

**Green Cove Springs Junior High School**

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

**For the Year Ended June 30, 2011**

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# 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

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 Auditors' Report

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

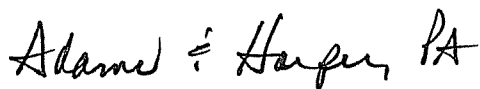
Honorable Members:

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, 2011. 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, 2011, on the basis of accounting described in Note 1.



Adams & Harper, PA  
Certified Public Accountants  
August 3, 2011

**Green Cove Springs Junior High  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2011**

	Cash Balance July 1, 2010	Transactions			Cash Balance June 30, 2011
		Receipts	Disburse- ments	Transfers	
Athletics	\$ 27,234.56	\$ 74,391.52	\$ 75,738.29	\$ (2,003.00)	\$ 23,884.79
Music Classes, Clubs,	4,663.53	18,681.43	22,304.49	(671.76)	368.71
Departments	11,177.36	40,151.38	35,469.70	30.35	15,889.39
Trust	14,422.34	14,410.66	11,879.62	(3,208.46)	13,744.92
General	12,587.25	6,279.59	13,721.43	5,852.87	10,998.28
<b>Total</b>	<b>\$ 70,085.04</b>	<b>\$ 153,914.58</b>	<b>\$ 159,113.53</b>	<b>\$ -</b>	<b>\$ 64,886.09</b>

See accompanying notes and independent auditors' 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, 2011**

**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 classified as cash equivalents, consisting of the State Board of Administration Local Government Surplus Trust Funds Investment Pool, which effective July 1, 2009, became known as Florida PRIME.

An investment in Florida PRIME is not insured or guaranteed by any government or government agency. Such investments are considered a contingent risk under generally accepted accounting principles.

**Notes to Statement of Cash Receipts and Disbursements of the Internal Funds**  
**Page 2**

**Note 2 - Cash**

The June 30, 2011, ending cash balance of \$ 64,886.09 consists of \$ 39,524.92 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)), \$ 25,276.17 held in an investment account with Florida PRIME, as described in Note 1, and \$ 85.00 in NSF checks.

**Note 3 - Interest Income**

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 72.48, representing an annual yield of approximately 0.29%.

**Note 4 – Subsequent Events**

The School has evaluated subsequent events through August 3, 2011, the date of the independent auditors' report. There were no material subsequent events to report.

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**Schedule of Accounts Payable and Encumbrances**

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

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, 2011 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 2010-2011 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, 2011.

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

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	Varsity Sports	<u>8,553.73</u>
	<b>TOTAL</b>	<u>\$ 8,553.73</u>

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2011.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 3, 2011

# ADAMS & HARPER, PA

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Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

Honorable Members:

Our report on internal control and our communication with those charged with governance for Green Cove Springs Junior High School follows.

## **Independent Auditors' Report on Internal Control**

In planning and performing our audit of the financial statement of Green Cove Springs Junior High School (the "School") as of and for the year ended June 30, 2011, 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 financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness as defined above. However, we identified two deficiencies in internal control over financial reporting which are described below, that we consider significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following single item to be a significant deficiency in internal control.

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

While we acknowledge that personnel may not always be available to permit an acceptable separation of duties and responsibilities, we think it is important to make you aware of this condition and to encourage the use of oversight and monitoring.

### **Auditors' Communications With Those Charged With Governance**

Professional standards require that we communicate with you concerning certain important items and matters related to our audit.

We have audited the statement of cash receipts and disbursements of Green Cove Springs Junior High School Internal Accounts (the "School") for the year ended June 30, 2011 and have issued our report thereon dated August 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 16, 2011. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Your Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Disclosures in the financial statements are clear and consistent. The use of the cash basis of reporting is highlighted to alert any reader of that convention.

##### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such adjustments were noted during our audit.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter previously delivered to us in connection with our audit.

### *Other Audit Findings or Issues*

We also wish to inform you that we discovered other minor compliance violations (listed below) and accordingly, we recommend you review the frequency and materiality of these violations and take mitigating actions to improve the general environment and climate of your operations. Without the attention of your staff and your bookkeeper to the compliance requirements as described in the Internal Accounts Manual, you are increasing the risk that errors or other more serious actions may occur and not be detected in the normal course of your operations. We encourage you to reinforce the importance of each staff person or teacher to follow the guidelines described in the Internal Accounts Manual, provide an adequate training environment for participating employees or volunteers to understand their duties, and for you to expect each such person to comply with the required steps of performance

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

- One instance of an improperly completed Report of Monies Collected Forms.
- Two instances of improperly completed fundraiser applications.
- One instance of an improperly completed ticket sales report.
- One instance of an improperly completed Request for Purchase Approval and Check Requisition Form.
- One instance of an improperly completed Internal Fund Purchase Requisition.
- One instance of an \$8,000 - \$14,999 purchase missing documentation of two phone quotations.

### *Follow-up on Prior Year Audit Findings*

As part of our current year audit, we considered the correction of prior year audit findings. Last year several minor violations of reporting on the cash collection forms, fundraising reports and ticket log procedures were discovered and reported.

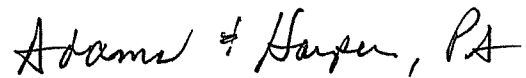
Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida  
Page 4

We noted some improvement in several of these areas, but discovered similar minor violations this year which are indentified above. We would encourage the staff to continue in their quest for annual progress in all these areas.

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 your school and look forward to a continuing relationship.

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

A handwritten signature in cursive script that reads "Adams & Harper, PA".

Adams & Harper, PA  
Orange Park, FL  
August 3, 2011

# GREEN COVE SPRINGS JUNIOR HIGH

DR. SARYN L. HATCHER  
PRINCIPAL



MR. PAUL GOODIER  
VICE PRINCIPAL

MS. DEBORAH FISH  
ASST. PRINCIPAL

August 26, 2011

Dear Adams & Harper, PA,

This letter is in regards to the audit findings for the 2010/11 School Year. Our goal at Green Cove Jr. is to continue to make every effort to ensure that we are in compliance and abiding by the rules and regulations of the Clay County School District Internal Accounts manual. As a result of your finding we will continue to work toward reaching this goal.

**The (1) instance of improperly completed Report of Monies Collected:**

The teacher/sponsor failed to put the Fundraiser number at the top of the form. We have and will continue to stress the importance of making sure that all necessary information is put on each form.

**The (2) instances that fundraiser forms were not properly completed:**

We will continue to make every effort to ensure that the teacher/sponsors complete forms correctly and close out financial recap within the 30 days time frame after the end of fundraiser.

**The (1) instance of an improperly completed ticket sales report:**

The teacher/sponsor did not specify the color of the ticket. We will continue to stress the importance of making sure that all necessary information is completed on each form.

**The (1) instance of an improperly completed Request for Purchase Approval:**

The teacher's date on the purchase order was 1 after the date of the invoice. We are almost certain that the wrong date was put on the purchase order. However, we have discussed the importance of submitting purchase orders prior to making purchases.

**The (1) instance of Internal Fund Purchase requisition not be completed correctly:**

The form was completed. However, after the check was written we are required to put the check number and the check date. The check number was mistakenly placed where the date should have been.

**The (1) instance of an 8,000-14,999 purchase missing documentation of two phone quotes:**

The Internal Accounts Manual states that if the items being purchased from Internal Accounts are for an individual or for resale documentation for phone quote is not necessary. The auditor implied that other funds were used to pay for uniforms therefore this would not qualify as resale to an individual. It may appear that other funds were used however; funds were collected in the previous year. These items were for resale.

A handwritten signature in black ink, appearing to read "Saryn Hatcher".

Saryn Hatcher  
Principal



GROVE PARK ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE  
INTERNAL FUNDS

FOR THE YEAR ENDED  
JUNE 30, 2011

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## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

### INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Grove Park Elementary School for the year ended June 30, 2011. 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 Grove Park Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

*DuVal & Company, CPA's, P.A.*  
DuVal & Company, CPA's, P.A.  
August 13, 2011

## Grove Park Elementary School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

	Balance July 1, 2010	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2011
Music	\$ 50.00	\$ 938.00	\$ 488.42	\$ (454.59)	\$ 44.99
Athletics	20.00	0.00	0.00	(12.35)	7.65
Classes, Clubs and Departments	8,200.01	21,183.86	20,486.73	1,676.94	10,574.08
Trusts	2,857.60	12,970.87	12,145.13	(1,771.96)	1,911.38
General	1,359.13	4,646.50	6,360.90	1,432.17	1,076.90
Outside Organizations	9,887.15	13,630.28	14,038.17	(870.21)	8,609.05
<b>TOTALS</b>	<b><u>\$ 22,373.89</u></b>	<b><u>\$ 53,369.51</u></b>	<b><u>\$ 53,519.35</u></b>	<b><u>\$ 0.00</u></b>	<b><u>\$ 22,224.05</u></b>

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

## GROVE PARK ELEMENTARY SCHOOL

### Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

#### 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 Grove Park 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 Grove Park Elementary School.

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

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

##### **Basis of accounting**

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

**GROVE PARK ELEMENTARY SCHOOL**

**Notes to Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2011**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Investments**

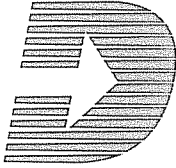
The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds 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, 2011 cash balance, totaling \$22,224.05 consists of \$12,764.84 in a noninterest bearing checking account with Wachovia Bank, \$9,459.21 in an investment account with the Clay County School Board, and NSF checks receivable in the amount of \$ -0-.

**NOTE 3 - INTEREST INCOME**

Interest earned on the investment account during the year ended June 30, 2011 was \$62.53. This represented a yield of approximately .55% for that period.



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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Clay County, Florida  
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Mr. Charles Van Zant, Jr.  
Mr. Frank Farrell  
Ms. Lisa Graham

Honorable Members:

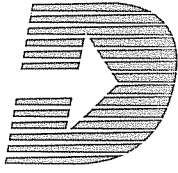
As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Grove Park Elementary School at June 30, 2011.

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

The accounts payable and encumbrances above agree with the Principal's Monthly Report for June 30, 2011.

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

*DuVal & Company, CPAs, P.A.*  
DuVal & Company, CPA's, P.A.  
August 13, 2011



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

In connection with our audit of Grove Park Elementary School's (the "school") financial statement as of June 30, 2011 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2011 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants required that we advise you of the following internal control matters identified during our integrated audit.

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

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



A significant deficiency, or a combination of deficiencies, in internal control over financial reporting that, in the auditor's professional judgment, is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not find any deficiencies that we consider to be significant deficiencies.

Overall, we found the internal accounting records neat and orderly. In addition, we found the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual.

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

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

*DuVal & Company, CPA's, PA*

DuVal & Company, CPA's, P.A.  
August 13, 2011

# Grove Park Elementary School

*Dream Big Dreams Do Great Things!*



1643 Miller Street

Orange Park, FL 32073

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

---

Linda Pratt  
Principal

Anthony Bradley  
Assistant Principal

August 22, 2011

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

Dear Mr. Fields,

Thank you for your thorough audit of the internal funds of Grove Park Elementary School. We are pleased that no deficiencies were noted and that Clay County School Board procedures are being followed by the school.

We thank you for recognizing the efforts of the bookkeeper to insure that the records are neat and orderly and in compliance with the Internal Accounts procedures. Your firm was very helpful verifying information and maintaining an open communication with the school.

Sincerely,

A handwritten signature in cursive script that reads "Linda Pratt". The signature is fluid and elegant, with a large initial 'L'.

Linda Pratt  
Principal

**S. BRYAN JENNINGS ELEMENTARY SCHOOL**  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2011

Steven W. Keenan, CPA  
Certified Public Accountant

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673 Kingsley Avenue  
Orange Park, FL 32073

Mansard Place

Telephone (904) 579-4323  
Facsimile (904) 579-4294

**INDEPENDENT AUDITOR'S REPORT**

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

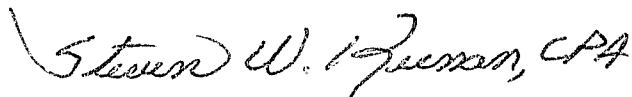
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2011. 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 financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.



Steven W. Keenan, CPA  
August 5, 2011

**S. BRYAN JENNINGS ELEMENTARY**

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the year Ended June 30, 2011

	Cash	Transactions			Cash
	Balance July 1, 2010	Receipts	Disburse- ments	Transfers	Balance June 30, 2011
Music	\$ 3.49	\$ -	\$ -	\$ (3.49)	\$ -
Classes, Clubs, Departments	3,962.53	13,273.87	12,876.54	10.87	4,370.73
Trust	8,436.91	10,998.88	10,959.61	(42.00)	8,434.18
General	2,153.52	15,984.56	14,707.64	34.62	3,465.06
Outside Organizations	6,781.44	10,744.12	12,690.59	0.00	4,834.97
<b>Total</b>	<b>\$ 21,337.89</b>	<b>\$ 51,001.43</b>	<b>\$ 51,234.38</b>	<b>\$ (0.00)</b>	<b>\$ 21,104.94</b>

See accompanying notes and independent auditor's report.

# S. BRYAN JENNINGS ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

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

#### **Reporting entity**

The accompanying statement of cash receipts and disbursements of the internal funds includes the effects of transactions and balances relating to the internal account of S. Bryan Jennings 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 S. Bryan Jennings Elementary.

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

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

#### **Basis of accounting**

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

#### **Investments**

The School Board has the authority, under Florida Statue, Section 230.23(10)(k), to adopt policies pertaining to investment of school 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, 2011, total cash balance of \$21,104.94 as reported on the statement of cash receipts and disbursements consists of \$1,873.17 being held in a non interest bearing checking account insured by the FDIC, \$19,231.77 held in an investment account with the Clay County School and no uncollected NSF checks.

The cash balance of \$21,104.94 does not agree with the Principal's Report amount of \$20,015.99 as of June 30, 2011. The difference of \$88.95 is the result of CK# 6969 dated May 12, 2011 in the amount of \$88.95 not correctly posted as void in the general ledger. CK # 6969 was listed as an outstanding check as of June 30, 2011.

**NOTE 3 Interest Income**

Interest was earned on amounts invested through the Clay County School Board in the amount of \$55.70. This represents a yield of approximately .29 percent.



STEVEN W. KEENAN, CPA  
*Certified Public Accountant*

673 Kingsley Avenue  
Orange Park, FL 32073

Mansard Place

Telephone (904) 579-4323  
Facsimile (904) 579-4294

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, S. Bryan Jennings Elementary School reported the following accounts payable and encumbrances as of June 30, 2011:

**Accounts Payable**


None

**Encumbrances**

None

The above accounts payable list agrees with the Principals Report as of June 30, 2011. Encumbrances are not included in the Principals Report.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2010-2011 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of S. Bryan Jennings Elementary School for the year ended June 30, 2011.

  
Steven W. Keenan, CPA  
August 5, 2011

# STEVEN W. KEENAN, CPA

*Certified Public Accountant*

673 Kingsley Avenue  
Orange Park, FL 32073

Mansard Place

Telephone (904) 579-4323  
Facsimile (904) 579-4294

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Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice Chairman  
Ms. Lisa Graham  
Ms. Janice Kerekes  
Mr. Charles Van Zant, Jr.

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2011, 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.

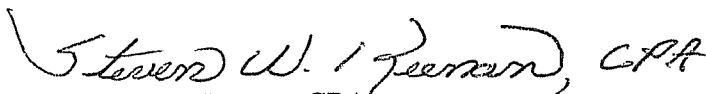
During our audit, we found the following items that needed to be brought to your attention:

1. CK# 6969 dated May 12, 2011 in the amount of \$88.95 was voided but not properly posted as voided in the general ledger. Page 48 of the Internal Accounts Manual provides methods to process voided checks.
2. CK# 6812 dated November 16, 2010 in the amount of 19.99 had only one signature. Page 35 in the Internal Accounts Manual requires checks to be properly signed with two signatures, preferably that of the Principal and the bookkeeper.

As part of our audit, we also considered the correction of prior year findings. No discrepancies were noted in the prior year audit for correction.

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

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



Steven W. Keenan, CPA

August 5, 2011

# S. Bryan Jennings Elementary School

Phone: (904) 213-3021

215 Corona Drive - Orange Park, FL 32073  
www.clay.k12.fl.us/sbj

Fax: (904) 213-3014

---

Dr. Michael Henry  
Principal

Mrs. Tiffany Outman  
Assistant Principal

August 30, 2005

Steven W. Keene, C.P.A.  
Certified Public Accountant  
673 Kingsley Avenue  
Orange Park, Florida 32073

Dear Mr. Keene:

I am responding to your audit report dated August 5, 2011, for the internal funds of S. Bryan Jennings Elementary School for the 2010-11 school year that ended June 30, 2011. We are pleased to have received such a positive report with no areas noted as being out of compliance with generally accepted accounting principles.

As noted in your first comment, we will follow the Internal Accounts Manual's procedure for handling voided checks. Also, as noted in your second comment, we will follow the Internal Accounts Manual's procedure for having two signatures on all checks. The bookkeeper has pledged to triple-check these procedures.

The bookkeeper, Sharon Morrow, and I are committed to following appropriate and responsible internal funds accounting procedures as outlined by the Clay County School Board.

Thank you for your thorough audit of our procedures.

Sincerely,



Michael Henry, Ph.D.  
Principal

sam

cc: R. Campbell ✓

# **Keystone Heights Elementary School**

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

**For the Year Ended June 30, 2011**



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

# **Keystone Heights Elementary School**

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

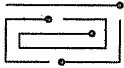
**For the Year Ended June 30, 2011**



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

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

Taxation, Accounting, Pension Planning, and Business Counseling

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**INDEPENDENT AUDITORS' REPORT**

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Keystone Heights Elementary School for the year ended June 30, 2011. 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 Keystone Heights Elementary School for the year ended June 30, 2011 on the basis of accounting described in Note 1.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

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website: [www.connerhubbard.com](http://www.connerhubbard.com)  
Please respond to the office at:

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

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

**KEYSTONE HEIGHTS ELEMENTARY SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2011**

	<b>Cash Balance</b>	<b>Transactions</b>			<b>Cash Balance</b>
	<b>July 1, 2010</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Transfers</b>	<b>June 30, 2011</b>
Music	\$ 55.95	\$ 1,928.00	\$ 1,036.85	\$ 400.00	\$ 1,347.10
Classes, Clubs & Departments	9,282.91	65,438.83	60,727.04	(2,196.17)	11,798.53
Trust	4,566.16	30,068.35	32,410.62	1,399.19	3,623.08
General	21,334.98	8,082.58	10,651.95	1,450.48	20,216.09
Outside Organizations	1,324.14	5,145.50	4,999.54	(1,053.50)	416.60
	<u>\$ 36,564.14</u>	<u>\$ 110,663.26</u>	<u>\$ 109,826.00</u>	<u>\$ -</u>	<u>\$ 37,401.40</u>

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



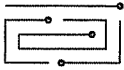
**KEYSTONE HEIGHTS ELEMENTARY SCHOOL**  
Notes to Statement of Cash Receipts and Disbursements  
For The Year Ended June 30, 2011

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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        Interest of \$345.16 was earned on the checking account and on funds invested with the Clay County School Board during the fiscal year ended June 30, 2011.

NOTE 3        The cash balance of \$37,401.40 at June 30, 2011, shown on the statement of cash receipts and disbursements consists of \$24,559.76 being held in the checking account, \$12,793.12 invested with the Clay County School Board and \$48.50 of insufficient checks held for collection.



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Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2011 of the Keystone Heights Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances.

The following is a list of accounts payable and encumbrances as of June 30, 2011.

Accounts Payable

Sweet Pea's Flowers and Gifts	\$28.00
-------------------------------	---------

Encumbrances

GovConnection	\$3,245.00
---------------	------------

Accounts payable and encumbrances agree with the June 30, 2011 Principal's Monthly Report.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

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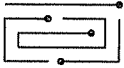
website: [www.connerhubbard.com](http://www.connerhubbard.com)

Please respond to the office at:

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

212 North Davis Street  
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**CONNER, HUBBARD & COMPANY, LLC**  
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Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Keystone Heights Elementary School for the year ended June 30, 2011, 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:

During our review of a sample of cash receipts, we noted the following:

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

Nine instances where the "Monies Collected" form was dated one or more days after the date of the teacher receipt.

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.

Honorable Members

Page 2

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

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

**KEYSTONE HEIGHTS ELEMENTARY SCHOOL**  
**“Where Every Kid Is A Winner”**

**MARY S. MIMBS**  
Principal

**ANGELA M. GENTRY**  
Assistant Principal



**MELBA B. JOHNSON**  
Guidance Counselor

**CODY M. CLARK**  
Guidance Counselor

August 18, 2011

Mr. Kim K. Hubbard, C.P.A.  
Conner, Hubbard & Company, LLC  
Certified Public Accountants  
1106 Park Avenue  
Orange Park, FL 32073

Dear Mr. Hubbard:

This letter is being written in response to the Independent Auditor's Report received during our school's exit interview on Thursday, August 18, 2011. We have reviewed all comments very carefully and listed below are our responses.

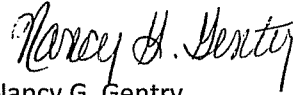
1. One instance where the individual name was not listed on the "Report of Monies Collected": Careful attention will be given to all "Report of Monies Collected" turned into the Bookkeeper for accuracy in listing of individual names. The teacher will be notified in the event information is not properly and/or accurately reported.
2. Nine instances where the "Monies Collected" form was dated one or more days after the date of the teacher receipt: All faculty and staff will continue to be reminded to turn in their "Monies Collected" on a daily basis. As a general rule and standard that I impose on myself, money is deposited into our bank on a daily basis. The date recorded on the EPES receipt is the actual date that I received the Monies Collected from the teacher. In order to minimize Monies Collected being held and not turned in as outlined in the CCSB Internal Accounts Manual, the teacher and/or staff member will be asked to provide a statement to document the reason(s).

There are those rare instances in which Monies Collected were dropped as a "Hold Bag" for picking up at the bank following a Friday night or a weekend fundraiser. All "Hold Bags" are attached to the Monies Collected in this case.

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

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

Sincerely,

A handwritten signature in black ink that reads "Nancy G. Gentry". The signature is written in a cursive style with a large initial "N".

Nancy G. Gentry  
Principal's Secretary and Bookkeeper

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

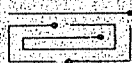
Mary S. Mimbs  
Principal  
Keystone Heights Elementary School

# **Keystone Heights High School**

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

**For the Year Ended June 30, 2011**



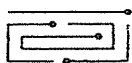
***Conner, Hubbard & Company, LLC***  
***Certified Public Accountants***  
***Orange Park, Florida***

# **Keystone Heights High School**

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

**For the Year Ended June 30, 2011**

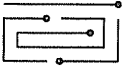


***Conner, Hubbard & Company, LLC***  
***Certified Public Accountants***  
***Orange Park, Florida***



**KEYSTONE HEIGHTS HIGH SCHOOL  
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**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT**

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Keystone Heights High School for the year ended June 30, 2011. 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 Keystone Heights High School for the year ended June 30, 2011 on the basis of accounting described in Note 1.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

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website: [www.connerhubbard.com](http://www.connerhubbard.com)  
Please respond to the office at:

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

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

**KEYSTONE HEIGHTS HIGH SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2011**

	<b>Cash Balance</b>	<b>Transactions</b>			<b>Cash Balance</b>
	<b>July 1, 2010</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Transfers</b>	<b>June 30, 2011</b>
Athletics	\$ 37,822.43	\$ 221,534.08	\$ 199,939.62	\$ (4,084.80)	\$ 55,332.09
Music, Classes & Clubs	2,129.13	4,154.29	3,494.88	(9.53)	2,779.01
Departments	75,313.24	121,792.18	125,693.22	(868.81)	70,543.39
Trust	18,119.42	54,453.78	51,477.33	(421.10)	20,674.77
General	3,236.55	10,382.51	4,500.30	5,384.24	14,503.00
Outside Organizations	5,692.45	7,649.76	11,275.14	-	2,067.07
	<u>\$ 142,313.22</u>	<u>\$ 419,966.60</u>	<u>\$ 396,380.49</u>	<u>\$ -</u>	<u>\$ 165,899.33</u>

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

**KEYSTONE HEIGHTS HIGH SCHOOL**

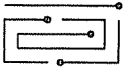
Notes to Statement of Cash Receipts and Disbursements  
For The Year Ended June 30, 2011

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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        Interest of \$286.94 was earned on funds invested with the Clay County School Board during the fiscal year ended June 30, 2011. No interest was earned on the checking account.

NOTE 3        The cash balance of \$165,899.33 at June 30, 2011, shown on the statement of cash receipts and disbursements consists of \$65,730.84 being held in the checking account, \$100,038.49 invested with the Clay County School Board and \$130.00 of insufficient checks held for collection.



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2011 of the Keystone Heights High School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances.

The following is a list of accounts payable and encumbrances as of June 30, 2011.

Accounts Payable

None

Encumbrances

None

Accounts payable and encumbrances agree with the June 30, 2011 Principal's Monthly Report.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

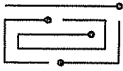
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website: [www.connerhubbard.com](http://www.connerhubbard.com)  
Please respond to the office at:

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

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



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Keystone Heights High School for the year ended June 30, 2011, 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:

During our review of a sample of cash receipts and disbursements, we noted the following:

Six accounts with year end balances in excess of the amount allowed and without written documentation supporting the overage.

Seven instances where the date on the "Report of Monies" collected was one or more days after the date on the teacher receipt.

One instance where the amount of the check issued was different from the supporting invoice.

Two instances where sales tax was paid in error.

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.

---

**website:** [www.connerhubbard.com](http://www.connerhubbard.com)  
**Please respond to the office at:**

**e-mail:** [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

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

Honorable Members

Page 2

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

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

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

# KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL

Dr. Susan H. Sailor  
*Principal*

Justin L. Williams  
*Vice Principal*



Linda F. McGhghy  
*Asst. Principal*

Roy S. Shewchuk  
*Asst. Principal*

*August 18, 2011*

*Mr. Kim K. Hubbard, C.P.A.  
Conner, Hubbard & Company, LLC  
Certified Public Accountants  
1106 Park Avenue  
Orange Park, Florida 32073*

*Dear Mr. Hubbard,*

*We appreciate the time and patience you have given to our 2010-2011 internal funds books. We strive to maintain accurate financial records. We go over the rules and procedures with our teachers at the beginning of each year and as needed throughout the school year. Each teacher receives a hard copy of internal accounts procedures as well. Each year we incorporate new safeguards to ensure the accuracy of our finances. We have reviewed the items noted and will make every effort to correct these errors.*

*Thank you for your professional assistance with our audit.*

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

*Susan Sailor, Ph.D  
Principal  
Keystone Heights Jr/Sr High*



**LAKE ASBURY ELEMENTARY SCHOOL**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2011**

**EMILY C. HELMS, CPA, PA  
Certified Public Accountant**

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Accounts Payable and Encumbrance Letter	8
Management Letter	9

**EMILY C. HELMS, CPA, PA**  
*Certified Public Accountant*

1279 Kingsley Avenue, Suite 103  
Orange Park, FL 32073

Kingsley Center

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

**INDEPENDENT AUDITOR'S REPORT**

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Ms. Stephanie Van Zant  
Mr. Frank Farrell  
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Lake Asbury Elementary School for the year ended June 30, 2011. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Lake Asbury Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA  
August 17, 2011

## LAKE ASBURY ELEMENTARY SCHOOL

### STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2011

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2010	Receipts	ments	Transfers	June 30, 2011
Music	\$ 42.81	\$ 5,406.50	\$ 4,976.16		\$ 473.15
Classes, Clubs, Departments	25,166.24	73,414.30	68,023.66	(368.58)	30,188.30
Trust	3,689.17	23,457.06	24,641.82	(13.95)	2,490.46
General	22,286.16	11,236.54	12,815.48	1,116.63	21,823.85
Outside Organizations	17,513.03	26,380.48	28,532.02	(734.10)	14,627.39
<b>Total</b>	<b>\$ 68,697.41</b>	<b>\$ 139,894.88</b>	<b>\$ 138,989.14</b>	<b>\$ -</b>	<b>\$ 69,603.15</b>

See accompanying notes and accountant's report.

# LAKE ASBURY ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS

For The Year Ended June 30, 2011

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

#### Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds includes the effects of transactions and balances relating to the internal accounts of Lake Asbury Elementary School (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 Lake Asbury Elementary School.

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

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

#### Basis of accounting

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

#### Investments

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

An investment in Florida PRIME is not insured or guaranteed by any government or government agency. Such investments are considered a contingent risk under generally accepted accounting principles.

# LAKE ASBURY ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2011

### **NOTE 2 Cash**

The June 30, 2011, total cash balance of \$69,603.15 as reported on the statement of cash receipts and disbursements consists of \$11,733.45 being held in an interest bearing checking account insured by the FDIC, \$57,785.27 held in an investment account with the Clay County School and \$84.43 held as uncollected NSF Funds.

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

### **NOTE 3 Investments**

In accordance with GASB Statement No. 40, as of June 30, 2011 the School invested \$57,785.27 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2011, is 31 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$165.75 and Compass Bank in the amount of \$9.12 for a total of \$174.87. Investment interest is maintained in a separate fund account.

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

As of June 30, 2011 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

The School did not have any investments in the Fund B Surplus Funds Trust Fund. The Fund B investments are not rated by any nationally recognized statistical rating agency.

### **NOTE 4 Subsequent Events**

The School has evaluated subsequent events through August 17, 2011, the date of the independent auditor's report. There were no material subsequent events to report.

## Supplemental Information

EMILY C. HELMS, CPA, PA  
*Certified Public Accountant*

1279 Kingsley Avenue, Suite 103  
Orange Park, FL 32073

Kingsley Center

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

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Ms. Stephanie Van Zant  
Mr. Frank Farrell  
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Lake Asbury Elementary School reported the following accounts payable and encumbrances as of June 30, 2011:

Accounts Payable

None

Encumbrances

Friendship House	\$ 290.60
Proforma	2,630.40
Simple Truths	51.85
XPressmats, A Smartsign Store	233.90
Rochester 100 Inc.	<u>1,050.00</u>
	<u>\$ 4,256.75</u>

The above accounts payable and encumbrance lists agree with the Principal's Monthly Report as of June 30, 2011.

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 2010-2011 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Lake Asbury Elementary School for the year ended June 30, 2011.



Emily C. Helms, CPA, PA  
August 17, 2011



# EMILY C. HELMS, CPA, PA

*Certified Public Accountant*

1279 Kingsley Avenue, Suite 103  
Orange Park, FL 32073

Kingsley Center

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

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Ms. Stephanie Van Zant  
Mr. Frank Farrell  
Ms. Lisa Graham

Honorable Members:

We have audited the internal funds financial statement of Lake Asbury Elementary School as of and for the year ended June 30, 2011 and have issued our report thereon dated August 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

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

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. We did not find any deficiency that we considered to be a material weakness.

We did note the following matters that were not in accordance with the rules and regulations presented in the Internal Accounts Manual:

- The following accounts exceeded the maximum, balance allowed:

Account 3417	\$ 105.58
Account 5100	6,778.98
Account 5135	11.63

We recommend that the bookkeeper review page 10 of the Clay County Internal Accounts Manual, Account Balances which states in part ...if the ending account balance is greater than the results of the formulas...one of two procedures is necessary: a written notice or the overage must be transferred to the general fund....

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.

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

### **Communication with Those Charged with Governance**

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

#### Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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

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

#### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing outlined in the Clay County District School Board letter dated May 20, 2011.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2011. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The disclosures in the financial statements are neutral, consistent, and clear. There are no particularly sensitive disclosures significantly affecting the financial statements.

##### *Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

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

We commend the principal and the bookkeeper for an excellent job. It has been a pleasure to have this opportunity to serve Lake Asbury Elementary School and the Clay County District Schools.

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



Emily C. Helms, CPA, PA  
August 17, 2011



# Lake Asbury Elementary School

2901 Sandridge Road  
Green Cove Springs, Florida 32043

Office: 291-5440 • Guidance: 291-5442 • Clinic: 291-5445 • Cafeteria: 291-5443  
Fax: 291-5444



**Jackie Cory**  
PRINCIPAL

**Melanie Sanders**  
ASSISTANT PRINCIPAL

August 23, 2011

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

Dear Ms. Helms,

In response to the Lake Asbury Elementary School's Internal Accounts audit for the 2010-2012 school year, I have noted the suggestions made for improvement and will take the necessary steps by implementing the following:

- We will review and follow proper procedures regarding maximum allowed balances in all Internal Accounts as outlined in the Internal Accounts Manual.

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

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

Again, thank you for your time.

Sincerely,

Jackie Cory  
Principal

CC: Roni Campbell

**LAKE ASBURY JUNIOR HIGH SCHOOL**

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

**FOR THE YEAR ENDED  
JUNE 30, 2011**

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Accounts Payable and Encumbrances	5
Management Letter	6-7



**DuVal & Company**

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Lake Asbury Junior High School for the year ended June 30, 2011. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Lake Asbury Junior High School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

*DuVal & Company, CPA's, PA*  
DuVal & Company, CPA's, P.A.  
August 13, 2011



## Lake Asbury Junior High School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

	Balance July 1, 2010	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2011
Athletics	\$ 27,693.60	\$ 61,868.03	\$ 58,290.52	\$ 0.00	\$ 31,271.11
Music	3,062.84	24,710.50	21,209.98	601.30	7,164.66
Classes, Clubs and Departments	27,522.34	93,752.74	81,515.60	(874.97)	38,884.51
Trusts	4,058.49	17,176.41	17,673.28	(233.92)	3,327.70
General	26,556.14	5,905.09	10,116.23	507.59	22,852.59
Outside Organizations	3,221.31	2,597.80	2,491.83	0.00	3,327.28
<b>TOTALS</b>	<b><u>\$ 92,114.72</u></b>	<b><u>\$ 206,010.57</u></b>	<b><u>\$ 191,297.44</u></b>	<b><u>\$ 0.00</u></b>	<b><u>\$ 106,827.85</u></b>

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

## LAKE ASBURY JUNIOR HIGH SCHOOL

### Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

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

##### **Reporting entity**

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

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

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

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

##### **Basis of accounting**

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

## LAKE ASBURY JUNIOR HIGH SCHOOL

### Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2011

#### **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.

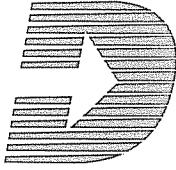
#### **NOTE 2 - CASH AND CASH EQUIVALENTS**

The June 30, 2011 cash balance, totaling \$106,827.85 consists of \$63,603.00 in a non-interest bearing checking account with Wachovia Bank and \$43,224.85 in an investment account with the Clay County School Board. There are no NSF checks outstanding.

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

#### **NOTE 3 - INTEREST INCOME**

Interest earned on the investment account during the year ended June 30, 2011 was \$123.72. This represented a yield of approximately .29% for that period.



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Lake Asbury Junior High School at June 30, 2011.

### ACCOUNTS PAYABLE

Team Express Distributing	\$ 847.00
---------------------------	-----------

### ENCUMBRANCES

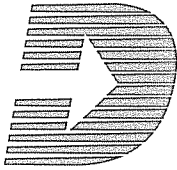
NONE

The accounts payable and encumbrances above agree with the Principal's Monthly Report for June 30, 2011.

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

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

DuVal & Company, CPA's, P.A.  
August 13, 2011



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

In connection with our audit of Lake Asbury Junior High School's (the "school") financial statement as of June 30, 2011 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2011 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants required that we advise you of the following internal control matters identified during our integrated audit.

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

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

A significant deficiency, or a combination of deficiencies, in internal control over financial reporting that, in the auditor's professional judgment, is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not find any deficiencies that we consider to be significant deficiencies.

As part of our audit we consider the correction of prior year findings. One of the deficiencies still remains a concern:

1. During our cash receipts testing we noted a few occasions where money was held by the teacher and not turned into the bookkeeper in accordance with school board policy.

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

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

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

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

DuVal & Company, CPA's, P.A.  
August 13, 2011



Lake Asbury Junior High School  
*Home of the Tigers*

2851 Sandridge Road, Green Cove Springs, FL 32043  
Telephone 904-291-5582 Fax - 904-291-5593 <http://www.clay.k12.fl.us/LAJH>



Catherine Richardson, Principal

Christina Cornwell  
*Vice Principal*

David Burke  
*Asst Principal*

---

August 23, 2011

Stephen DuVal  
DuVal & Company, CPA's, PA  
428 Walnut Street  
Green Cove Springs, FL 32043

Dear Mr. DuVal:

This letter is in response to the comment made on your audit report for Lake Asbury Junior High School for the fiscal year ended June 30, 2011.

Comment: Regarding teachers not turning in money to the bookkeeper in accordance with school board policy.

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

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

Sincerely,

Catherine Richardson  
Principal

cc: Roni Campbell, Accounting Coordinator, CCSB  
Kim Lassiter, Bookkeeper, LAJH

"An Equal Opportunity Employer"

**Lakeside Elementary School  
Internal Funds**

**Statement of Cash Receipts  
and Disbursements**

**June 30, 2011**



**Lakeside Elementary School  
Internal Funds  
Statement of Cash Receipts and Disbursements  
June 30, 2011**

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## Independent Auditors' Report

District School Board  
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of Lakeside Elementary School Internal Funds for the year ended June 30, 2011. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Lakeside Elementary School Internal Funds for the year ended June 30, 2011, on the basis of accounting described in Note 1.

*DDF CPA Group*

August 3, 2011

*ddfcpa.com*

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

**Lakeside Elementary School  
Internal Funds  
Statement of Cash Receipts and Disbursements  
For the Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2011</u>
Music	\$ 497.81	\$ 562.33	\$ 892.60	\$ -	\$ 167.54
Classes, Clubs and Departments	6,324.02	27,741.68	24,863.31	57.50	9,259.89
Trusts	1,190.07	19,603.97	20,305.02	-	489.02
General	5,291.78	6,692.09	8,896.39	-	3,087.48
Outside Organizations	<u>14,224.94</u>	<u>33,524.46</u>	<u>36,629.76</u>	<u>(57.50)</u>	<u>11,062.14</u>
	<u>\$ 27,528.62</u>	<u>\$ 88,124.53</u>	<u>\$ 91,587.08</u>	<u>\$ -</u>	<u>\$ 24,066.07</u>

See accompanying Notes to Financial Statement

**Lakeside Elementary School  
Internal Funds  
Notes to Financial Statement  
For the Year Ended June 30, 2011**

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

*Reporting Entity*

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

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

*Basis of Accounting*

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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2011 cash balance, totaling \$24,066.07 consists of \$18,168.66 in a non-interest bearing checking account, \$9.40 in NSF checks and \$5,888.01 invested with the State Board of Administration. Interest earnings for the year ended June 30, 2011 amounted to \$16.89.

**Note 3 - Accounts Payable and Encumbrances**

As requested by the Clay County School Board, the following is a schedule of accounts payable and encumbrances at June 30, 2011.

**Accounts Payable**

<u>Vendor</u>	<u>Amount</u>
Patti's Roses	\$ 34.00
Patti's Roses	75.00
	109.00
	\$ 109.00

**Encumbrances**

School Specialty	\$ 2,538.50
Weekly Reader Corporation	2,141.75
	4,680.25
	\$ 4,680.25



## Management Letter

District School Board  
Clay County, Florida

In planning and performing our audit of the financial statements of Lakeside Elementary School as of and for the year ended June 30, 2011, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lakeside Elementary School's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Lakeside Elementary School's internal control to be significant deficiencies:

- Pursuant to Section III(A) of the internal accounts manual, money received by teachers must be turned in to the school bookkeeper no later than the next business day. According to the school bookkeeper, the teacher receipts are turned in by the next business day. However, we noted instances where money was collected by teachers and not receipted by the bookkeeper in the prescribed time frame. We suggest that documentation provide an adequate audit trail to demonstrate compliance with established procedures.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2010 audit report, all items noted were either corrected or we noted that improvement was made.

### **Communication With Those Charged With Governance**

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

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Statement of Cash Receipts and Disbursements in the proper period.

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

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

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

##### *Disagreements with Management*

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

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 3, 2011.

*Other Audit Findings or Issues*

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

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

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

*DDF CPA Group*

August 3, 2011

# Lakeside Elementary



**Katina Allen  
Principal**

**Jeff Schriver  
Assistant Principal**

**2752 Moody Avenue  
Orange Park, FL 32073**

**Phone: (904) 213-2966 / Fax: (904) 213-2965**

August 22, 2011

ddf CPA Group  
P. O. Box 9089  
Fleming Island, FL 32006

Dear Sirs:

This letter is in response to the recent audit of the Internal Accounts for the 2010-2011 school year at Lakeside Elementary. It was a pleasure to meet with you, and we appreciate your constructive comments about our system.

Regarding the note

- Regarding monies being receipted...teacher will turn in money to bookkeeper the same day it is collected; bookkeeper will receipt it the same day prior to deposit.

I have total confidence in our Bookkeeper and Principal's Secretary, Judy Crook. Each and every one of the 20 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,

A handwritten signature in cursive script that reads "Katina T. Allen".

Katina T. Allen  
Principal

KTA/jlc



LAKESIDE JUNIOR HIGH SCHOOL  
STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE INTERNAL FUNDS

For the Year Ended June 30, 2011

LAKESIDE JUNIOR HIGH SCHOOL

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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 the internal funds of Lakeside Junior High School for the year ended June 30, 2011. 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 the statement of cash receipts and disbursements of the internal funds, 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 the statement of cash receipts and disbursements of the internal funds, the accompanying financial statement includes only the financial activities of Lakeside Junior High School's 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 the internal funds of Lakeside Junior High School for the year ended June 30, 2011, on the basis of accounting described in Note 1.

*Magers & Associates, LLC*

Magers & Associates, LLC  
August 18, 2011

LAKESIDE JUNIOR HIGH SCHOOL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2011

	Cash Balance July 1, 2010	Receipts	Disbursements	Transfers	Cash Balance June 30, 2011
Athletics	\$ 59,231.10	\$ 94,188.49	\$ 95,911.07	\$ (6,646.69)	\$ 50,861.83
Music, Classes, & Clubs	5,602.40	28,307.18	29,921.05	2,560.00	6,548.53
Departments	60,585.44	54,404.86	78,948.88	2,208.87	38,250.29
Trust	24,405.47	15,393.82	15,190.05	(11,586.65)	13,022.59
General	11,964.63	6,049.77	19,480.70	14,024.47	12,558.17
Outside Organizations	2,208.80	15,021.15	14,016.97	(560.00)	2,652.98
<b>TOTAL</b>	<u>\$ 163,997.84</u>	<u>\$ 213,365.27</u>	<u>\$ 253,468.72</u>	<u>\$ -</u>	<u>\$ 123,894.39</u>

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

LAKESIDE JUNIOR HIGH SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2011

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 Lakeside 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 Lakeside Junior High School.

The Florida Department of Education and Clay County District School Board 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.

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 BALANCE

The cash balance of \$123,894.39 at June 30, 2011, consists of \$14,181.86 being held in a non-interest bearing checking account, \$109,622.53 invested with the State Board of Administration, and \$90.00 in uncollected checks which are expected to be collected.

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 Boards of Administration (SBA), Local Government Investment Pool.

NOTE 3 – INTEREST INCOME

Interest was earned on funds invested with the Clay County School Board in the amount of \$383.21 for the fiscal year ended June 30, 2011.

LAKESIDE JUNIOR HIGH SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2011

NOTE 4 – ACCOUNTS PAYABLE AND ENCUMBRANCES

Lakeside Junior High School reported one accounts payable and fourteen encumbrances at June 30, 2011 for the internal funds.

Accounts Payable

<u>Vendor</u>	<u>Amount</u>
Wal-Mart Community	\$ 12.82

Encumbrances

<u>Vendor</u>	<u>Amount</u>
Orlando Team Sports	\$ 5,156.24
School Planners	1,850.00
NASCO	231.00
Varsity Spirit	6,808.80
Gopher	694.36
Make Me Think	302.72
Office Depot	419.38
M-F Athletic	1,666.10
Dell Computers	900.00
NASSP	400.00
Orange Park Florist	250.00
Papa's Music	5,000.00
Patti's Roses, Etc.	125.00
Wal-Mart	50.00
Total	<u>\$ 23,853.60</u>



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

Honorable Members:

We have audited the statement of cash receipts and disbursements of the internal funds of Lakeside Junior High School (the "School") for the year ended June 30, 2011, and have issued our report thereon dated August 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### **Report on Internal Control**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## **Communication with Those Charged with Governance**

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

### Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statement prepared by management with your oversight is fairly presented, in all material respects. Our audit of the financial statement does not relieve you or management of your responsibilities.

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing that were previously communicated.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

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

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



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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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


*Other Audit Findings or Issues*

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

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

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

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

  
Mager's & Associates, LLC  
August 18, 2011

# LAKESIDE JUNIOR HIGH SCHOOL

Accredited

Southern Association of Colleges and Schools

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

Randall G. Oliver  
Principal

John W. Green, Jr.  
Vice-Principal 213-1802

Frances Celis  
Assistant Principal 213-1811

Lloyd Patterson  
Activities Director 213-1872

August 30, 2011

Magers & Associates  
Mary Ann Magers  
165 Wells Road / Suite 405  
Orange Park, Florida 32073

Dear Ms. Magers:

I would like to thank you for your time and effort in the auditing of our Internal Accounts. We strive to do our best in adhering to the Clay County School Board Internal Accounts Manual.

Thank you again.

Sincerely,



Randall G. Oliver  
Principal

RGO/ltk

We are an Equal Opportunity Employer. We do not discriminate on the basis of race, religion, color, sex, marital status, age, national origin or disability. Employment of personnel in Clay County is in compliance with Federal and State Laws regarding nondiscrimination and preference. Individuals with disabilities are encouraged to apply. Any person who believes he/she may need reasonable accommodations during the application, testing or interview process should notify the appropriate department or school office in advance.

**McRae Elementary School**

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

**For the Year Ended June 30, 2011**

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## 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

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 Auditors' Report

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of McRae Elementary School for the year ended June 30, 2011. 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 McRae Elementary School for the year ended June 30, 2011, on the basis of accounting described in Note 1.



Adams & Harper, PA  
Certified Public Accountants  
August 10, 2011

**McRae Elementary School  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2011**

	<u>Cash Balance July 1, 2010</u>	<u>Transactions</u>			<u>Cash Balance June 30, 2011</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	
Music	\$ 176.95	\$ 785.00	\$ 961.95	\$ -	\$ -
Classes, Clubs, Departments	8,956.21	39,226.44	36,072.15	1,273.45	13,383.95
Trust	2,998.41	12,033.80	11,986.19	665.82	3,711.84
General	16,147.77	15,054.34	16,530.93	(1,939.27)	12,731.91
Outside Funds	357.82	-	256.84	-	100.98
<b>Total</b>	<b>\$ 28,637.16</b>	<b>\$ 67,099.58</b>	<b>\$ 65,808.06</b>	<b>\$ (0.00)</b>	<b>\$ 29,928.68</b>

See accompanying notes and independent auditors' report

**McRae Elementary School  
Notes to Statement of Cash Receipts  
and Disbursements of the Internal Funds  
For the Year Ended June 30, 2011**

**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 McRae 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 McRae 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 classified as cash equivalents, consisting of the State Board of Administration Local Government Surplus Trust Funds Investment Pool, which effective July 1, 2009, became known as Florida PRIME.

An investment in Florida PRIME is not insured or guaranteed by any government or government agency. Such investments are considered a contingent risk under generally accepted accounting principles.

**Notes to Statement of Cash Receipts and Disbursements of the Internal Funds**  
**Page 2**

**Note 2 - Cash**

The June 30, 2011, ending cash balance of \$ 29,928.68 consists of \$ 15,074.15 held in the School's interest bearing checking account (insured by the Federal Deposit Insurance Corporation (FDIC)) and \$ 14,761.53 held in an investment account with Florida PRIME, as described in Note 1, and \$93.00 of NSF checks.

**Note 3 - Interest Income**

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 42.34, representing an annual yield of approximately 0.29%. Investment interest was earned on amounts invested through M & S Bank in the amount of \$185.84, representing an annual yield of approximately 1.24%.

**Note 4 – Subsequent Events**

The School has evaluated subsequent events through August 10, 2011, the date of the independent auditors' report. There were no material subsequent events to report.



**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

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

**Schedule of Accounts Payable and Encumbrances**

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

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, 2011 of the McRae 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 2010-2011 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of McRae Elementary School for the year ended June 30, 2011.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	None	\$ -
	<b>TOTAL</b>	<b>\$ -</b>

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	None	\$ -
	<b>TOTAL</b>	<b>\$ -</b>

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2011.

Adams & Harper, PA  
Certified Public Accountants  
August 10, 2011

# 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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Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

Honorable Members:

Our report on internal control and our communication with those charged with governance for McRae Elementary School follows.

## Independent Auditors' Report on Internal Control

In planning and performing our audit of the financial statement of McRae Elementary School for the year ended June 30, 2011, we considered the School's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness as defined above. However, we identified a single deficiency in internal control over financial reporting which is described below, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following single item to be a significant deficiency in internal control.

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

While we acknowledge that personnel may not always be available to permit an acceptable separation of duties and responsibilities, we think it is important to make you aware of this condition and to encourage the use of oversight and monitoring.

### **Auditor Communications With Those Charged With Governance**

Professional standards require that we communicate with you concerning certain important items and matters related to our audit.

We have audited the statement of cash receipts and disbursements of McRae Elementary School Internal Accounts (the "School") for the year ended June 30, 2011 and have issued our report thereon dated August 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 16, 2011. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Your Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by McRae Elementary School Internal Funds are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Disclosures in the financial statements are clear and consistent. The use of the cash basis of reporting is highlighted to alert any reader of that convention.

##### *Difficulties Encountered in Performing the Audit*

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

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such adjustments were noted during our audit.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter previously delivered to us in connection with our audit.

*Other Audit Findings or Issues*

We also wish to inform you that we discovered other more minor compliance violations (listed below) and accordingly, we recommend you review the frequency and materiality of these violations and take mitigating actions to improve the general environment and climate of your operations. Without the attention of your staff and your bookkeeper to the compliance requirements as described in the Internal Accounts Manual, you are increasing your risk that errors or other more serious actions may occur and not be detected in the normal course of your operations. We encourage you to reinforce the importance with each staff person or teacher to follow the guidelines described in the Internal Accounts Manual, provide an adequate training environment for participating employees or volunteers to understand their duties and for you to expect each such person to comply with the required steps of performance.

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

- One instance of a teacher's receipt being altered instead of voided.
- Three instances of erroneous fundraiser applications.
- A gift card control log is not being maintained by the school.

*Follow-up on Prior Year Audit Findings*

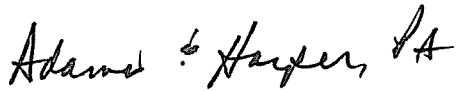
As part of our current year audit, we considered your attention and correction of prior year audit findings. Last year several minor violations were noted. This year we observed a general improvement, as evidenced by the reduction in observed violations. We encourage the staff to continue in their progress.

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.

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida  
Page 4

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

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

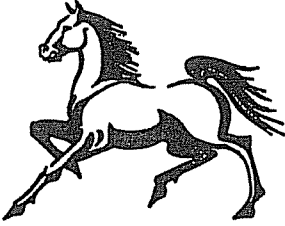
A handwritten signature in cursive script that reads "Adams & Harper, PA". The signature is written in dark ink and is positioned above the typed name and address.

Adams & Harper, PA  
Orange Park, FL  
August 10, 2011

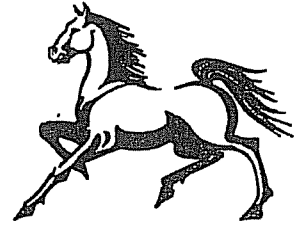
# *McRae Elementary School*

*"Home of the Mavericks"*

*6770 County Road 315C  
Keystone Heights, Florida 32656  
Phone: 352-473-5686  
Fax: 352-473-5148*



*Marcus Dooley  
Principal*



*Vicki Chappell  
Assistant Principal*

August 26, 2011

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

This is a response to the 2011 audit of internal accounts for McRae Elementary School completed by your firm.

- During preplanning meetings with the faculty and staff training on the use and preparation of teacher receipts was conducted
- In an effort to avoid discrepancies on fundraising forms completed by teachers and sponsors, the use of the form is discussed during preplanning
- The bookkeeper will maintain a "gift card" log for each school year

Thank you for your services provided during the audit of McRae Elementary's internal accounts. We will utilize your recommendations to improve the efficiency of our internal accounts.

Sincerely,

Marcus Dooley  
Principal

cc: Roni Campbell

*"An Equal Opportunity Employer"*

# **Middleburg Elementary School**

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

**For the Year Ended June 30, 2011**



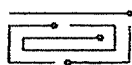
***Conner, Hubbard & Company, LLC***  
***Certified Public Accountants***  
***Orange Park, Florida***

# **Middleburg Elementary School**

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

**For the Year Ended June 30, 2011**

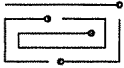


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***Certified Public Accountants***  
***Orange Park, Florida***



**MIDDLEBURG ELEMENTARY SCHOOL  
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**INDEPENDENT AUDITORS' REPORT**

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Middleburg Elementary School for the year ended June 30, 2011. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Middleburg Elementary School for the year ended June 30, 2011 on the basis of accounting described in Note 1.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

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website: [www.connerhubbard.com](http://www.connerhubbard.com)

Please respond to the office at:

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

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

**MIDDLEBURG ELEMENTARY SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2011**

	<u>Cash Balance</u>	<u>Transactions</u>			<u>Cash Balance</u>
	<u>July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>June 30, 2011</u>
Music	\$ 1,045.66	\$ 1,978.50	\$ 1,602.23	\$ -	\$ 1,421.93
Classes, Clubs & Departments	4,427.77	27,714.90	26,853.00	(714.83)	4,574.84
Trust	5,281.69	30,453.12	26,082.71	8,468.81	18,120.91
General	20,228.80	46,990.21	35,719.42	(7,753.98)	23,745.61
Outside Organizations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,983.92</u>	<u>\$ 107,136.73</u>	<u>\$ 90,257.36</u>	<u>\$ -</u>	<u>\$ 47,863.29</u>

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

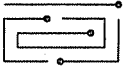
**MIDDLEBURG ELEMENTARY SCHOOL**  
Notes to Statement of Cash Receipts and Disbursements  
For The Year Ended June 30, 2011

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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        Interest of \$16.50 was earned on funds invested with the Clay County School Board during the fiscal year ended June 30, 2011. No interest was earned on the checking account.

NOTE 3        The cash balance of \$47,863.29 at June 30, 2011, shown on the statement of cash receipts and disbursements consists of \$42,102.90 being held in the checking account and \$5,760.35 invested with the Clay County School Board. There were no insufficient checks held for collection.



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Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2011 of the Middleburg Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances.

The following is a list of accounts payable and encumbrances as of June 30, 2011.

Accounts Payable

Book Bonanza	\$795.10
--------------	----------

Encumbrances

Math and Science Connection	\$400.00
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Accounts payable and encumbrances agree with the June 30, 2011 Principal's Monthly Report.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

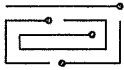
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website: [www.connerhubbard.com](http://www.connerhubbard.com)  
Please respond to the office at:

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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

☐ 212 North Davis Street  
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---

---

Mr. Ben H. Wortham, Superintendent of Schools,  
Clay County, Florida  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Janice Kerekes, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Middleburg Elementary School for the year ended June 30, 2011, 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:

**Document bank statement review**

The principal should initial the bank statement and related envelope to document that she has opened and reviewed the information before it was given to the bookkeeper.

During our review of a sample of cash receipts and disbursements, we noted the following:

Two instances where the date of the "Monies Collected" form was one or more days after the date of the teacher receipt.

Nine instances where the receipt numbers were not listed on the "Report of Monies Collected".

One instance where the copy of the teacher receipt was missing from the receipt book.

Teacher receipts were not issued for monies collected during the "Jump Rope for Heart" fundraiser.

The Financial Recap section of one fundraiser application was not completed in a timely manner.

---

**website:** [www.connerhubbard.com](http://www.connerhubbard.com)

**Please respond to the office at:**

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

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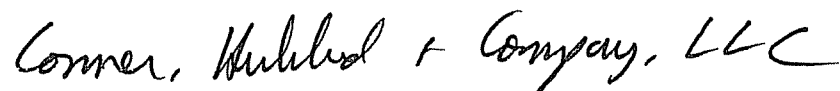
Honorable Members

Page 2

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.

A handwritten signature in black ink that reads "Conner, Hubbard & Company, LLC". The signature is written in a cursive, flowing style.

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2011

# Middleburg Elementary School



3958 Main St  
Middleburg FL 32068  
Phone: 904-291-5485 Fax: 904-291-5481



**Becky Wilkerson**  
Principal

**"Nothing Less Than the Best"**

**Amy Rugen**  
Assistant Principal

August 17, 2011

Conner, Hubbard & Company, LLC

In response to the auditors' report dated August 16, 2011 the following procedures will be implemented:

The principal will initial the outside seal of the envelope on the bank statement prior to opening the bank statement as well as initialing the bank statement itself. The envelope will be included with the bank statement to verify that the principal opened and reviewed the information before it was given to the bookkeeper.

The principal and bookkeeper will review policies and procedures with all faculty and staff at the beginning of each school year and as necessary regarding "Monies Collected" forms and the importance of keeping accurate records and completing documentation in a timely manner.

Becky Wilkerson

A handwritten signature in black ink that reads "Becky Wilkerson".

Principal, Middleburg Elementary School