

FLEMING ISLAND HIGH SCHOOL
STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE INTERNAL FUNDS

For the Year Ended June 30, 2013

FLEMING ISLAND HIGH SCHOOL

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INDEPENDENT AUDITORS' REPORT

Mr. Charlie Van Zant, Jr., Superintendent
Ms. Denise Adams, Deputy Superintendent
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Mr. Frank Farrell, Member
Ms. Janice Kerekes, Member
Ms. Tina Bullock, Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Fleming Island High School – cash basis for the year ended June 30, 2013.

Management's Responsibility for the Financial Statement

The School's management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal controls that are relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Fleming Island High School for the year ended June 30, 2013, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the statement of cash receipts and disbursements, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Magers & Associates, LLC

Magers & Associates, LLC
Certified Public Accountants
August 12, 2013

FLEMING ISLAND HIGH SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

	Cash Balance July 1, 2012	Receipts	Disbursements	Transfers	Cash Balance June 30, 2013
Athletics	\$ 25,964.16	\$ 285,650.44	\$ 271,138.50	\$ 1,804.16	\$ 42,280.26
Music, Classes, and Clubs	19,907.25	147,817.89	156,334.53	10,156.42	21,547.03
Departments	96,064.45	365,141.45	351,608.94	(8,313.67)	101,283.29
Trust	11,818.95	39,875.17	34,829.89	(5,318.52)	11,545.71
General	11,933.40	29,908.70	46,145.77	29,745.42	25,441.75
Outside Organizations	65,879.97	282,513.98	254,726.76	(28,073.81)	65,593.38
TOTAL	<u>\$ 231,568.18</u>	<u>\$ 1,150,907.63</u>	<u>\$ 1,114,784.39</u>	<u>\$ -</u>	<u>\$ 267,691.42</u>

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

FLEMING ISLAND HIGH SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Basis of Accounting

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

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 Boards of Administration (SBA), Local Government Investment Pool (Florida PRIME). An investment in Florida PRIME is not insured or guaranteed by any government or government agency.

NOTE 2 – CASH BALANCE

The cash balance of \$267,691.42 at June 30, 2013, consists of \$95,720.31 being held in a non-interest bearing checking account, \$171,248.11 invested with the State Board of Administration, and \$723 in uncollected checks that are expected to be collected.

NOTE 3 – INTEREST INCOME

Interest was earned on funds invested with the Clay County School Board in the amount of \$151.84 for the fiscal year ended June 30, 2013.

FLEMING ISLAND HIGH SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

NOTE 4 – SUBSEQUENT EVENTS

The School has evaluated subsequent events through August 12, 2013, the date of the independent auditors' report. There were no material subsequent events to report.

Supplemental Information



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 Ms. Janice Kerekes, Member
 Ms. Tina Bullock, Member

Honorable Members:

At the request of the Clay County School Board, we are providing a schedule of accounts receivable, accounts payable and encumbrances as reported by Fleming Island High School as of June 30, 2013 for their internal funds.

The reported amounts were verified using auditing procedures that we determined would provide sufficient assurance of their existence. The following accounts payable and encumbrances were not paid during the school's fiscal year ending June 30, 2013 and therefore were not included in the statement of cash receipts and disbursements of the internal funds for the fiscal year. Accounts receivables, accounts payables and encumbrances are as follows:

For Fiscal Year Ended June 30, 2013:

Accounts Receivable:

Chevron	\$.41
Barnes and Noble		76.15
Universal Orlando		<u>1,377.00</u>
	\$	<u>1,453.56</u>

Accounts Payable:

Enterprise Leasing Co.	\$	350.24
Wal-Mart		81.80
Varsity		8,753.64
Logo Xpress		393.21
Action Publishing		1,910.84
Staples Credit Plan		113.10
Stumps		258.91
National Honor Society		3,050.00
DeMoulin Bro & Co		694.82
BSN Sports		524.99
Neff Company		<u>2,542.74</u>
		<u>\$18,674.29</u>

Encumbrances:

None.

The principal's report ended June 30, 2013 includes the above accounts payable amounts. Encumbrances are not included on the monthly principal's report.

Magers & Associates, LLC

Magers & Associates, LLC
Certified Public Accountants
August 12, 2013



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Ms. Tina Bullock, Member

Honorable Members:

We have audited the statement of cash receipts and disbursements of the internal funds of Fleming Island High School (the "School") for the year ended June 30, 2013, and have issued our report thereon dated August 12, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Report on Internal Control

In planning and performing our audit, we considered the School's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our testing, we noted four exceptions to the established internal control procedures. The first exception is there were three instances where voided receipts did not include the white copies as required in Section III – Receipts 8A of the Clay County Internal Accounts Manual.

The second exception noted was also in regards to Section III – Receipts 8A of the Clay County Internal Accounts Manual. This section states that funds collected by a teacher or sponsor should be turned into the bookkeeper the same day the funds are collected. We noted five instances where funds were not turned into the bookkeeper on the same day as they were collected. It should be noted that in all of these instances, the bookkeeper documented that the teacher or sponsor was reminded of the policy at the time the funds were turned in late.

The third exception noted was the absence of vendor addresses, vendor representatives, and expected income on one application submitted for the approval of a fund raising event. The inclusion of vendor address, representative, and expected income is a requirement in Section I-General I Fund Raising of the Clay County Internal Accounts Manual.

The last exception noted was an instance where a teacher was unable to locate two receipt booklets she had been issued.

Review of Prior Year Audit Findings

As a part of our audit, we also considered the correction of prior year findings:

In the prior year, our second and third exceptions aforementioned were also noted as exceptions.

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Other Audit Findings or Issues

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

* * *

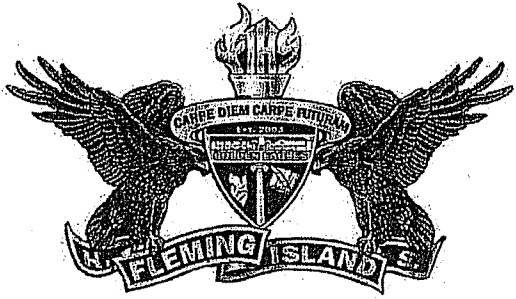
This report is intended solely for the information and use of the Clay County District School Board and its management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Magers & Associates, LLC

Magers & Associates, LLC
Certified Public Accountants
August 12, 2013



Fleming Island High School

2233 Village Square Parkway
Fleming Island, FL 32003
Phone: (904) 541-2100
Fax: (904) 541-2110

Thomas E. Pittman
Principal

Teresa Hankel
Vice Principal

John Chappell
Assistant Principal

Greg Henderson
Assistant Principal

Becky Murphy
Assistant Principal

August 28, 2013

Magers & Associates, LLC
Certified Public Accountants
165 Wells Road Suite 405
Orange Park, Florida 32073

To Whom It May Concern:

This letter is in response to the audit findings for the 2012-2013 school year.

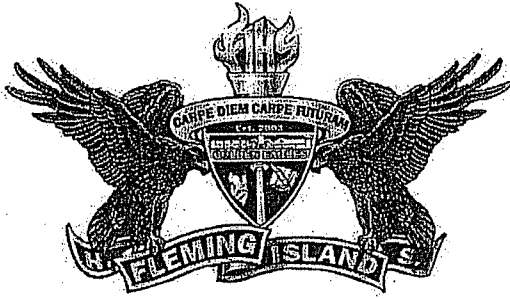
Exception #1: Labels will be put on the cover of each receipt book reminding teachers/sponsors to keep both copies of voided receipts in the receipt book. There is a reminder on the front of the receipt book log stating this also.

Exception#2: Each teacher received a copy of the bookkeeping procedures on the first day back to school. Mr. Pittman spoke to every teacher at grade level meetings that money must be turned in daily, and who they could turn it in to if I was not there, and how important this was. A label will be placed on receipt book covers with reminder to turn money in daily. I will continue to send weekly email reminders also.

Exception #3: Fundraising procedures were explained at grade level meetings and in Bookkeeping Procedures letter placed in teacher's mailboxes. I will be more thorough in checking for completion of fundraising forms.

Exception#4: I will give verbal reminders when receipt book are checked out, that they must be turned in to me by the end of the school year. I will place a label on the receipt books stating this also.

"Preparing tomorrow's leaders, today."



Fleming Island High School

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Thomas E. Pittman
Principal

Teresa Hankel
Vice Principal

John Chappell
Assistant Principal

Greg Henderson
Assistant Principal

Becky Murphy
Assistant Principal

This year, I made folders for all the sports teams, clubs, band, chorus, parents, etcetera, that had a copy of fundraising procedures, concession procedures, bookkeeping procedures, sample fundraising forms, check requests, monies collected forms, and tax exempt forms, as well as contact information for me.

This folder has everything they need to know in one place and should help to prevent problems. We are grateful to you for helping us improve our procedures.

Sincerely,

Tom Pittman,
Principal

Susan Edmonds
Bookkeeper

Green Cove Springs Junior High School

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

For the Year Ended June 30, 2013

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Independent Auditors' Report

Mr. Charlie Van Zant, Jr., Superintendent of Schools
Ms. Carol Studdard
Ms. Janice Kerekes
Ms. Tina Bullock
Ms. Johnna McKinnon
Ms. Lisa Graham

Honorable Members:

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Green Cove Springs Junior High School for the year ended June 30, 2013 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of this financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Green Cove Springs Junior High School for the year ended June 30, 2013, on the cash basis of accounting described in Note 1.

Basis of accounting

As discussed in Note 1 of the financial statement, the financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Adams & Harper PA

Adams & Harper, PA
Orange Park, FL
August 14, 2013

**Green Cove Springs Junior High
Statement of Cash Receipts and Disbursements
of the Internal Funds
For the Year Ended June 30, 2013**

	<u>Cash Balance July 1, 2012</u>	<u>Transactions</u>			<u>Cash Balance June 30, 2013</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	
Athletics	\$ 20,995.37	\$ 104,360.33	\$ 94,728.31	\$ (2,008.04)	\$ 28,619.35
Music	57.97	3,059.58	1,997.00	-	1,120.55
Classes, Clubs, Departments	20,169.76	24,808.26	23,562.84	(10,960.95)	10,454.23
Trust	13,227.48	30,865.75	21,899.65	(17,771.48)	4,422.10
General	10,898.13	19,921.15	21,159.81	30,740.47	40,399.94
Total	\$ 65,348.71	\$ 183,015.07	\$ 163,347.61	\$ -	\$ 85,016.17

See accompanying notes and independent auditors' report

**Green Cove Springs Junior High School
Notes to Statement of Cash Receipts
and Disbursements of the Internal Funds
For the Year Ended June 30, 2013**

Note 1 - Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of accounting

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

Investments

The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts classified as cash equivalents, consisting of the State Board of Administration Local Government Surplus Trust Funds Investment Pool, which effective July 1, 2009, became known as Florida PRIME.

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

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

Note 2 - Cash

The June 30, 2013, ending cash balance of \$ 85,016.17 consists of \$ 59,605.42 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)), \$ 25,410.75 held in an investment account with Florida PRIME, as described in Note 1.

Note 3 - Interest Income

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 65.50, representing an annual yield of approximately 0.25%.

Note 4 – Subsequent Events

The School has evaluated subsequent events through August 14, 2013; the date of the independent auditors' report and the date which the financial statement is considered available to issue. There were no material subsequent events to report.

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Schedule of Accounts Payable and Encumbrances

Mr. Charlie Van Zant, Jr., Superintendent of Schools
Ms. Carol Studdard
Ms. Janice Kerekes
Ms. Tina Bullock
Ms. Johnna McKinnon
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, 2013 of the Green Cove Springs Junior High School internal funds as reported to us by the school.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. The accounts payable and encumbrances were not paid during the 2012-2013 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Green Cove Springs Junior High School for the year ended June 30, 2013.

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

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

The above accounts payable and encumbrances amounts agree with the Principal's Monthly Report as of June 30, 2013.

Adams & Harper, PA

Adams & Harper, PA
Orange Park, FL
August 14, 2013

ADAMS & HARPER, PA

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Ms. Janice Kerekes
Ms. Tina Bullock
Ms. Johnna McKinnon
Ms. Lisa Graham

Honorable Members:

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

Independent Auditors' Report on Internal Control

In planning and performing our audit of the financial statement of Green Cove Springs Junior High School for the year ended June 30, 2013, we considered the School's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Mr. Charlie Van Zant, Jr., Superintendent of Schools and Board Members
Clay County, Florida
Page 2

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

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

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

Auditor Communications With Those Charged With Governance

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

We have audited the statement of cash receipts and disbursements of Green Cove Springs Junior High School Internal Accounts (School) for the year ended June 30, 2013 and have issued our report thereon dated August 14, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 12, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Your Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Green Cove Springs Junior High School Internal Funds are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Mr. Charlie Van Zant, Jr., Superintendent of Schools and Board Members
Clay County, Florida
Page 3

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

Other Audit Findings or Issues

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

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

- Two instances of teachers receiving money from the sale of tickets without including a report of tickets sold, as required by the Internal Accounts Manual page 17.

Mr. Charlie Van Zant, Jr., Superintendent of Schools and Board Members
Clay County, Florida
Page 4

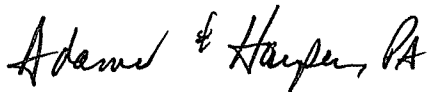
Follow-up on Prior Year Audit Findings

As part of our current year audit, we considered your attention to prior year audit findings. We noted that, during our current year audit, the violations of the Internal Accounts Manual from the previous year have not been repeated.

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

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

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



Adams & Harper, PA
Orange Park, FL
August 14, 2013



GREEN COVE SPRINGS JUNIOR HIGH

1225 BONAVENTURE AVENUE, GREEN COVE SPRINGS, FL. 32043
Phone (904) 579-2160, Fax (904) 579-2144
WWW.MONEYLAY.NET/CCJ

Scott Vaytko
Vice Principal

Jeff Umbaugh
Principal

Jennifer Hatten
Assistant Principal

August 29, 2013

Adams & Harper, PA
1665 Kingsley Avenue Ste 100
Orange Park, FL. 32073

Dear Sir,

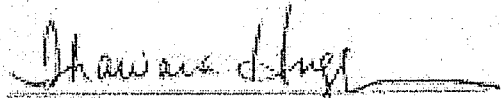
This letter is in response to the deficiency found in the audit for Green Cove Jr. High that ended June 30, 2013.

- In the future we will make every effort to ensure a ticket admission form is completed when collecting money for ticket admission, as required in the Internal Account Manual.

Our goal at Green Cove Jr. High is to stay in compliance with the Internal Funds Manual of the Clay County School District.

Sincerely,


Jeff Umbaugh
Principal


Shawna DeFuge
Bookkeeper

cc: Roni Campbell



GROVE PARK ELEMENTARY SCHOOL

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

For the Year Ended June 30, 2013

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SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



INDEPENDENT AUDITOR'S REPORT

Mr. Charlie Van Zant, Jr., Superintendent of
Schools, Clay County, Florida
Mrs. Carol Studdard
Ms. Janice Kerekes
Ms. Johnna McKinnon
Ms. Lisa Graham
Ms. Tina Bullock

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, 2013. 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 auditing standards generally accepted in the United States of America. 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 U.S. 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, 2013, on the basis of accounting described in Note 1.

Shirley W. Hatcher CPA PA
SHIRLEY W. HATCHER, CPA, P.A.
August 9, 2013

GROVE PARK ELEMENTARY SCHOOL
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 OF THE INTERNAL FUNDS
 For the Year Ended June 30, 2013

Cash Balance	Cash	Transactions			
	Balance July 1, 2012	Receipts	Disburse- ments	Interfund Transfers	
<u>June 30, 2013</u>					
Athletics	\$.00	\$.00	\$.00	\$.00	\$.00
Music	.00	536.00	639.51	103.51	.00
Classes, Clubs & Departments	3,888.53	15,144.29	16,479.59	(166.93)	2,386.30
Trust	10,166.22	10,798.65	10,300.96	(3,685.00)	6,978.91
General	1,390.14	5,072.56	5,859.87	817.76	1,420.50
Outside Organization	<u>9,990.21</u>	<u>9,359.80</u>	<u>16,535.20</u>	<u>2,930.66</u>	<u>5,745.47</u>
Total	<u>\$ 25,435.10</u>	<u>\$40,911.30</u>	<u>\$ 49,815.13</u>	<u>\$.00</u>	<u>\$ 16,531.27</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, 2013**

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 Grove Park Elementary School within the Clay County, Florida school system.

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

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

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

Basis of Accounting

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

Investments

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

**GROVE PARK ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(CONTINUED)
For the Year Ended June 30, 2013**

NOTE 2 – Cash and Cash Equivalents

The June 30, 2013 cash balance of \$16,531.27 as reported on the Statement of Cash Receipts and Disbursements consists of \$7,021.71 which is being held in a non-interest bearing checking account insured by the FDIC and \$9,509.56 which is invested through the School Board's investment program.

NOTE 3 - Interest Income

Interest in the amount of \$23.72, at the rate of .25%, was earned during the year ended June 30, 2013.

NOTE 4 - Subsequent Events

Generally accepted accounting principles require the disclosure of significant events or transactions that occur after the balance sheet date but before the financial statements are issued. The School has evaluated subsequent events through August 9, 2013 and found no significant events or transactions that should be recorded. The evaluation date is considered to be the date the financial statements are available to be issued.

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



Mr. Charlie Van Zant, Jr., Superintendent of
Schools, Clay County, Florida
Mrs. Carol Studdard
Ms. Janice Kerekes
Ms. Johnna McKinnon
Ms. Lisa Graham
Ms. Tina Bullock

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Grove Park Elementary School reported the following accounts payable items or encumbrances at June 30, 2013 for the internal funds.

ACCOUNTS PAYABLE

None

ENCUMBRANCES

None

The above amount agrees with the list provided by the school at June 30, 2013 and with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher CPA PA

SHIRLEY W. HATCHER, CPA, P.A.
August 9, 2013

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



Mr. Charlie Van Zant, Jr., Superintendent of
Schools, Clay County, Florida
Mrs. Carol Studdard
Ms. Janice Kerekes
Ms. Johnna McKinnon
Ms. Lisa Graham
Ms. Tina Bullock

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, 2013, in accordance with auditing standards generally accepted in the United States of America, I considered its internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, I do not express an opinion on the effectiveness of Grove Park Elementary School's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I noted no items which I considered to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with the governance. During my audit, I found the following items considered to be significant deficiencies in internal control for Grove Park Elementary School.

1. Monies were not being turned in to the bookkeeper on a daily basis. I noted several instances of monies being held overnight. One teacher receipt book was lost and not returned.
2. Several disbursement issues were noted during my audit. Two check requisitions were missing supporting documentation, a number of purchases are being made prior to approval, and expenses are being paid from "which ever account has money" rather than the appropriate account for the disbursement. I have discussed the proper procedures with the bookkeeper for transferring funds to cover expenses, attaching all supporting documentation to the purchase requisitions, and informing individuals to obtain approval prior to making a purchase.
3. While the transfer forms were signed by office personnel, several year-end transfer forms were missing the signatures of the corresponding sponsors. Inasmuch as the sponsors are accountable for funds in their respective accounts, the sponsors should sign for approval on transfers involving the specific account.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2012 audit report, there were no items noted in that report.

Communication with Those Charged with Governance

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

Significant Audit Findings

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

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

Difficulties Encountered in Performing the Audit - I encountered no significant difficulties in dealing with management in performing and completing our audit.

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

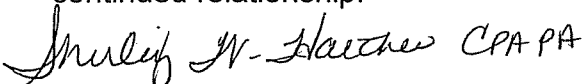
Disagreements with Management - For purposes of this letter, professional standards define a disagreement with management as a financial accounting, report, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.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

Management Representations - I have requested certain representations from management that are included in the management representation letter dated August 9, 2013.

Other Auditing Findings or Issues - I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

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

Overall the records of Grove Park Elementary School were extremely neat and orderly. I wish to take this opportunity to commend the staff and faculty of Grove Park Elementary School for the cooperation and courtesies extended during my audit. I look forward to a continued relationship.


SHIRLEY W. HATCHER, CPA, P.A.
August 9, 2013

Grove Park Elementary School

Dream Big Dreams, Do Great Things!



1643 Miller Street

Orange Park, FL 32073

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

Linda Pratt
Principal

Dimitra M. Mainer
Assistant Principal

August 30, 2013

Mrs. Shirley W. Hatcher, CPA, PA
2239 Blanding Blvd., Suite 2
Middleburg, FL 32068

Dear Ms. Hatcher,

Thank you for your thorough review of Grove Park Elementary School's cash receipts and disbursements of internal funds for 2012-2013.

In response to specific items listed of concern the following corrections are addressed:

1. *Monies were not being turned in to the bookkeeper on a daily basis.* In the future, policies will be in place to ensure that teachers will hand in all monies before the end of the school day.
2. *Several disbursement issues were noted during audit ... check requisitions were missing supporting documentation, a number of purchases are being made prior to approval, and expenses are being paid from which ever account has money rather than the appropriate account for disbursement.* In the future, proper procedures will be followed to ensure that check requisitions have the correct supporting documentation before making purchases.
3. *Transfers were signed by office personnel that were missing corresponding sponsor signatures.* In the future, the correct sponsor will sign for the transfer of funds.

Grove Park Elementary School appreciates the support of Shirley W. Hatcher, CPA, PA, services and we look forward to working with the firm again next year.

Sincerely,

Mrs. Linda Pratt, Principal
Grove Park Elementary School

Cc: Roni Campbell, Coord. of IA/Purchasing/AP

S. BRYAN JENNINGS ELEMENTARY SCHOOL

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

For the Year Ended June 30, 2013

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SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



INDEPENDENT AUDITOR'S REPORT

Mr. Charlie Van Zant, Jr., Superintendent of
Schools, Clay County, Florida
Mrs. Carol Studdard
Ms. Janice Kerekes
Ms. Johnna McKinnon
Ms. Lisa Graham
Ms. Tina Bullock

Honorable Members:

I have audited the accompanying statement of cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2013. 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 auditing standards generally accepted in the United States of America. 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 U.S. 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 S. Bryan Jennings Elementary School for the year ended June 30, 2013, on the basis of accounting described in Note 1.

Shirley W. Hatcher CPA PA

SHIRLEY W. HATCHER, CPA, P.A.
August 9, 2013

S. BRYAN JENNINGS ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

	Cash Balance <u>July 1, 2012</u>	Transactions			Cash Balance <u>June 30, 2013</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Interfund Transfers</u>	
Athletics	\$.00	\$.00	\$.00	\$.00	\$.00
Music	.00	.00	.00	.00	.00
Classes, Clubs & Departments	5,106.48	20,084.50	17,370.13	(20.00)	7,800.85
Trust	8,684.05	9,423.87	8,426.03	20.00	9,701.89
General	4,605.29	27,519.69	24,143.07	.00	7,981.91
Outside Organization	<u>3,918.59</u>	<u>5,093.43</u>	<u>8,757.89</u>	<u>.00</u>	<u>254.13</u>
Total	<u>\$ 22,314.41</u>	<u>\$62,121.49</u>	<u>\$ 58,697.12</u>	<u>\$.00</u>	<u>\$ 25,738.78</u>

See accompanying notes to statement of cash receipts and disbursements.

S. BRYAN JENNINGS ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2013

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 S. Bryan Jennings Elementary School within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at S. Bryan Jennings Elementary 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 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. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

**S. BRYAN JENNINGS ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(CONTINUED)**

For the Year Ended June 30, 2013

NOTE 2 – Cash and Cash Equivalents

The June 30, 2013 cash balance of \$25,738.78 as reported on the Statement of Cash Receipts and Disbursements consists of \$6,404.65 which is being held in a non-interest bearing checking account insured by the FDIC and \$19,334.13 which is invested through the School Board's investment program.

NOTE 3 - Interest Income

Interest in the amount of \$48.21, at the rate of .25%, was earned during the year ended June 30, 2013.

NOTE 4 - Subsequent Events

Generally accepted accounting principles require the disclosure of significant events or transactions that occur after the balance sheet date but before the financial statements are issued. The School has evaluated subsequent events through August 9, 2013 and found no significant events or transactions that should be recorded. The evaluation date is considered to be the date the financial statements are available to be issued.

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



Mr. Charlie Van Zant, Jr., Superintendent of
Schools, Clay County, Florida

Mrs. Carol Studdard

Ms. Janice Kerekes

Ms. Johnna McKinnon

Ms. Lisa Graham

Ms. Tina Bullock

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, S. Bryan Jennings Elementary School reported the following accounts payable items or encumbrances at June 30, 2013 for the internal funds.

ACCOUNTS PAYABLE

Clay County School Board	\$.04
Home Depot	29.80
Sam's Club	<u>166.70</u>
Total	<u>\$ 196.54</u>

ENCUMBRANCES

None

The above amount agrees with the list provided by the school at June 30, 2013 and with the Principal's Report. Auditing procedures as I considered necessary under the circumstances were applied to the verification of these accounts payable.

Shirley W. Hatcher CPA PA

SHIRLEY W. HATCHER, CPA, P.A.

August 9, 2013

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



Mr. Charlie Van Zant, Jr., Superintendent of
Schools, Clay County, Florida
Mrs. Carol Studdard
Ms. Janice Kerekes
Ms. Johnna McKinnon
Ms. Lisa Graham
Ms. Tina Bullock

Honorable Members:

In planning and performing my audit of the statement of cash receipts and disbursements of the internal funds of S. Bryan Jennings Elementary School for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, I considered its internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, I do not express an opinion on the effectiveness of S. Bryan Jennings Elementary School's internal control.

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

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

1. Sales tax is not being paid on purchases of items for resale as required by the Internal Funds Manual and Florida Statute. The school should implement procedures to ensure all parties understand the laws pertaining to sales tax payments and/or collections.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with the governance. During my audit, I found the following items considered to be significant deficiencies in internal control for S. Bryan Jennings Elementary School.

1. Monies were not being turned in to the bookkeeper on a daily basis. I noted several instances of monies being held overnight and at least two instances of monies being held for nine (9) days. Two teacher receipt books were issued and returned, but there was no record of the original issuance.
2. Requisitions and fundraising forms should contain more specific descriptions as to the purpose of the expenditure and the purpose of the fundraiser. Requisition forms simply state "merchandise, reimbursement, or refund" in the description line. Likewise, several fundraising forms stated the purpose as "items not funded in budget" rather than a specific purpose. Page 12 of the Internal Funds Manual states that the specific purpose of the fundraiser is to be included on the form.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2012 audit report, there were no items noted in that report.

Communication with Those Charged with Governance

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

Significant Audit Findings

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

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

Difficulties Encountered in Performing the Audit - I encountered no significant difficulties in dealing with management in performing and completing our audit.

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

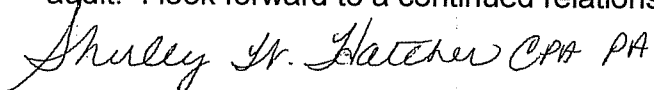
Disagreements with Management - For purposes of this letter, professional standards define a disagreement with management as a financial accounting, report, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.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

Management Representations - I have requested certain representations from management that are included in the management representation letter dated August 9, 2013.

Other Auditing Findings or Issues - I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

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

Overall the records of S. Bryan Jennings Elementary School were extremely neat and orderly. I wish to take this opportunity to commend the staff and faculty of S. Bryan Jennings Elementary School for the cooperation and courtesies extended during my audit. I look forward to a continued relationship.


SHIRLEY W. HATCHER, CPA, P.A.
August 9, 2013

S. Bryan Jennings Elementary School

215 Corona Drive • Orange Park, Florida 32073

Phone: (904) 213-3021

www.clay.k12.fl.us/sbj

Fax: (904) 213-3014

Mrs. Tiffany Outman
Principal

Ms. Amy Dyal
Assistant Principal

August 28, 2013

Shirley W Hatcher, CPA, PA
2239 Blanding Blvd., Suite 2
Middleburg, Florida 32068

Dear Ms. Hatcher:

Your firm made the following comments in the August 9, 2013 letter to the Superintendent, Mr. Charlie Van Zant, Jr., and the Clay County School Board Members concerning the audit of our Internal Funds at S. Bryan Jennings Elementary School.

In response to Findings:

Sales Tax was not paid on certain items for resale. I will bring it to the attention of those charged with following this task and follow-up to ensure compliance.

Monies not turned in to the Bookkeeper on a daily basis and two Receipt Books checked out but not recorded. I will reiterate to my Faculty and Staff the importance of the funds being turned in on a daily basis. I believe these two instances in question may have been a date error. When she (my former Bookkeeper) entered receipts, she inadvertently entered the wrong date, thus it looked as if the funds were held. We will strive to be more aware of this issue. We will also ensure the Receipt Books are duly recorded in the future.

Requisitions and Fundraising Forms should contain more specific descriptions of purpose of expenditure. In the future, we will be more diligent in expanding this information.

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

Sincerely,



Tiffany Outman
Principal

TO/lar

Keystone Heights Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

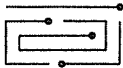
For the Year Ended June 30, 2013



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

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

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

Clay County School Board
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Janice Kerekes, Member
Ms. Johnna McKinnon, Member
Ms. Tina Bullock, Member

Honorable Members:

Report on the Financial Statements

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Keystone Heights Elementary School for the year ended June 30, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Nashville, Georgia 31639
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To the Honorable Members
August 16, 2013
Page 2 of 2

Auditor's Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Keystone Heights Elementary School for the year ended June 30, 2013 on the basis of accounting described in Note 1.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants
Orange Park, Florida

August 16, 2013

KEYSTONE HEIGHTS ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

	Cash Balance	Transactions			Cash Balance
	July 1, 2012	Receipts	Disbursements	Transfers	June 30, 2013
Music	\$ 2,432.72	\$ 4,734.00	\$ 7,482.47	\$ 850.00	\$ 534.25
Classes, Clubs & Departments	9,201.33	68,865.82	65,790.19	20.00	12,296.96
Trust	4,442.33	16,741.91	17,839.28	(212.56)	3,132.40
General	12,718.72	6,639.56	11,075.67	212.56	8,495.17
Outside Organizations	641.21	3,323.07	2,337.63	(870.00)	756.65
	<u>\$ 29,436.31</u>	<u>\$ 100,304.36</u>	<u>\$ 104,525.24</u>	<u>\$ -</u>	<u>\$ 25,215.43</u>

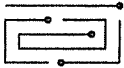
The accompanying notes are an integral part of this financial statement.

KEYSTONE HEIGHTS ELEMENTARY SCHOOL

Notes to Statement of Cash Receipts and Disbursements

For The Year Ended June 30, 2013

- NOTE 1 The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2 Interest of \$109.60 was earned on the checking account and on funds invested with the Clay County School Board during the fiscal year ended June 30, 2013.
- NOTE 3 The cash balance of \$25,215.43 at June 30, 2013, shown on the statement of cash receipts and disbursements consists of \$12,339.19 being held in the checking account, \$12,861.24 invested with the Clay County School Board and \$15.00 in insufficient checks held for collection.
- NOTE 4 The school has performed an evaluation of subsequent events through August 16, 2013, the date the financial statements were available to be issued. There were no events or transactions that met disclosure requirements.



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Taxation, Accounting, Pension Planning, and Business Counseling

Clay County School Board
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Janice Kerekes, Member
Ms. Johnna McKinnon, Member
Ms. Tina Bullock, Member

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2013 of the Keystone Heights Elementary School internal funds as reported to us by the School.

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

The following is a list of accounts payable and encumbrances as of June 30, 2013.

Accounts Payable

Staples Advantage	\$76.88
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Encumbrances

None

The accounts payable balance shown above agrees with the June 30, 2013 Principal's Monthly Report.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

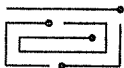
August 16, 2013

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Clay County School Board
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Janice Kerekes, Member
Ms. Johnna McKinnon, Member
Ms. Tina Bullock, Member

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Keystone Heights Elementary School for the year ended June 30, 2013, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

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

One instance were 7 entries on the "Monies Collected" form did not match the date, name or amount in the teacher receipt books.

Two instances where checks were only signed by the bookkeeper.

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

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 16, 2013

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

MARY S. MIMBS
Principal



ERIN N. URIA
Assistant Principal

August 21, 2013

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

Dear Mr. Hubbard:

This letter is being written in response to the Independent Auditor's Report received during our school's exit interview on Friday, August 16, 2013. We have reviewed all comments very carefully and listed below are our responses.

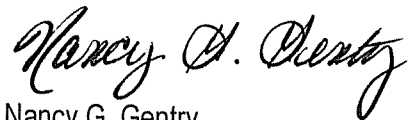
1. One instance where seven entries on the "Monies Collected" form did not match the date, name or amount in the teacher receipt books.
The receipt book and monies collected for Receipt #12440 on 3/21/13 received from Safety Patrol for \$1,150.00 were pulled for further review by the Sponsor and me. It has been confirmed that the actual money turned in for deposit to the bank was accurate. Accuracy in recording information in all receipt books and monies collected will be closely monitored by the Teacher and/or Sponsor as well as the Bookkeeper.
2. Two instances where checks were only signed by the Bookkeeper.
The bank statement for March 2013 has been pulled. Mrs. Mimbs, Principal, has verified and subsequently signed off on both checks listed on the March bank statement that the following checks were accurate and approved at the time they were issued:
Check #12533 – Annett Bus Lines (02/1/2013)
Check #12549 – Leukemia and Lymphoma Society (02/28/2013)

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

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

In closing, Keystone Heights Elementary School would like to thank you for the time and effort put forth in completing our audit. Both Mrs. Mimbs and I also appreciate the kind commendations mentioned in your final report to the Clay County School Board.

Sincerely,

A handwritten signature in cursive script that reads "Nancy G. Gentry".

Nancy G. Gentry
Principal's Secretary and Bookkeeper

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

Mary S. Mimbs
Principal
Keystone Heights Elementary School