to Financial Statement
For the Year Ended June 30, 2007
Keystone Heights High School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting

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

NOTE 2 – CASH BALANCES

The cash balance of \$165,530 at June 30, 2007, consists of \$22,686 being held in the checking account, \$141,932 invested with the State Board of Administration, and \$912 in checks returned by the bank for insufficient funds and awaiting redeposit.

See accompanying notes.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of Keystone Heights High School (the "School") for the year ended June 30, 2007 in accordance with auditing standards generally accepted in the United States of America, 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 effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified 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 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 deficiency 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 a separation of employee duties and responsibilities, we think it is important that we make you aware of this condition.

In addition to the significant deficiency described above, we also noted the following matters which we feel should be brought to your attention.

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

We noted occasions whereby athletic event receipts were not properly recorded on the prescribed forms. We recommend that all Reports of Tickets Sold or Admissions be correctly completed in compliance with the Internal Funds Manual as provided by the District School Board.

We noted certain instances whereby monies collected outside the school office were not controlled by prenumbered documents. We recommend that all collections be substantiated by pre-numbered receipts, consecutively numbered class receipt records, and reports of monies collected.

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

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

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

Davis, Monk & Company

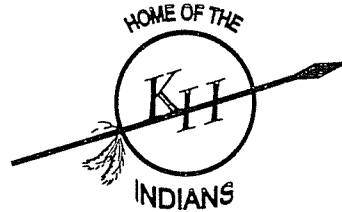
August 17, 2007
Gainesville, Florida

KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL

'An Equal Opportunity Employer'

DR. SUSAN H. SAILOR
PRINCIPAL

ROY S. SHEWCHUK
ASST. PRINCIPAL



JANIE K. PHILLIPS
VICE-PRINCIPAL

JUSTIN L. WILLIAMS
ASST. PRINCIPAL

August 24, 2007

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

Gentlemen,

We have received the audit completed by your firm for the school year 2006-07. We appreciate the professional manner in which your company has conducted this audit.

In response to the significant deficiency in internal control, we have initiated several compensated controls within the past year. Concerning the noted matters, we will take extra steps to ensure that our ending balances do not exceed the maximum amounts allowed and we will monitor the Reports of Tickets Sold to ensure that they are completed. Concerning the pre-numbered receipts, we have taken extra steps to reinforce the importance of writing receipts and will continue to send out reminders throughout the school year.

We would like to thank Davis, Monk & Company for their audit of our records this year. As in the past, working with this company has been a pleasure.

Sincerely,

A handwritten signature in cursive script that reads 'Susan Sailor'.

Dr. Susan Sailor, Principal

AUDIT REPORT
LAKE ASBURY ELEMENTARY
SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2007

**Lake Asbury Elementary School
June 30, 2007**

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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 Lake Asbury Elementary School Internal Accounts for the year ended June 30, 2007. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

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

Davis, Monk & Company

August 17, 2007
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2007
Lake Asbury Elementary School Internal Accounts**

	<u>Cash Balances July 1, 2006</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2007</u>
Athletics	\$ -	\$ 300	\$ 300	\$ -	\$ -
Music	1,196	18,354	16,142	166	3,574
Classes, Clubs & Departments	26,842	111,385	115,365	22	22,884
Trust	5,341	38,869	38,359	(661)	5,190
General	45,891	29,042	42,648	1,539	33,824
Outside Organizations	41,498	42,731	54,512	(1,066)	28,651
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 120,768	\$ 240,681	\$ 267,326	\$ -	\$ 94,123
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**Notes to Financial Statement
For the Year Ended June 30, 2007
Lake Asbury 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 Lake Asbury 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 \$94,123 at June 30, 2007, consists of \$39,036 being held in the checking account, \$54,515 invested with the State Board of Administration, and \$572 in checks returned by the bank for insufficient funds and awaiting redeposit.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of Lake Asbury Elementary School (the "School") for the year ended June 30, 2007 in accordance with auditing standards generally accepted in the United States of America, 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 effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified 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 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 deficiency 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 a separation of employee duties and responsibilities, we think it is important that we make you aware of this condition.

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

District School Board
Clay County, Florida

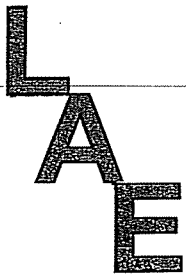
Page Two

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

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

Davis, Monk & Company

August 17, 2007
Gainesville, Florida



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



Laura Fogarty
ASSISTANT PRINCIPAL

Dale R. Eichhorn
PRINCIPAL

Ryan Widdowson
ASSISTANT PRINCIPAL

August 27, 2007

Alice McClellan, C.P.A.
Davis, Monk & Company
4010 N.W. 25th Place
P.O. Box 13494
Gainesville, FL 32606

Dear Ms. McClellan,

In response to the Lake Asbury Elementary School's Internal Accounts audit for the 2006-07 school year, I have noted the suggestions made for improvement and will take the necessary steps by implementing the following:

1. I acknowledge the need for separation of the bookkeepers' duties and responsibilities. If and when appropriate personnel become available we will look at ways to separate these duties.

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,

A handwritten signature in cursive script that reads "Dale R. Eichhorn".

Dale R. Eichhorn
Principal

DRE/as

CC: Roni Campbell



AN EQUAL
OPPORTUNITY EMPLOYER

AUDIT REPORT
LAKE ASBURY JUNIOR
HIGH SCHOOL
INTERNAL ACCOUNTS

JUNE 30, 2007

**Lake Asbury Junior High School
June 30, 2007**

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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 Lake Asbury Junior High School Internal Accounts for the year ended June 30, 2007. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Lake Asbury Junior High School Internal Accounts for the year ended June 30, 2007, on the basis of accounting described in Note 1.

Davis, Monk & Company

August 17, 2007
Gainesville, Florida

**Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2007
Lake Asbury Junior High School Internal Accounts**

	<u>Cash Balances July 1, 2006</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2007</u>
Music	\$ 9,654	\$ 19,951	\$ 19,473	\$ (71)	\$ 10,061
Athletics	23,075	74,095	74,671	-	22,499
Classes, Clubs & Departments	5,813	156,300	129,139	571	33,545
Trust	1,681	33,876	31,203	100	4,454
General	5,981	41,199	33,127	(300)	13,753
Outside Organizations	4,203	8,229	9,117	(300)	3,015
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$ 50,407</u>	<u>\$ 333,650</u>	<u>\$ 296,730</u>	<u>\$ -</u>	<u>\$ 87,327</u>

**Notes to Financial Statement
For the Year Ended June 30, 2007
Lake Asbury Junior High School Internal Accounts**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting

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

NOTE 2 – CASH BALANCES

The cash balance of \$87,327 at June 30, 2007, consists of \$45,913 being held in the checking account, \$40,778 invested with the State Board of Administration, and \$636 in checks returned by the bank for insufficient funds and awaiting redeposit.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL**

District School Board
Clay County, Florida

In planning and performing our audit of the financial statement of Lake Asbury Junior High School (the "School") for the year ended June 30, 2007 in accordance with auditing standards generally accepted in the United States of America, 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 effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified 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 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 deficiency 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 a separation of employee duties and responsibilities, we think it is important that we make you aware of this condition.

In addition to the significant deficiency described above, we also noted the following matters which we feel should be brought to your attention.

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

We noted certain instances whereby athletic tickets were sold out of sequence. We recommend that all athletic tickets are sold in sequential order to ensure the integrity of the ticket numbers.

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

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

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

Davis, Monk & Company

August 17, 2007
Gainesville, Florida



Lake Asbury Junior High School

Home of the Tigers

2851 Sandridge Road, Green Cove Springs, FL 32043

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



Ed Paulk, *Principal*

Ozro May
Vice Principal

Christina Cornwell
Assistant Principal

August 30, 2007

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

Dear Ms. Cook:

This letter is in response to the comments made on your audit report for Lake Asbury Junior High School for the year ended June 30, 2007.

Comment #1:

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

Comment #2:

The account mentioned is the All County Band which had an ending balance of \$1863.07 over the amount allowed. Mrs. Williams is the All County Band/Chorus Coordinator and she has been asked to take caution with her account balance for this year.

Comment #3

The new Athletic Director has been asked to be sure that all tickets are accounted for and used in sequential order.

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

Sincerely,

Principal

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

Lakeside 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**

**LAKESIDE 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 Lakeside 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 Lakeside 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

website: www.connerhubbard.com
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212 North Davis Street
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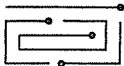
LAKESIDE ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2007

	Cash Balance July 01, 2006	Transactions			Cash Balance June 30, 2007
		Receipts	Disbursements	Transfers	
Music	\$1.58	\$1,280.50	\$1,206.61	\$0.00	\$75.47
Classes, Clubs & Departments	7,286.22	\$44,659.35	35,895.11	119.36	16,169.82
Trust	27,618.08	\$20,707.58	47,334.38	(86.62)	904.66
General	4,106.14	\$8,385.16	6,706.36	0.91	5,785.85
Outside Organizations	<u>4,820.00</u>	<u>\$31,299.75</u>	<u>29,863.09</u>	<u>(33.65)</u>	<u>6,223.01</u>
	<u>\$43,832.02</u>	<u>\$106,332.34</u>	<u>\$121,005.55</u>	<u>\$0.00</u>	<u>\$29,158.81</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, 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 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 \$370.63 for the fiscal year ended June 30, 2007.
- NOTE 3 The cash balance of \$29,158.81 at June 30, 2007, shown on the statement of cash receipts and disbursements consists of \$23,604.04 being held in the checking account, \$5,554.77 invested with the Clay County School Board, and \$0.00 in checks were returned for insufficient funds.



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

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In 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 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. 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.

The following is a list of encumbrances as of June 30, 2007:

Encumbrances

<u>VENDOR</u>	<u>Amount</u>
All American Fence Company	\$ 1,860.00
Premier	2,268.50
Weekly Reader Corporation	<u>1,798.65</u>
Total	<u>\$ 5,927.15</u>

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

August 13, 2007

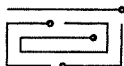
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CONNER, HUBBARD & COMPANY, P.A.
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In 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, 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 item noted during our audit:

We noted that two activity accounts had an ending balance in excess of, the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. These accounts were numbers 3101(First Grade) and 3407(Core Team). The school does 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.

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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Lakeside Elementary



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

John L. Schlichtman
Principal

Katina Allen
Assistant Principal

August 27, 2007

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 2006-2007 school year at Lakeside Elementary. Again, it was a pleasure to meet with you, and we appreciate your constructive comments about our system. It is gratifying to know that there was nothing noted to be considered reportable.

I have total confidence in our Bookkeeper and Principal's Secretary, Judy Crook. Each and every one of the 16 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