

ARGYLE ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE  
INTERNAL FUNDS

For the Year Ended June 30, 2006

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INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

ARGYLE ELEMENTARY SCHOOL  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
 OF THE INTERNAL FUNDS  
 For the Year Ended June 30, 2006

	Cash	Transactions		Interfund	Cash
	Balance	Receipts	Disburse-		Transfers
	July 1, 2005		ments		June 30, 2006
Music	\$ .00	\$ 4,279.17	\$ 3,797.94	\$ 42.27	\$ 523.50
Classes, Clubs & Departments	52.00	80,338.34	70,134.99	1,895.73	12,151.08
Trust	.00	33,269.29	30,658.00	807.56	3,418.85
General	<u>4,194.35</u>	<u>68,089.68</u>	<u>64,703.76</u>	<u>(2,745.56)</u>	<u>4,834.71</u>
Total	<u>\$ 4,246.35</u>	<u>\$185,976.48</u>	<u>\$169,294.69</u>	<u>\$ .00</u>	<u>\$ 20,928.14</u>

See accompanying notes to statement of cash receipts and disbursements.

ARGYLE ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2006

NOTE 1

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

NOTE 2

Of the June 30, 2006 cash balance of \$20,928.14 as reported on the Statement of Cash Receipts and Disbursements, \$20,817.63 is being held in a non-interest bearing checking account insured by the FDIC, and \$110.51 in uncollected checks.



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Ms. Lisa Graham  
Mr. Charles Van Zant, Jr.  
Mrs. Carol Studdard  
Mrs. Carol Vallencourt

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Argyle Elementary School reported the following accounts payable or encumbrances at June 30, 2006 for the internal funds.

Accounts Payable

Sam's Club \$175.00

Encumbrance

Sagebrush Corporation \$192.39

AAA Auto Club South 150.00

Total Encumbrance \$342.39

The above amount agrees with the list provided by the school at June 30, 2006, and the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006



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

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

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Argyle Elementary School for the year ended June 30, 2006, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. "The School Board of Clay County" and "Void After 60 Days" is not imprinted on the checks per the Internal Funds Manual.
2. Several instances of teachers holding money over the weekends were noted. Teachers should be reminded to turn the funds over the bookkeeper on a daily basis.

Argyle Elementary  
Management Letter  
Page -2-

3. The School Store Inventory records are not maintained in compliance with the Internal Funds Manual, pages 58-59. The manual should be reviewed and procedures explained to those responsible for maintaining the inventory.

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

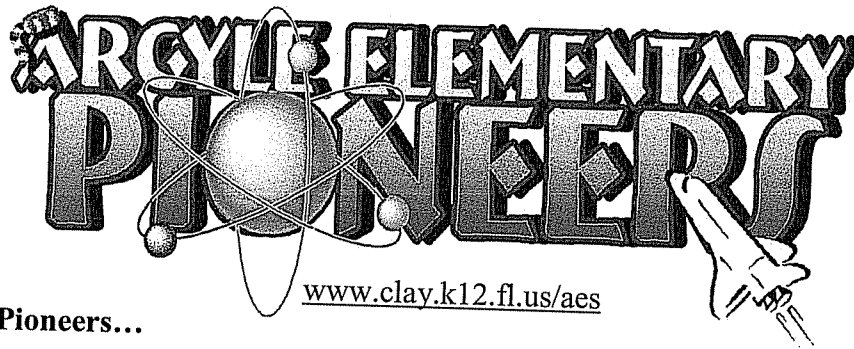
I commend the principal and bookkeeper for an excellent job. It has been a pleasure to have had this opportunity to serve you.

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

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006





We are all Pioneers...

...Pathfinders on the Trail of a New Frontier

Diane Kornegay, Principal  
[dkornegay@mail.clay.k12.fl.us](mailto:dkornegay@mail.clay.k12.fl.us)

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

August 24, 2006

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

Dear Ms. Hatcher:

This letter is in response to the audit report of the internal funds of Argyle Elementary School for the year ending June 30, 2006. Steps have been taken to correct the items noted in our audit draft for the 2005-2006 school year.

1. In regards to the lack of "The School Board of Clay County" and "Void After 60 Days" being imprinted on our school checks: When reordering our school checks, the bookkeeper will have these items added to our checks so we will be in compliance with the Internal Funds Manual.
2. In regards to teachers holding money over the weekend: At a meeting that was held on August 1, 2006, the teachers were once again reminded by the Principal to turn in any monies collected on a daily basis. Teachers were given written instructions at that meeting detailing the importance of turning funds over to the bookkeeper on a daily basis.
3. In regards to the School Store Inventory records not being maintained in compliance with the Internal Funds Manual: We have reviewed the pertinent pages in the Internal Funds Manual and have completed a new form and developed new procedures for the 2006 - 2007 school year to ensure compliance as described in the Internal Funds Manual.

Argyle Elementary appreciates the patience and guidance of our auditor, Shirley Hatcher. Opening a new school was a challenging experience. We found Ms. Hatcher to be extremely helpful and understanding.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diane Kornegay", is written over a horizontal line.

Diane Kornegay

# **Charles E. Bennett Elementary School**

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

**For the Year Ended June 30, 2006**

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

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

Taxation, Accounting, Pension Planning, and Business Counseling

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**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

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

August 7, 2006

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**Charles E. Bennett Elementary School**  
**Statement of Cash Receipts and Disbursements of the Internal Funds**  
**For the Year Ended June 30, 2006**

	Cash Balance July 1, 2005	Transactions			Cash Balance June 30, 2006
		Receipts	Disbursements	Transfers	
Music	\$9.77	\$100.00	\$22.11	\$0.00	\$87.66
Classes, Clubs & Departments	12,541.85	\$30,471.14	32,633.81	(96.82)	10,282.36
Trust	18,070.43	\$29,023.87	23,658.60	3,513.75	26,949.45
General	4,324.63	\$17,163.41	15,345.75	(1,815.93)	4,326.36
Outside Organizations	<u>15,237.22</u>	<u>\$20,989.17</u>	<u>21,375.21</u>	<u>(1,601.00)</u>	<u>13,250.18</u>
	<u>\$50,183.90</u>	<u>\$97,747.59</u>	<u>\$93,035.48</u>	<u>\$0.00</u>	<u>\$54,896.01</u>

See Independent Auditors' Report and notes to statement of cash receipts and disbursements.

CHARLES E. BENNETT ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For The Year Ended June 30, 2006

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- NOTE 1      The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2      For the year ended June 30, 2006, no interest was earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$587.97 for the fiscal year ended June 30, 2006.
- NOTE 3      The cash balance of \$54,896.01 at June 30, 2006, shown on the statement of cash receipts and disbursements consists of \$40,759.21 being held in the checking account, \$14,136.80 invested with the Clay County School Board, and \$0.00 in checks were returned for insufficient funds and will be redeposited.



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

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2006 of the Charles E. Bennett Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. These payables and encumbrances were not paid during the 2005-2006 fiscal year, and accordingly, are not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2006.

There were no accounts payable as of June 30, 2006.

The zero balance of accounts payable agrees with the June 30, 2006, Principal's Monthly Report.

There were no encumbrances as of June 30, 2006.

*Conner, Hubbard & Company, CPA's*

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

August 7, 2006

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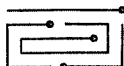
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Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

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

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

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

*Conner, Hubbard & Company, CPA's*

CONNER, HUBBARD & COMPANY, P.A.  
Certified Public Accountants  
August 17, 2006

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# *Charles E. Bennett Elementary School*

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

Monica Bocchieri  
Principal

Mark G. Phelps  
Assistant Principal

---


September 18, 2006

Mr. Steven Conner  
Conner, Hubbard & Company, P.A.  
1106 Park Avenue  
Orange Park, FL 32073

Dear Mr. Conner:

Pam Thomas and I want to thank you for the kind and professional way you conducted our audit. We appreciate your efforts and kind comments.

Sincerely,



Monica Bocchieri  
Principal

pc: Roni Campbell

**CLAY HILL ELEMENTARY SCHOOL**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2006**

EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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

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**INDEPENDENT AUDITOR'S REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA  
August 8, 2006

# CLAY HILL ELEMENTARY SCHOOL

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2006

	Cash	Transactions			Cash
	Balance	Receipts	Disburse-	Interfund	Balance
	July 1, 2005		ments	Transfers	June 30, 2006
Classes, Clubs, Departments	\$ 9,393.32	\$ 49,801.76	\$ 44,479.01	\$ 2,990.80	\$ 17,706.87
Trust	1,736.90	10,718.74	10,850.17	172.72	1,778.19
General	7,010.19	30,946.23	28,828.11	2,936.48	12,064.79
Outside Organizations	9,032.13	23,157.96	22,351.98	(6,100.00)	3,738.11
<b>Total</b>	<b>\$ 27,172.54</b>	<b>\$ 114,624.69</b>	<b>\$ 106,509.27</b>	<b>\$ -</b>	<b>\$ 35,287.96</b>

See accompanying notes and accountant's report.

# CLAY HILL ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2006

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

#### Cash receipts and disbursements method of accounting

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

### **NOTE 2 Cash**

The June 30, 2006, total cash balance of \$35,287.96 as reported on the statement of cash receipts and disbursements consists of \$23,946.57 being held in a non interest bearing checking account insured by the FDIC and \$11,341.39 held in an investment account through the Clay County School Board.

### **NOTE 3 Interest Income**

Interest was earned on amounts invested through the Clay County School Board in the amount of \$471.70. This represents a yield of approximately 4.2 percent. Investment interest is maintained in a separate account

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*Certified Public Accountant*

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay Hill Elementary School reported the following accounts payable and encumbrances as of June 30, 2006:

**Accounts Payable**

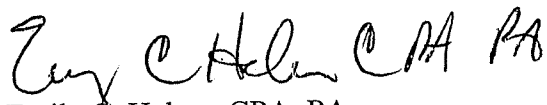
None

**Encumbrances**

None

The above accounts payable list agrees with the Principal's Monthly Report as of June 30, 2006.

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 2005-2006 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay Hill Elementary School for the year ended June 30, 2006.



Emily C. Helms, CPA, PA  
August 8, 2006

# EMILY C. HELMS, CPA, PA

*Certified Public Accountant*

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Orange Park, FL 32073

Kingsley Center

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Mr. David L. Owens, Superintendent of Schools,  
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Mr. Wayne Bolla  
Ms. Lisa Graham

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Clay Hill Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

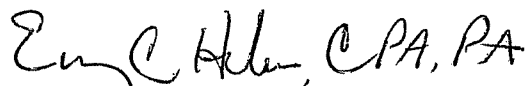
We would like to point out the following item noted during our audit:

1. Some Request for Purchase Approval and Check Requisitions were either incomplete or completed after the checks were written. Support documents were missing on some Purchase Approval and Check Requisitions. We recommend a review of the Internal Accounts Manual, Disbursement Procedures, pages 34 through 38, to ensure that these procedures are followed in its entirety.

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

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

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



Emily C. Helms, CPA, PA  
August 8, 2006





# Clay Hill Elementary School

6345 CR 218 West  
Jacksonville, Florida 32234



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**Evelyn Chastain**  
Principal

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

**Sarah Calhoun**  
Assistant Principal

August 28, 2006

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

Dear Ms. Helms:

Please accept this letter as my response to the Internal Audit you conducted during the summer for the 2005-06 school year. I appreciate the commendation of the principal and the bookkeeper, Janie Lloyd.

The items noted will be addressed this fiscal year by ensuring that prior approval is secured before making purchases, and that all required documentation is presented to the bookkeeper. We have already reviewed the appropriate pages of the Internal Accounts Manual, Disbursements Procedures to ensure that these procedures are followed in its entirety.

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

Sincerely,

A handwritten signature in cursive script that reads "Evelyn S. Chastain".

Evelyn S. Chastain  
Principal

**DOCTORS INLET ELEMENTARY SCHOOL**

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

**FOR THE YEAR ENDED  
JUNE 30, 2006**

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**DuVal & Company**

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2006. 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 Doctors Inlet Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*DuVal & Company, CPA's, PA*  
DuVal & Company, CPA's, P.A.  
August 12, 2006

## Doctors Inlet Elementary School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2006

	Balance July 1, 2005	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2006
Music	\$ 368.18	\$ 3,714.23	\$ 3,329.08	\$ 11.33	\$ 764.66
Classes, Clubs and Departments	24,210.13	80,334.07	80,539.80	2,622.67	26,627.07
Trust	6,429.97	15,704.26	17,125.90	50.00	5,058.33
General	4,811.45	13,620.25	12,883.18	0.00	5,548.52
Outside Organizations	7,141.81	36,113.60	24,252.92	(2,684.00)	16,318.49
<b>TOTALS</b>	<b><u>\$ 42,961.54</u></b>	<b><u>\$ 149,486.41</u></b>	<b><u>\$ 138,130.88</u></b>	<b><u>\$ 0.00</u></b>	<b><u>\$ 54,317.07</u></b>

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

## **DOCTORS INLET ELEMENTARY SCHOOL**

### **Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2006**

#### **NOTE 1 - BASIS OF ACCOUNTING**

It is the policy of the School 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 - CASH AND CASH EQUIVALENTS**

The June 30, 2006 cash balance, totaling \$54,317.07, consists of \$21,307.35 in a checking account with Wachovia Bank and \$29,701.44 in an investment account with the Clay County School Board. Also included is an NSF check receivable in the amount of \$3,308.28.

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

Interest earned on the investment account during the year ended June 30, 2006 was \$1,235.33. This represented a yield of approximately 4.25% during that period.



# DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Doctors Inlet Elementary School at June 30, 2006.

<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, 2006.

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 12, 2006



## **DuVal & Company**

Mr. David L. Owens, Superintendent of Schools

Clay County, Florida

Ms. Carol Vallencourt

Ms. Carol Studdard

Mr. Charles Van Zant, Jr.

Mr. Wayne Bolla

Ms. Lisa Graham

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

Honorable Members:

In planning and performing our audit of the statement of receipts and disbursements of the internal funds of Doctors Inlet Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure. We did note one matter that continues to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

1. Routinely, money is not being turned into the school bookkeeper in a timely manner. In the test month, on fifty-five (55) receipts, teachers did not submit money to the bookkeeper on the same day it was received. These do not include eleven (11) instances where the teacher's receipts were not dated. In three (3) instances, money was held by one teacher for over one month before submitting to the bookkeeper.

This situation has been a reported condition for over three (3) years and prior to that time, it was noted as a deficiency. In the principal's response to the June 30, 2005 Audit, detailed procedures were provided and we were informed that the matter would be addressed. There has been no significant improvement noted.

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

1. Out of the nine (9) Fund Raising Applications found in the file, seven (7) Financial Recaps were not completed in accordance with the policy set forth by the Clay County School Board.



2. The school is currently carrying a balance in the NSF checks account in the amount of \$3,308.28. This includes a carryover from the fiscal year ending 6/30/2003 year in the amount of \$1,383.72, none of which was collected in either of the past two school years. It was recommended in each of the past three management letters that permission be obtained from the school district to write off the checks deemed uncollectible. Each principal response letter stated they would request the funds be written off.

4. During our testing, we found five (5) checks signed by only one person. In each instance, the bookkeeper was the signer of the check.

5. During our review of the school store inventory procedures, it was noted that only one signature was present on the inventory count sheet dated August 1, 2006. In addition, no beginning count sheet was furnished by the school.

Overall, we found the internal accounting records were neat and orderly. We also found that, with the above noted exceptions, the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. However, the recurrence of items identified above leads us to encourage school representative(s) to meet with a representative of the Clay County School Board internal audit staff to review pertinent sections of the Internal Accounts Manual and to consider related options which will further improve internal control within the above areas.

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

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

*DuVal & Company, CPA's, PA*  
DuVal & Company, CPA's, P.A.  
August 12, 2006

# Memo

**To:** DuVal & Company  
**From:** Anne Miller, Principal *Anne Miller*  
**CC:** Mr. David Owens, Superintendent of Schools; Clay County School Board  
**Date:** 9/21/2006  
**Re:** Doctors Inlet Elementary School Audit Response for 2005-2006

---

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

1. Reportable Condition of money not being turned into the school bookkeeper in a timely manner- new procedures have been implemented that require teachers to turn in receipts and money the day they are collected. No money may be withheld. These procedures were documented in the Faculty Handbook, discussed during Pre-Planning, the August Curriculum Council Meeting, and the September Faculty Meeting. Teachers will also be required to turn in money collected with a Monies Collected Form the day the money is collected. If the procedures are not followed, teachers will be required to attach a letter for the auditor. Documentation of procedures not followed will be used on the teacher's evaluation.
2. Noted Condition- Fund Raising Applications not completed correctly- new procedures were introduced at the August Curriculum Council Meeting and September Faculty Meeting in the correct procedures for completing a Fund Raiser Application. Teachers were not completing the inventory section of the form. Forms are turned into the bookkeeper and principal for approval prior to the fundraiser. If the form is incomplete, the fund raiser will not be approved.
3. Noted Condition- Write Off of NSF Check Balance-Permission was obtained from the School Board to write off ~\$1600.00 of NSF checks that were deemed uncollectible. This amount was not approved before June 30<sup>th</sup>, but has since been approved. We will request that the additional amount of uncollectible funds to be written off subject to Board approval.
4. Noted Condition- Single Signature Checks- There were five checks with a single signature instead of two signatures. These checks were written in the period of time when I was newly appointed to the school. I have reviewed the procedures for checks with my bookkeeper and Assistant Principal. All checks will now be signed by the principal. There was a period of time during the transition period that I was unable to sign checks while they were processing the signatures for the account removing the former principal and adding my signature. Checks are now attached to proper requests and all are signed by the principal.
5. Noted Condition- School Store Inventory Procedures- the School Store has been eliminated and replaced with machines from Atkins School Supply. An inventory was conducted when the School Store was closed.

**FLEMING ISLAND ELEMENTARY SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2006**

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# Adams & Harper, P.A.

Certified Public Accountants

1665 Kingsley Avenue, Suite 100  
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Gary O. Harper, CPA  
John A. Adams, CPA  
Beth A. Linder, CPA

Members:  
American and Florida Institute  
of Certified Public Accountants

## Independent Auditor's Report

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

### Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 4, 2006

**Fleming Island Elementary  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2006**

	Cash Balance July 1, 2005	Transactions			Cash Balance June 30, 2006
		Receipts	Disburse- ments	Transfers	
Music Classes, Clubs,	\$ 283.57	\$ 2,253.55	\$ 2,876.61	\$ 1,135.73	\$ 796.24
Departments	9,637.94	107,268.36	95,848.97	(3,576.83)	17,480.50
Trust	7,070.71	31,371.95	35,126.98	4,982.73	8,298.41
General	16,628.20	54,111.02	47,729.93	11,862.14	34,871.43
Outside Organizations	4,907.57	21,285.08	3,925.61	(14,403.77)	7,863.27
<b>Total</b>	<b>\$ 38,527.99</b>	<b>\$ 216,289.96</b>	<b>\$ 185,508.10</b>	<b>\$ -</b>	<b>\$ 69,309.85</b>

See accompanying notes and independent auditor's report

**Fleming Island Elementary School**  
**Notes to Statement of Cash Receipts and Disbursements**  
**of the Internal Funds**  
**For the Year Ended June 30, 2006**

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

**Reporting entity**

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

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

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

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

**Basis of accounting**

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

**Investments**

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

**Note 2 - Cash**

The June 30, 2006, ending cash balance of \$69,309.85 consists of \$42,678.30 held in the School's non-interest bearing checking account (insured by the FDIC) and \$26,631.55 held in an investment account with the Clay County School Board.

**Note 3 - Interest Income**

Investment interest was earned on amounts invested through the Clay County School Board in the amount of \$1,107.64, representing an annual yield of approximately 4.2%. No interest was earned on the School's checking account.

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## Schedule of Accounts Payable and Encumbrances

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2006 of the Fleming Island Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. The accounts payable and encumbrances were not paid during the 2005-2006 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2006.

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

The above accounts payable amount agrees with the Principal's Monthly Report as of June 30, 2006.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 4, 2006



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

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

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

- Three (3) Report of Monies Collected forms were incomplete, and one (1) receipt was not written for the corresponding Report of Monies Collected form.
- There were seven (7) instances when a teacher held money over a weekend.
- One (1) transfer request was not authorized.

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

2. When reviewing cash disbursements, two items were noted:

- The principal did not sign one (1) check and one (1) check requisition form.
- There are four persons who are authorized to sign checks, yet Internal Accounts Manual specifically states there can only be three signers.

These items are not in compliance with Clay County School Board procedures as outlined in Internal Accounts Manual, pages 7, 37-38.

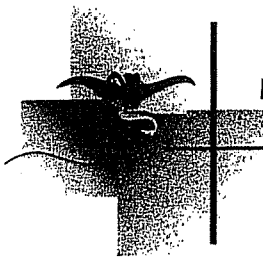
Mr. David L. Owens, Superintendent of Schools,  
Clay County, Florida  
Page 2

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

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

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

*Adams & Harper, PA*  
Adams & Harper, PA  
Certified Public Accountants  
August 4, 2006



**FLEMING ISLAND ELEMENTARY SCHOOL  
LYNDA C. BRAXTON, PRINCIPAL**

4425 Lakeshore Drive  
Orange Park, FL 32003

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

August 11, 2006

Adams & Harper, PA  
Certified Public Accountants  
1665 Kingsley Avenue, Suite 100  
Orange Park, FL. 32073

Dear Sir:

Thank you for the audit report for the internal funds for 2005/2006.  
We will discuss the audit report with the faculty to let them know how important it is in handling the money and go over the procedures again.

- We will inform the teachers to complete the Monies Collected forms correctly. Also, if the amount collected is over \$4.99 the teacher must write a receipt.
- All personnel will be advised of the importance of properly submitting funds to the bookkeeper within the time prescribed by Clay County School Board policy. Every effort will be made to correct the problem of teachers not turning in money on time.
- All transfer requests will be authorized by Principal.
- The bookkeeper will take one of the signers off the bank account.
- The bookkeeper will make sure that all checks and requisition forms are signed correctly.

Sincerely,

Lynda C. Braxton  
Principal

cc: George Copeland, Assistant Superintendent for Finance

**Sandra Mead**  
Asst. Principal

Equal Opportunity Employer

**Jeanne Hiatt Jones**  
Asst. Principal

GROVE PARK ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE  
INTERNAL FUNDS

For the Year Ended June 30, 2006

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Notes to the Statement of Cash Receipts and Disbursements	3
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# SHIRLEY W. HATCHER, CPA, P.A.

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Middleburg, FL 32050-0541  
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## INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Grove Park Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Grove Park Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

GROVE PARK ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2006

	Cash Balance July 1, 2005	Transactions		Interfund Transfers	Cash Balance June 30, 2006
		Receipts	Disburse- ments		
Music	\$ 77.13	\$ 312.55	\$ 315.27	\$ .00	\$ 74.41
Classes, Clubs & Departments	6,046.27	17,239.39	17,608.63	(799.90)	4,877.13
Trust	3,975.26	12,419.94	11,462.39	.00	4,932.81
General	5,692.55	5,397.78	8,114.54	799.90	3,775.69
Outside Organi- zations	<u>9,844.31</u>	<u>26,666.35</u>	<u>23,122.03</u>	<u>.00</u>	<u>13,388.63</u>
Total	<u>\$ 25,635.52</u>	<u>\$ 62,036.01</u>	<u>\$ 60,622.86</u>	<u>\$ .00</u>	<u>\$ 27,048.67</u>

See accompanying notes to statement of cash receipts and disbursements.

GROVE PARK ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2006

NOTE 1

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

NOTE 2

Interest was earned on the SBA investment account at the rate of 4.25%, and total interest earned on the SBA investment account amounted to \$1,006.68. Interest was earned on the checking account at the rate of .09%, and total interest on checking was \$10.21.

NOTE 3

Of the June 30, 2006 cash balance of \$27,048.67 as reported on the Statement of Cash Receipts and Disbursements, \$2,434.32 is being held in an interest bearing checking account insured by the FDIC, \$24,203.85 is being held in the SBA investment account, and \$410.50 in uncollected funds.



**S  
H**

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Grove Park Elementary School reported the following accounts payable or encumbrances at June 30, 2006 for the internal funds.

Accounts Payable

<u>Vendor</u>	<u>Amount</u>
None	
<u>Encumbrance</u>	
Budget Blinds	\$1,473.00

The above amount does not agree with the list provided by the school at June 30, 2006, and is not included on the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable. These amounts were not paid during the year ended June 30, 2006, and, accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year then ended.

*Shirley W. Hatcher, CPA PA*  
SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006



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

---

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

#### Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Grove Park Elementary School for the year ended June 30, 2006, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

I noted the following items during my audit:

1. A reimbursement check to a volunteer included an amount of \$30.87 which was marked "refunded" by the merchant. This amount should not have been reimbursed or the funds should have been deposited back into the school's account.
2. Check #3140 was not on the List of Sequential Checks, there was no purchase requisition, and the voided check could not be located.
3. One purchase requisition was completed with a "Not to Exceed amount of \$500.00." However, the check and accompanying receipts totaled \$1,166.43.
4. Three fundraising events did not have completed and approved fundraising forms as required by the Internal Funds Manual.

Grove Park Elementary School  
August 11, 2006  
Management Letter  
Page -2-

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

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

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

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

# Grove Park Elementary School

Where Great Minds Come To Grow!

1643 Miller Street

Orange Park, Florida 32073

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

Fax Number: 278-2015 - Website: [clay.k12.fl.us/gpe](http://clay.k12.fl.us/gpe)

Colette Wyant  
Principal

August 25, 2006

Renee' Woodruff  
Assistant Principal

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

This letter is in response to the documented notations you have listed on my 2005/06 audit:

1. A reimbursement check to a volunteer included an amount of \$30.87 which was marked "refunded" by the merchant. This amount should not have been reimbursed or funds should have been deposited back into the school's account.

Response: I will make sure in the future that the refunded money is well documented on a monies collected form before being deposited in the bank.

2. Check #3140 was not on the List of Sequential Checks, there was no purchase requisition, and the voided check could not be located.

Response: In the future I will put extra effort into making sure all the checks are accounted for in sequential order.

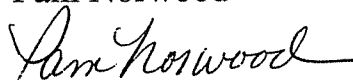
3. One purchase requisition was completed with a "Note to Exceed Amount of \$500.00." However, the check and accompanying receipts totaled \$1,166.43.

Response: I will use extra effort and pay more attention not to exceed the predetermined estimated spending limits.

4. Three fundraising events did not have completed and approved fundraising forms as required by the Internal Funds Manual.

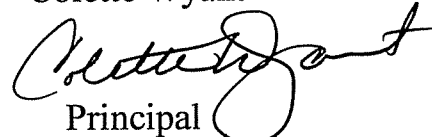
I will make sure the head of the fundraising events takes the time to properly fill out the fundraising form.

Pam Norwood



Bookkeeper

Colette Wyant



Principal

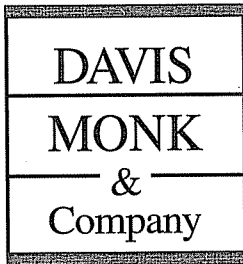
AUDIT REPORT  
KEYSTONE HEIGHTS  
ELEMENTARY SCHOOL  
INTERNAL ACCOUNTS

JUNE 30, 2006

**Keystone Heights Elementary School  
June 30, 2006**

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## Independent Auditors' Report

District School Board  
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Keystone Heights Elementary School Internal Accounts for the year ended June 30, 2006. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Keystone Heights Elementary School Internal Accounts for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Davis, Monk & Company*

August 10, 2006  
Gainesville, Florida

**Statement of Cash Receipts and Disbursements  
For the Year Ended June 30, 2006  
Keystone Heights Elementary School Internal Accounts**

	Cash Balances <u>July 1, 2005</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Interfund <u>Transfers</u>	Cash Balances <u>June 30, 2006</u>
Music	\$ 1,045	\$ 635	\$ 1,273	\$ -	\$ 407
Classes, Clubs & Departments	11,011	79,606	80,861	(751)	9,005
Trust	7,352	24,137	27,080	557	4,966
General	21,399	37,529	38,340	(3,419)	17,169
Outside Organizations	<u>11,981</u>	<u>19,004</u>	<u>22,906</u>	<u>3,613</u>	<u>11,692</u>
<b>TOTAL</b>	<u><u>\$ 52,788</u></u>	<u><u>\$ 160,911</u></u>	<u><u>\$ 170,460</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 43,239</u></u>



**Notes to Financial Statement  
For the Year Ended June 30, 2006  
Keystone Heights Elementary School**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

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

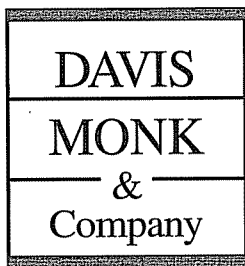
**Basis of Accounting**

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

**NOTE 2 – CASH BALANCES**

The cash balance of \$43,239 at June 30, 2006, shown on the statement of cash receipts and disbursements consists of \$13,703 being held in the checking account, and \$29,417 invested with the State Board of Administration. Checks deposited by the School but returned for insufficient funds and being held for redeposit total \$119.

**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL**



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District School Board  
Clay County, Florida

In planning and performing our audit of the financial statement of the Keystone Heights Elementary School Internal Accounts for the year ended June 30, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on internal control. However, we noted the following matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement.

The bookkeeper who maintains the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

In addition to the reportable condition described above, we also noted other matters which we feel should be brought to your attention. Such matters are hereafter presented for your consideration.

- We noted a mathematical error on one invoice resulting in the School paying \$300 more than required. Greater care should be exercised in pre-auditing invoices prior to payment.
- We noted that receipt numbers 5501 through 5504 were not available for audit inspection. According to School personnel, the receipts were voided and lost. We recommend that all voided transactions be retained for audit inspection.

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

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

District School Board  
Clay County, Florida

Page Two

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

*Davis, Monk & Company*

August 10, 2006  
Gainesville, Florida

# KEYSTONE HEIGHTS ELEMENTARY SCHOOL

"Where Every Kid Is A Winner"

MARY S. MIMBS  
Principal

PEGGY MORRISSEY  
Assistant Principal



MELBA JOHNSON  
Guidance Counselor

JACQUELYN WELCH  
Guidance Counselor

September 5, 2006

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

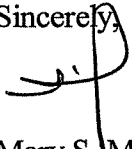
Dear Mrs. McClellan:

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

Listed below is my response with regards to several recommendations:

1. With respect to the segregation of duties for Internal Accounts, one of the suggestions given to our school by your accounting firm last year was that the Principal and/or Vice Principal would conduct a careful review of the monthly bank statement prior to delivery to the Bookkeeper. This course of action was followed as a solution to the segregation of duties. In fact, this suggestion was mentioned in the Fall Bookkeeper's Meeting as this seems to be a concern of auditors among the schools in our District. We will continue to conduct random checks of the daily receipts per the office receipt copy and will compare it with the bank deposit amount to comply with the segregation of duties.
2. It was noted that there was a mathematical error on one invoice resulting in an overpayment of \$300.00. However, there was no mention regarding the Vendor Name, Invoice Number, Check Number, or any other vital information that would help to locate the error. A diligent effort is being made to obtain this information in order that a positive resolution may be made with the appropriate documentation with the Vendor for a refund check or credit issued. In the meantime, please note that every effort will be made to correctly validate all invoices submitted for payment to prevent errors of this nature in the future.

- Careful attention will be given to all voided items (in this case receipts) for their retention and end of the year review.

Sincerely,  


Mary S. Mimbs  
Principal

MSM/ngg

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

AUDIT REPORT  
LAKE ASBURY ELEMENTARY  
SCHOOL  
INTERNAL ACCOUNTS

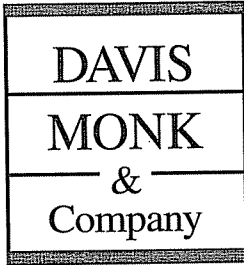
JUNE 30, 2006

Lake Asbury Elementary School  
June 30, 2006

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**Independent Auditors' Report**

District School Board  
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of Lake Asbury Elementary School Internal Accounts for the year ended June 30, 2006. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Lake Asbury Elementary School Internal Accounts for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Davis, Monk & Company*

August 10, 2006  
Gainesville, Florida

**Statement of Cash Receipts and Disbursements  
For the Year Ended June 30, 2006  
Lake Asbury Elementary School Internal Accounts**

	Cash Balances <u>July 1, 2005</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Interfund <u>Transfers</u>	Cash Balances <u>June 30, 2006</u>
Music	\$ 1,082	\$ 9,051	\$ 8,937	\$ -	\$ 1,196
Classes, Clubs & Departments	21,292	101,026	95,483	7	26,842
Trust	9,120	21,764	24,682	(861)	5,341
General	44,794	27,595	27,752	1,254	45,891
Outside Organizations	22,984	59,385	40,471	(400)	41,498
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 99,272	\$ 218,821	\$ 197,325	\$ -	\$ 120,768
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to Financial Statement  
For the Year Ended June 30, 2006  
Lake Asbury Elementary School Internal Accounts**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

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

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

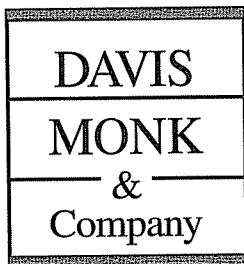
Basis of Accounting

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

**NOTE 2 – CASH BALANCES**

The cash balance of \$120,768 at June 30, 2006, consists of \$68,619 being held in the checking account, \$51,660 invested with the State Board of Administration, and \$489 in checks returned by the bank for insufficient funds and awaiting redeposit.

**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL**



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District School Board  
Clay County, Florida

In planning and performing our audit of the financial statement of the Lake Asbury Elementary School Internal Accounts for the year ended June 30, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on internal control. However, we noted the following matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement.

The bookkeeper who maintains the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

In addition to the reportable condition described above, we also noted another matter which we feel should be brought to your attention. Such matter is hereafter presented for your consideration.

We noted that several accounts had ending balances in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. According to School personnel, these funds are being accumulated for play ground equipment.

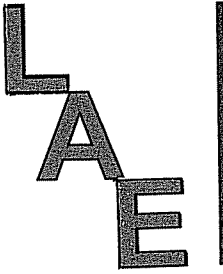
This report is intended solely for the information and use of the Clay County District School Board and its management and is not intended to be and should not be used by anyone other than these specified parties.

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

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

*Davis, Monk & Company*

August 10, 2006  
Gainesville, Florida



# Lake Asbury Elementary School

2901 Sandridge Road  
Green Cove Springs, Florida 32043

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

Fax Number: 291-5444



Dale R. Eichhorn  
PRINCIPAL

Ryan Widdowson  
ASSISTANT PRINCIPAL

August 23, 2006

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

Dear Ms. McClellan,

In response to the Lake Asbury Elementary School's Internal Accounts audit for the 2005-06 school year, I have noted the suggestions made for improvement and will take the necessary steps by implementing the following:

1. I acknowledge the need for separation of the bookkeepers' duties and responsibilities. If and when appropriate personnel become available we will look at ways to separate these duties.
2. As noted in the audit report, we have several accounts exceeding the allowable balance. These funds are being accumulated for playground equipment which we hope to purchase during the 2006-2007 school year.

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

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

Again, thank you for your time.

Sincerely,

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

Dale R. Eichhorn  
Principal

DRE/as  
CC: Roni Campbell



AN EQUAL  
OPPORTUNITY EMPLOYER

**LAKESIDE ELEMENTARY SCHOOL**

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

**FOR THE YEAR ENDED  
JUNE 30, 2006**

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**DuVal & Company**

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Lakeside Elementary School for the year ended June 30, 2006. 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 Lakeside Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*DuVal & Company, CPA's, PA*  
DuVal & Company, CPA's, P.A.  
August 10, 2006

## Lakeside Elementary School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2006

	<u>Balance July 1, 2005</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2006</u>
Music	\$ 28.98	\$ 294.00	\$ 321.40	\$ 0.00	\$ 1.58
Classes, Clubs and Departments	5,495.79	25,991.45	24,212.82	11.80	7,286.22
Trusts	18,521.16	26,599.93	17,503.01	0.00	27,618.08
General	4,142.49 *	8,588.17 *	8,624.52	0.00	4,106.14
Outside Organizations	<u>6,444.26</u>	<u>26,382.94</u>	<u>27,995.40</u>	<u>(11.80)</u>	<u>4,820.00</u>
<b>TOTALS</b>	<u><u>\$ 34,632.68</u></u>	<u><u>\$ 87,856.49</u></u>	<u><u>\$ 78,657.15</u></u>	<u><u>\$ 0.00</u></u>	<u><u>\$ 43,832.02</u></u>

\*See Management Letter, page 6

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

## LAKESIDE ELEMENTARY SCHOOL

### Notes to Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2006

#### **NOTE 1 - BASIS OF ACCOUNTING**

It is the policy of the School 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 - CASH AND CASH EQUIVALENTS**

The June 30, 2006 cash balance, totaling \$43,832.02 consists of \$28,647.88 in a noninterest bearing checking account with Wachovia Bank and \$15,184.14 in an investment account with the Clay County School Board.

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

Interest earned on the investment account during the year ended June 30, 2006 was \$631.53. This represented a yield of approximately 4.25% during that period.



# DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Lakeside Elementary School at June 30, 2006.

## ACCOUNTS PAYABLE

None

## ENCUMBRANCES

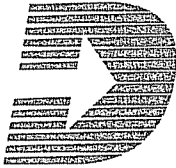
Premier	\$1,861.50
Weekly Reader Corporation	<u>1,680.20</u>
Total	<u>\$3,541.70</u>

The accounts payable and encumbrances above agree with the Principal's Monthly Report for June 30, 2006.

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 10, 2006



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

In planning and performing our audit of the statement of receipts and disbursements of the internal funds of Lakeside Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure. We did not note any matter that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

The minor deficiencies noted in the prior year appear to have been corrected.

Any exceptions noted during our testing have been sufficiently explained and corrective action taken.

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

1. On one occasion, funds were held over the weekend. The funds were not deposited into the bank until the following Wednesday.
2. The school provided inventory sheets for the beginning and end of the school year. However, there was no evidence of signatures or identities of the individuals who took the inventory as required by the Internal Fund Manual.

3. As reported in the prior year audit, the District office record of investment account balances indicated that the total amount of interest earned for the year ending June 30, 2005 was \$322.49, resulting in an ending balance of \$14,552.61 at June 30, 2005, as presented in our prior year audit. The amount of interest the school had recorded for the year was \$359.03, and the Principal's Report indicated an ending balance of \$14,589.15 at June 30, 2005. The interest for the month of May 2005, in the amount of \$36.54 had been posted twice. This error was discovered after June 30, 2005, and the bookkeeper corrected by entering a negative receipt in July, 2005. As a result, the total receipts were understated on the Principal's Report as of June 30, 2006. Total receipts for the current year should be \$87,856.49. The ending balance after these adjustments agrees to both the audit and the Principal's Report.

Overall, we found the internal accounting records were 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.

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

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

*DuVal & Company, CPA's, PA*  
DuVal & Company, CPA's, P.A.  
August 10, 2006

# Lakeside Elementary



2752 Moody Avenue  
Orange Park, FL 32073

John L. Schlichtman  
Principal

Katina Thomas  
Assistant Principal

August 31, 2006

DuVal & Company  
428 Walnut Street  
Green Cove Springs, FL 32043

Dear Mr. DuVal:

This letter is in response to our recent interview concerning the Internal Accounts for the 2005-2006 school year at Lakeside Elementary. Again, it was a pleasure to meet with you, and we appreciate your constructive comments about our system. It is gratifying to know that the notes shared in our meeting were not of such a degree to be considered reportable.

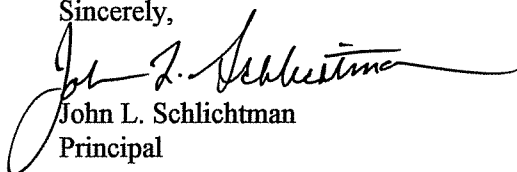
Regarding note #1, our bookkeeper has looked into the instance where funds indicated they were held over the weekend. The teachers have once again been reminded not to hold funds that were receipted on Friday over the weekend and we will make every effort to monitor this.

Regarding note #2, the bookkeeper gave the inventory sheet to the school store assistant; in order to keep better records, the assistant put the form on her computer and inadvertently left off the signature and date line. She has been made the correction and future inventory sheets will be properly signed and dated.

Regarding note #3 - as indicated, the duplicate monthly interest posting of \$36.54 of the prior year was corrected and all ending balances after these adjustments agree to both the audit and the Principal's Report.

I have total confidence in our Bookkeeper and Principal's Secretary, Judy Crook. Each and every one of the 15 years that we have worked together, I have been extremely pleased with her organizational skills, efficiency, and ability to effectively manage multiple tasks. We are fortunate to have her handling our financial records, and will strive to maintain a high level of performance.

Sincerely,



John L. Schlichtman  
Principal

AUDIT REPORT  
McRAE ELEMENTARY SCHOOL  
INTERNAL ACCOUNTS

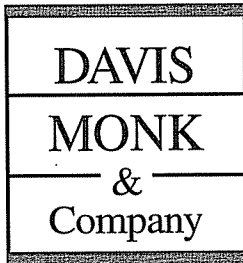
JUNE 30, 2006



McRae Elementary School  
June 30, 2006

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CPAmerica International

Florida Institute of  
Certified Public Accountants

American Institute of  
Certified Public Accountants

Horwath International

## Independent Auditors' Report

District School Board  
Clay County, Florida

We have audited the accompanying statement of cash receipts and disbursements of McRae Elementary School Internal Accounts for the year ended June 30, 2006. This financial statement is the responsibility of the School Board's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of McRae Elementary School Internal Accounts for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Davis, Monk & Company*

August 10, 2006  
Gainesville, Florida

**Statement of Cash Receipts and Disbursements  
For the Year Ended June 30, 2006  
McRae Elementary School Internal Accounts**

	<u>Cash Balances July 1, 2005</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2006</u>
Music	\$ -	\$ 120	\$ 263	\$ 144	\$ 1
Classes, Clubs & Departments	16,756	36,021	38,074	(714)	13,989
Trust	2,688	19,351	18,732	(115)	3,192
General	6,426	21,769	17,126	899	11,968
Outside Organizations	2,048	11,913	10,483	(214)	3,264
	<u>27,918</u>	<u>89,174</u>	<u>84,678</u>	<u>-</u>	<u>32,414</u>
<b>TOTAL</b>	<u>\$ 27,918</u>	<u>\$ 89,174</u>	<u>\$ 84,678</u>	<u>\$ -</u>	<u>\$ 32,414</u>

**Notes to Financial Statement  
For the Year Ended June 30, 2006  
McRae Elementary School Internal Accounts**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

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

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

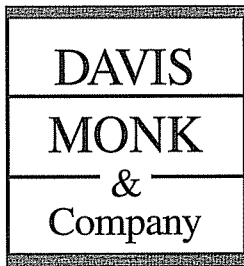
Basis of Accounting

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

**NOTE 2 – CASH BALANCES**

The cash balance of \$32,414 at June 30, 2006, \$18,672 being held in the checking account, \$13,197 invested with the State Board of Administration, and \$545 in checks returned by the bank for insufficient funds and awaiting redeposit.

**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL**



Certified Public Accountants  
& Business Consultants

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*Website:*

[www.davismonk.com](http://www.davismonk.com)

District School Board  
Clay County, Florida

In planning and performing our audit of the financial statement of the McRae Elementary School Internal Accounts for the year ended June 30, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on internal control. However, we noted the following matter involving the internal control and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statement.

The bookkeeper who maintains the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

In addition to the reportable condition described above, we also noted another matter which we feel should be brought to your attention. Such matter is hereafter presented for your consideration.

We noted that several accounts have ending balances in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. While these balances were not material, greater care should be exercised to ensure that monies are receipted and expended in amounts accorded by the District School Board.

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

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

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

*Members:*

CPAmerica International

Florida Institute of  
Certified Public Accountants

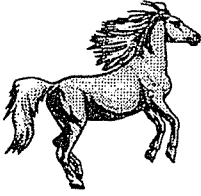
American Institute of  
Certified Public Accountants

Horwath International

*Davis, Monk & Company*

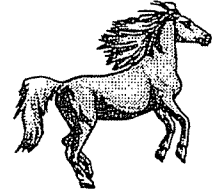
August 10, 2006  
Gainesville, Florida

# MCRAE ELEMENTARY SCHOOL



Marcus C. Dooley  
Principal

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



Kimberly E. Dugger  
Assistant Principal

August 21, 2006

Davis Monk & Company, CPA  
4010 N.W. 25 Place  
P.O. Box 13494 (32604)  
Gainesville, Florida 32606

To Whom It May Concern:

**Finding:**

The bookkeeper who maintains the accounting records also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties were separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

**Solution:**

*As noted the bookkeeper maintains accounting records as a part of her job description. Delegation of duties would be in compliance of the Clay County School District and/or Administrator in charged. As noted school personnel are assigned specific and general duties in which maximum time and efficiency is applied. We have and will continue to strive in protecting the internal account funds from fraudulent mishandling. Guidelines are in place for all personnel and on an occasion a fourth person may oversee the handling of internal funds to procure measurements necessary in correcting or in overseeing the efficiency of that procedure. At all times the separation of employee duties and responsibilities are important and every measure in the security and safety of such funds is taken.*

Finding:

We noted several accounts have ending balances in excess of the maximum amounts allowed as determined by the formula provided by the Internal Funds Manual. While these balances were not material, greater care should be exercised to ensure that monies are receipted and expended in amounts accorded to the District School Board.

Solution:

*As advised by Davis and Monk last year forms were signed by Grade Chair teachers explaining the use of rollover internal account funds. If there needs to be more specific information on these forms from teachers we are open in having that knowledge so that our teachers may more specifically plan expenditure events for the following year. A teacher's only purpose in rolling excessive funds from one year to the next is they have events which may require purchases for student usage. We are proud that our teachers take care in what they order and can assure the Clay County School District that all internal monies are spent to enhance student contact time.*

Again, we thank you and your staff for the excellent work and advice given concerning the issues noted above. It has been a pleasure in working with you concerning the 2005-2006 audit review for McRae Elementary School.

Sincerely,



Marcus C. Dooley

cmh



**MIDDLEBURG ELEMENTARY SCHOOL**

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2006

EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Middleburg Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 Middleburg Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA  
August 2, 2006

# MIDDLEBURG ELEMENTARY SCHOOL

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2006

	Cash	Transactions			Cash
	Balance		Disburse-	Interfund	Balance
	July 1, 2005	Receipts	ments	Transfers	June 30, 2006
Music	\$ 313.17	\$ 944.45	\$ 693.49	\$ (320.00)	\$ 244.13
Classes, Clubs, Departments	1,936.15	32,950.28	30,215.22	274.00	4,945.21
Trust	3,283.30	14,236.41	13,207.13		4,312.58
General	3,392.25	13,579.34	13,703.73		3,267.86
Outside Organizations	5,857.62	59,543.96	59,290.04	46.00	6,157.54
<b>Total</b>	<b>\$ 14,782.49</b>	<b>\$ 121,254.44</b>	<b>\$ 117,109.61</b>	<b>\$ -</b>	<b>\$ 18,927.32</b>

See accompanying notes and accountant's report.

# MIDDLEBURG ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2006

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

#### Cash receipts and disbursements method of accounting

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

### **NOTE 2 Cash**

The June 30, 2006, total cash balance of \$18,927.32 as reported on the statement of cash receipts and disbursements consists of \$13,777.50 being held in a non interest bearing checking account insured by the FDIC and \$5,149.82 held in an investment account through the Clay County School Board.

### **NOTE 3 Interest Income**

Interest was earned on amounts invested through the Clay County School Board in the amount of \$214.20. This represents a yield of approximately 4.2 percent. Investment interest is maintained in a separate account

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Middleburg Elementary School reported the following accounts payable and encumbrances as of June 30, 2006:

**Accounts Payable**

Clay County School Board	\$ 107.98
Successories, LLC	490.25
Midstate School & Art Supplies	67.03
Park Avenue Florist	176.80
Positive Promotions	162.75
Hagan Ace Hardware	1.19
Copyfax	<u>155.00</u>
	<u>\$ 1,161.00</u>

**Encumbrances**

None

The above accounts payable list agrees with the General Ledger Report as of June 30, 2006.

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 2005-2006 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Middleburg Elementary School for the year ended June 30, 2006.



Emily C. Helms, CPA, PA  
August 2, 2006

# EMILY C. HELMS, CPA, PA

*Certified Public Accountant*

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Middleburg Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

We commend the principal and bookkeeper for the exemplary manner in which the records were maintained.

It has been a pleasure to have this opportunity to serve Middleburg 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 2, 2006



# Middleburg Elementary School

3958 Main Street

Middleburg, Florida 32068

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

Becky Wilkerson  
Principal

"Nothing Less Than The Best"

Amy Kennedy  
Assistant Principal

August 24, 2006

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

Dear Ms. Helms:

Thank you for your thorough and professional audit of the receipts and disbursements of the internal accounts for Middleburg Elementary School. We are extremely proud of the fact that you had no comments on the procedures followed, nor did you note any problems or concerns.

Sincerely,

A handwritten signature in cursive that reads "Becky Wilkerson".

Becky Wilkerson  
Principal

c: Clay County School Board



**MONTCLAIR ELEMENTARY SCHOOL**

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

**For the Year Ended June 30, 2006**

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of Montclair Elementary School for the year ended June 30, 2006. This financial statement is the responsibility of the School's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

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

In my opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Montclair Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006

MONTCLAIR ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2006

	Cash Balance July 1, 2005	Transactions		Interfund Transfers	Cash Balance June 30, 2006
		Receipts	Disburse- ments		
Music	\$ 235.61	\$ 504.00	\$ 738.93	\$ .00	\$ 0.68
Classes, Clubs & Departments	3,972.17	41,684.62	39,768.28	(364.44)	5,524.07
Trust	14,694.72	21,963.76	20,780.73	375.11	16,252.86
General	3,987.30	9,845.80	11,259.13	253.97	2,827.94
Outside Organi- zations	<u>14,350.70</u>	<u>23,373.75</u>	<u>23,763.76</u>	<u>(264.64)</u>	<u>13,696.05</u>
Total	<u>\$ 37,240.50</u>	<u>\$97,371.93</u>	<u>\$96,310.83</u>	<u>\$ .00</u>	<u>\$ 38,301.60</u>

See accompanying notes to statement of cash receipts and disbursements.

MONTCLAIR ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2006

NOTE 1

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

NOTE 2

Interest was earned on the SBA investment account at the rate of 4.25%, and total interest earned on the SBA investment account amounted to \$715.26.

NOTE 3

Of the June 30, 2006 cash balance of \$38,301.60 as reported on the Statement of Cash Receipts and Disbursements, \$18,742.71 is being held in a non-interest bearing checking account insured by the FDIC, \$19,536.09 is being held in the SBA investment account, and \$22.80 is being held in uncollected funds.

**S  
H**

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

---

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Montclair Elementary School reported the following accounts payable or encumbrances at June 30, 2006 for the internal funds.

Accounts Payable

None

Encumbrance

None

The above amount agrees with the list provided by the school at June 30, 2006, the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

*Shirley W. Hatcher, CPA PA*  
SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006



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

---

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

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of Montclair Elementary School for the year ended June 30, 2006, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statement and not to provide assurance on the internal control structure.

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

1. Numerous instances were noted of purchases being made prior to approval. All purchases should be approved via the purchase requisition prior to purchase.
2. Several instances were noted of funds being held over the weekend. Teachers should be reminded to turn in money daily as indicated in the Internal Funds Manual. One instance the teacher misplaced the funds in a folder, found them four and one-half months later, and remitted to the bookkeeper.

Montclair Elementary  
Management Letter  
Page -2-

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

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

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

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

SHIRLEY W. HATCHER, CPA, P.A.  
August 11, 2006





## Montclair Elementary School

2398 Moody Avenue  
Orange Park, Florida 32073  
Phone (904) 278-2030 • Fax (904) 278-2090

William Miller  
Principal

Michelle Harris  
Assistant Principal

August 18, 2006

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

Dear Ms. Hatcher,

This is in response to the noted items in Montclair Elementary School's annual audit. Procedures for official receipts and Report of Monies Collected forms will be reviewed at our August 24, 2006 faculty meeting. Additionally, each teacher is given a folder containing an envelope with Report of Monies Collected forms and an official receipt book. Labels have been placed on the envelope stating the following:

- Do not leave money in classroom overnight.
- No receipt if \$5.00 or less.
- No receipt if merchandise is given upon receipt of money.
- Do not use whiteout or write over receipts. Do a void (staple white to yellow and write void on receipt).
- Receipt dates & Report of Monies Collected dates must match.
- Report of Monies Collected Form must include the following: Name, Receipt # (if applicable), and Amount.
- Be sure to total the amounts and sign the form.

\*Additionally teachers have been told to have prior approval for purchases.

These labels will service as helpful reminders of proper Internal Accounts procedures and eliminate future errors. In addition teachers will be reminded that prior written approval is needed before a purchase can be made. We will continue to follow the procedures outlined in the Internal Funds Manual of the Clay County School Board.

Sincerely,

William Miller  
Principal

Wendy McClellan  
Principal's Secretary

# **Orange Park Elementary School**

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

**For the Year Ended June 30, 2006**

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

**ORANGE PARK ELEMENTARY SCHOOL  
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**CONNER, HUBBARD & COMPANY, P.A.**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Orange Park Elementary School for the year ended June 30, 2006. 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 Orange Park Elementary School for the year ended June 30, 2006, on the basis of accounting described in Note 1.

*Conner, Hubbard & Company, CPAs*  
CONNER, HUBBARD & COMPANY, P.A.  
Certified Public Accountants

August 7, 2006

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

**Orange Park Elementary School  
Statement of Cash Receipts and Disbursements of the Internal Funds  
For the Year Ended June 30, 2006**

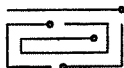
	Cash Balance July 1, 2005	Transactions			Cash Balance June 30, 2006
		Receipts	Disbursements	Transfers	
Athletics	\$22.50	\$0.00	\$64.12	\$41.62	\$0.00
Music	113.29	933.00	964.45	0.00	81.84
Classes, Clubs & Departments	11,133.81	55,625.49	53,550.00	(1,992.98)	11,216.32
Trust	3,520.01	23,521.13	24,026.42	954.58	3,969.30
General	13,051.12	32,098.26	26,583.74	1,165.86	19,731.50
Outside Organizations	<u>3,601.00</u>	<u>31,867.98</u>	<u>29,566.05</u>	<u>(169.08)</u>	<u>5,733.85</u>
	<u>\$31,441.73</u>	<u>\$144,045.86</u>	<u>\$134,754.78</u>	<u>\$0.00</u>	<u>\$40,732.81</u>

See Independent Auditors' Report and notes to statement of cash receipts and disbursements.

ORANGE PARK ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For The Year Ended June 30, 2006

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- NOTE 1      The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2      For the year ended June 30, 2006, no interest was earned on the checking account. Interest was earned on funds invested with the Clay County School Board in the amount of \$1,083.25 for the fiscal year ended June 30, 2006.
- NOTE 3      The cash balance of \$40,732.81 at June 30, 2006, shown on the statement of cash receipts and disbursements consists of \$14,350.14 being held in the checking account, \$25,961.82 invested with the Clay County School Board, and \$420.85 in checks returned for insufficient funds.



**CONNER, HUBBARD & COMPANY, P.A.**  
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Mr. David L. Owens, Superintendent of Schools,  
Clay County, Florida  
Ms. Carol Vallencourt  
Ms. Carol Studdard  
Mr. Charles Van Zant, Jr.  
Mr. Wayne Bolla  
Ms. Lisa Graham

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2006 of the Orange Park Elementary School internal funds as reported to us by the School.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances. These payables and encumbrances were not paid during the 2005-2006 fiscal year, and accordingly, are not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2006.

Accounts Payable

<u>VENDOR</u>	<u>Amount</u>
Southeast Screen printing	\$ 357.75
Don Rice Communications, Inc.	<u>45.00</u>
Total	<u>\$ 402.75</u>

Encumbrances

<u>VENDOR</u>	<u>Amount</u>
BES Industries	\$ 1,198.98
Baudeville, Inc.	<u>363.70</u>
Total	<u>\$ 1,562.68</u>

The Principal's Monthly Report for the June 30, 2006 did not include accounts payable, however, the principal, upon review of July invoices, acknowledges the omission of the above listed payables and encumbrances on the Principal's Monthly Report.

*Conner, Hubbard & Company, CPA's*

CONNER, HUBBARD & COMPANY, P.A.  
Certified Public Accountants  
August 7, 2006

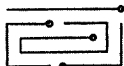
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---

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Orange Park Elementary School for the year ended June 30, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

We noted that certain deposits were not supported by receipt books. The receipt numbers listed on the Report of Monies Collected do not appear in the current receipt book log, which suggests the teacher may have used an old receipt book from the prior year. Control over receipt books is very important and no one should keep receipt books past the end of the school year. They can be re-issued to the teacher in the following year, but all books out should be included on the current log.

We noted Report of Monies Collected for book club orders were not supported by book order forms or reference to receipt numbers – usually one or the other is used to document the students order and payment.

We noted that numerous deposits were made well beyond the required 5 day limit.

We noted that check requisition forms were occasionally not completed or were missing one of the required signatures and/or no amount was listed in the request section.

We noted that sales tax was paid on some reimbursement checks. The school is not liable for sales tax and should exclude any sales tax on reimbursement checks.

We noted the absence of a supporting invoice on some check requisitions.

We discovered two invoices, one issued in March and one in May, 2006 and paid in July should have been included in accounts payable on the Principal's Monthly Report. They are included in our report.

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Mr. David L. Owens, Superintendent of Schools,  
Clay County, Florida  
August 7, 2006  
Page 2 of 2

We discovered an additional encumbrance not listed for June 30, 2006 and have included it in our report.

We noted that in many cases the Principal's Monthly Report was prepared month's after the monthly closing, for example, October's report is signed and dated January 20, 2006. Additionally, the section of the Principal's Monthly Report listing checks on hand, last check issued and last check on hand was not completed in the October 31, 2005 through June 30, 2006 reports. The accounts payable section also does not appear to have been properly stated in the reports for November 30, 2005 through June 30, 2006. The check number references help establish control over the school's check stock and should be completed every month. Providing accounts payable information monthly is also important.

We found that a number of procedures outlined in the Internal Funds Manual of the Clay County School Board were not followed by the School. The bookkeeper's failure to provide complete and timely reports, maintain required documentation to support school deposits and disbursements and the failure to pay certain invoices made it difficult for the principal to know the status of the internal funds during the year.

We commend the principal for her efforts in the absence of the bookkeeper to remedy many of the problems. Her efforts allowed us to pick up a substantially complete set of records. We encourage the new bookkeeper to avail herself of the assistance of the Clay County School Board's staff to prevent a repeat of last year's problems. It has been a pleasure to have this opportunity to serve you.

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

Certified Public Accountants  
August 7, 2006



# Orange Park Elementary School

1401 Plainfield Ave.  
Orange Park, Florida 32073-3996  
Phone: 278-2040

August 10, 2006

Conner, Hubbard & Company, P.A.  
Certified Public Accountants  
1106 Park Avenue  
Orange Park, FL 32073

Attention: Stella E. Lyman

Dear Ms. Lyman:

This letter is an additional response to the management representation letter which I am returning to your company regarding our audit at Orange Park Elementary for the 2005-2006 school year.

I begin by stating that the 2005-2006 OPE bookkeeper, Beth Maurer, is no longer employed at Orange Park Elementary. She did not complete the school year (which would have been 6-30-06 for a 12 month bookkeeper), leaving during the last week of school (5-24-06).

We now have a new bookkeeper employed at our school and her training will be an on-going and continual process this year. The district has provided support in hopes of circumventing any challenges we may encounter this year. We hope to avoid this type of situation at all costs in the future and are taking measures to see that our new bookkeeper receives the training she needs in order to be successful in the position.

Sincerely,

Pam H. Calloway