

Clay High School

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

For the Year Ended June 30, 2013

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ADAMS & HARPER, PA

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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 Clay 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 the 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 Clay 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 to 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 20, 2013

Clay High School
Statement of Cash Receipts and Disbursements
of the Internal Funds
For the Year Ended June 30, 2013

	Cash Balance July 1, 2012	Transactions			Cash Balance June 30, 2013
		Receipts	Disburse- ments	Transfers	
Athletics	\$ 67,848.25	\$ 295,824.05	\$ 285,044.52	\$ (4,196.00)	\$ 74,431.78
Music	18,466.68	45,365.21	40,853.23	(231.49)	22,747.17
Classes, Clubs, Departments	48,908.89	203,631.63	213,355.88	3,036.04	42,220.68
Trust	19,312.79	27,584.29	33,110.97	11.27	13,797.38
General	7,269.96	24,382.70	29,474.36	1,318.69	3,496.99
Outside Orangizations	4,245.77	27,133.52	29,990.21	61.49	1,450.57
Total	\$ 166,052.34	\$ 623,921.40	\$ 631,829.17	-	\$ 158,144.57

See accompanying notes and independent auditors' report

Clay 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 Clay High School within the Clay County, Florida school system.

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

The Florida Department of Education and Clay County District Schools have established rules and regulations concerning 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; therefore, it reflects only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 8 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 \$ 158,144.57 consists of \$ 21,297.16 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)), \$ 136,591.91 held in an investment account with Florida PRIME, as described in Note 1, and \$ 255.50 in NSF checks receivable.

Note 3 - Interest Income

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 340.76, representing an annual yield of approximately 0.25%.

Note 4 – Subsequent Events

The School has evaluated subsequent events through August 20, 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 Clay 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 Clay High School for the year ended June 30, 2013.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Bailey Williams	\$ 500.00
	Berman Brothers	1,700.00
	Brandy Groves	350.00
	Brown & Cartwright	9.58
	BSN Sports	66.00
	Cassandra Tran	1,000.00
	Ciara Hicks	650.00
	Collin Reedy	850.00
	Courtney Ward	650.00
	Enterprise Leasing	190.76
	Eurosport	987.53
	FL Dept. of Revenue	0.80
	GTM Sportswear	5,106.00
	Hometown Trophies	884.20
	Kayla Dalen	650.00

Kikis Tees	4,536.49
Lee Bruey, DVM	65.98
Libert's	73.67
Lindsey Quinones	350.00
Mel-Ray Industries	216.20
Office Depot	24.52
Premier Southern Tickets	539.46
Rachael Winton	500.00
Rebecca VanGysegm	650.00
Reel Precision	555.95
Varsity Spirit Fashion	4,356.25
Wal-Mart	206.68
Winn Dixie	261.75
Yasmeen Davis	500.00
TOTAL	<u><u>\$26,431.82</u></u>

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	BSN Sports	\$ 1,020.00
	Electro-Mech	11,643.00
	Eurosport	970.94
	Neff Co.	2,613.00
	University of Iowa	99.00
	TOTAL	<u><u>\$16,345.94</u></u>

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

Adams & Harper, PA

Adams & Harper, PA
 Certified Public Accountants
 August 20, 2013

ADAMS & HARPER, PA

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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:

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

Independent Auditors' Report on Internal Control

In planning and performing our audit of the financial statement of Clay 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.

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 Clay High School Internal Accounts (School) for the year ended June 30, 2013 and have issued our report thereon dated August 20, 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 20, 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 Clay 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 statements are clear and consistent. The use of the cash basis of reporting is highlighted to alert any reader of that convention.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

Other Audit Findings or Issues

We also wish to inform you that we discovered other 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 (2) instances of teachers issuing altered receipts to students. According to the Internal Accounts Manual page 17, teachers must void any incorrect receipts and issue new receipts.
- The school store is not taking beginning and ending inventories, as required on page 64 of the Internal Accounts Manual.

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

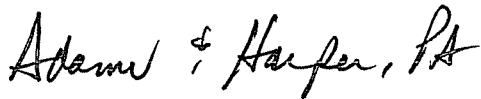
Follow-up on Prior Year Audit Findings

As part of our current year audit, we considered your attention to prior year audit findings. During the course of our audit, we noted that the violations of the Internal Accounts Manual from the previous year have been adequately addressed.

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

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

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

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

Adams & Harper, PA
Orange Park, FL
August 20, 2013

CLAY HIGH SCHOOL

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

Peter J. McCabe, Principal
Matthew Lewis, Assistant Principal



Cary Dicks, Vice Principal
Frances Celis, Assistant Principal

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

August 26, 2013

Dear Sirs:

I would like to thank you for the recommendations and comments you shared with the bookkeeper and myself during the exit interview for this year's internal account audit.

As for your finding regarding alterations in teacher's receipt books; the bookkeeper will go over the procedures for receipt books and stress the importance of following them to each recipient when the book is checked out.

We will make sure that a beginning and ending inventory for the school store is performed this year.

It was a pleasure working with you through the audit this year. As always Clay High School will strive to follow the procedures set forth in the Internal Accounts Manual.

Sincerely,

Peter J. McCabe
Principal

CLAY HILL ELEMENTARY 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. Charles Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard
Ms. Lisa Graham
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

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, 2013. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

DuVal Fields CPA Group, PA
DuVal Fields CPA Group, P.A.
August 13, 2013

Clay Hill Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2013

	Balance July 1, 2012	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2013
Athletics	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Music	787.42	1,008.89	1,204.46	4.00	595.85
Classes, Clubs and Departments	14,254.10	33,327.34	36,889.19	(83.04)	10,609.21
Trusts	16,225.11	12,631.84	25,883.80	(918.81)	2,054.34
General	5,434.85	41,002.40	39,549.34	552.52	7,440.43
Outside Organizations	2,439.58	566.00	3,111.08	445.33	339.83
TOTALS	<u>\$ 39,141.06</u>	<u>\$ 88,536.47</u>	<u>\$ 106,637.87</u>	<u>\$ (0.00)</u>	<u>\$ 21,039.66</u>

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

CLAY HILL ELEMENTARY 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 includes the effects of transactions and balances relating to the internal accounts of Clay Hill 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 Clay Hill Elementary School.

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

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

Basis of accounting

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

CLAY HILL ELEMENTARY 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 (cont.)

Investments

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

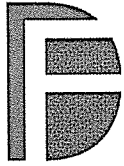
NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2013 cash balance, totaling \$21,039.66 consists of \$8,286.07 in a noninterest bearing checking account with Wells Fargo Bank, and \$12,753.59 in an investment account with the Clay County School Board.

The school confirmed that there are no other bank accounts for school operations other than those listed above.

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2013 was \$31.81. This represented a yield of approximately .25% for that period.



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

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Clay Hill Elementary School at June 30, 2013.

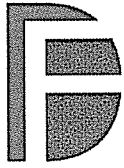
<u>ACCOUNTS PAYABLE</u>	<u>\$0.00</u>
<u>ENCUMBRANCES</u>	<u>\$0.00</u>

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

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

DuVal Fields CPA Group, PA

DuVal Fields CPA Group, P.A.
August 13, 2013



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

Honorable Members:

In connection with our audit of Clay Hill Elementary School's (the "school") financial statement as of June 30, 2013 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2013 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants required that we advise you of the following internal control matters identified during our integrated audit.

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

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

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

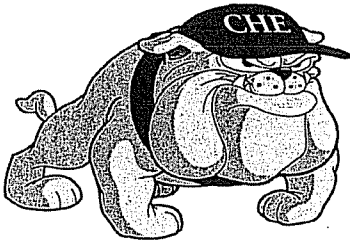
Overall, we found the internal accounting records neat and orderly. In addition, we found the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual.

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

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

DuVal Fields CPA Group, PA

DuVal Fields CPA Group, P.A.
August 13, 2013



Clay Hill Elementary School

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Jacksonville, Florida 32234
Main Office 289-7193 Fax 289-9667

Tracey Kendrick
Principal

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Bonnie Barker
Assistant Principal

September 3, 2013

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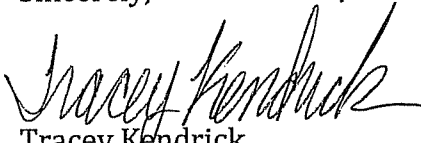
Dear Sir:

Thank you for performing a thorough audit of our internal accounts for the 2012-2013 school year.

Clay Hill Elementary strives to follow the guidelines provided to us in the internal accounts manual for Clay County Schools. As you noted there were no irregularities, or discrepancies involving management or employees in the internal control structure at Clay Hill Elementary. This is in no small part due to the efforts of the bookkeeper's (Mrs. Tammy Taylor and Mrs. Nancy Rysak), attention to detail.

Thank you again for the professional way in which you have handled our audit.

Sincerely,


Tracey Kendrick
Principal
Clay Hill Elementary

Cc: Roni Campbell

CLAY VIRTUAL ACADEMY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2013

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Clay Virtual Academy for the year ended June 30, 2013. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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



Emily C. Helms, CPA, PA
August 20, 2013

CLAY VIRTUAL ACADEMY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2013

	Cash	Transactions			Cash
	Balance	Receipts	Disburse- ments	Interfund Transfers	Balance
	July 1, 2012				June 30, 2013
Classes, Clubs, Departments	\$ -	3,934.40	2,954.00	(50.00)	930.40
Trust	\$ -	250.00	300.00	50.00	0.00
General	\$ -	832.50	642.92		189.58
Outside Organizations	\$ -	143.51			143.51
Total	\$ -	\$ 5,160.41	\$ 3,896.92	\$ -	\$ 1,263.49

See accompanying notes and accountant's report.

CLAY VIRTUAL ACADEMY

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 includes the effects of transactions and balances relating to the internal accounts of Clay Virtual Academy (the School) within the Clay County, Florida school system.

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

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

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

Basis of accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 8 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 Statue, Section 230.23(10) (k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts classified as cash equivalents with the Florida State Board of Administration (SBA) Local Government Investment Pool (Florida PRIME).

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

CLAY VIRTUAL ACADEMY

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2013

NOTE 2 Cash

The June 30, 2013, total cash balance of \$1,263.49 as reported on the statement of cash receipts and disbursements consists of \$1,263.49 being held in a non interest checking account insured by the FDIC.

NOTE 3 Subsequent Events

The School has evaluated subsequent events through August 20, 2013, the date of the independent auditor's report. There were no material subsequent events to report.

Supplemental Information

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Clay Virtual Academy reported the following accounts payable and encumbrances as of June 30, 2013:

Accounts Payable

None

Encumbrances

None

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

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 2012-2013 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Clay Virtual Academy for the year ended June 30, 2013.



Emily C. Helms, CPA, PA
August 20, 2013

EMILY C. HELMS, CPA, PA

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

Honorable Members:

We have audited the internal funds financial statement of Clay Virtual Academy as of and for the year ended June 30, 2013 and have issued our report thereon dated August 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

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

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

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

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

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

1. Request for Purchase Approval and Check Requisitions are being prepared after the purchase is made and at the time the check is issued. We recommend the bookkeeper, reviews the Clay County School Board Internal Accounts Manual, Disbursements Procedures, pages 32 through 35 to better understand the correct disbursement procedures.
2. Fund-raising Applications are incomplete or inaccurate. We recommend the bookkeeper review the Clay County School Board Internal Accounts Manual, Fund-Raising Applications, pages 11 through 14 to better understand the correct fund-raising procedures.

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

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

Communication with Those Charged with Governance

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

Our Responsibility under Generally Accepted Auditing Standards

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

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing outlined in the Clay County District School Board letter dated May 17, 2013.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2013. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

We commend the principal and the bookkeeper for an excellent job. It has been a pleasure to have this opportunity to serve Clay Virtual Academy 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 20, 2013

ClayVirtual

a c a d e m y

DR. SARYN L. HATCHER,
PRINCIPAL



September 4, 2013

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

I have reviewed your findings and appreciate your time. In response, I have:

1. Reviewed the Internal Account Manual, pages 32 through 35, and have a better understanding on disbursement procedures for requests for purchase approval and check requisitions.
2. Reviewed the Internal Account Manual, Fund-Raising Applications, pages 11 through 14, and have a better understanding on the fund-raising procedures.

After reviewing these areas I will strive to insure that the proper procedures in both cases will be followed in the future.

Thank you again for your time and for the help you gave me while you were here.

A handwritten signature in cursive script that reads "Lori Theus".

Lori Theus
Principal's Secretary
Clay Virtual Academy

COPPERGATE ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2013

Steven W. Keenan, CPA
Certified Public Accountant

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Steven W. Keenan, CPA
Certified Public Accountant

Steven W. Keenan, CPA
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INDEPENDENT AUDITOR'S REPORT

Mr. Charles E. Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

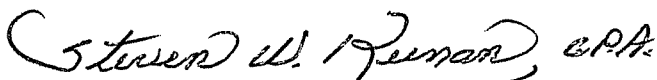
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Coppergate Elementary School for the year ended June 30, 2013. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 basis of cash receipts and disbursements which is a comprehensive basis of accounting other than US 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 Coppergate Elementary School for the year ended June 30, 2013, on the basis of accounting described in Note 1.



Steven W. Keenan, CPA

August 19, 2013

COPPERGATE ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the year Ended June 30, 2013

	Cash	Transactions			Cash
	Balance July 1, 2012	Receipts	Disburse- ments	Transfers	Balance June 30, 2013
Music	\$ 335.34	\$ 2,114.21	\$ 1,995.21	\$ -	\$ 454.34
Classes, Clubs, Departments	11,890.18	41,992.15	49,055.89	3,684.48	8,510.92
Trust	5,259.31	20,164.55	25,380.47	3,366.47	3,409.86
General	6,444.81	7,501.26	12,388.13	2,605.29	4,163.23
Outside Organizations	4,346.87	34,703.04	23,929.12	(9,656.24)	5,464.55
Total	\$ 28,276.51	\$ 106,475.21	\$ 112,748.82	\$ -	\$ 22,002.90

COPPERGATE ELEMENTARY 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 includes the effects of transactions and balances relating to the internal account of Coppergate 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 Coppergate Elementary.

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

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

Basis of accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted method of accounting for Florida school internal accounts as defined by Chapter 8 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, and is required under Rule 6A-1.085 of the Florida Administrative Code, 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, 2013, total cash balance of \$22,002.90 as reported on the statement of cash receipts and disbursements is held in a non-interest bearing checking account insured by the FDIC.

NOTE 3 Interest Income

There was no interest earned during the year ended June 30, 2013.

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 19, 2013, the date of the independent auditor's report. There were no material subsequent events to report.

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Mr. Charles E. Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Coppergate Elementary School reported the following accounts payable and encumbrances as of June 30, 2013:

Accounts Payable

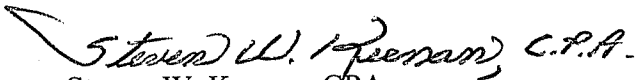
Staples	\$83.84
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Encumbrances

None	\$0
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The above accounts payable list agrees with the Principals Report as of June 30, 2013. Encumbrances are not included in the Principals Report.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2012-2013 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Coppergate Elementary School for the year ended June 30, 2013.


Steven W. Keenan, CPA
August 19, 2013

Steven W. Keenan, CPA

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Mr. Charles E. Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

Honorable Members:

We have audited the internal funds financial statement of Coppergate Elementary School for the year ended June 30, 2013 and have issued our report thereon dated August 19, 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) 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 the internal control structure such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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 outlined in the Clay County District letter dated May 17, 2013.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2013. We noted no transactions entered into by the School during the year for which there was 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 statements are neutral, consistent, and clear. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

We encountered no disagreement during the course of our audit.

Management Representations

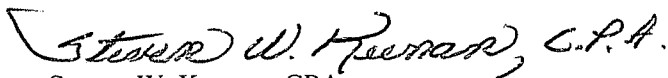
We have requested certain representations from management that are included in the management representation letter.

Other Audit Findings or Issues

We would like to point out that there were no items noted that were not in accordance with the rules and regulations directed in the Internal Accounts Manual. As part of our audit, we also considered the correction of prior year findings. The prior year discrepancies reported were corrected.

This report is intended solely for the information and use of Clay County School Board, management, and others within the school system. This restriction is not intended to limit the distribution of this report, which upon acceptance, is a matter of public record.

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



Steven W. Keenan, CPA
August 19, 2013



COPPERGATE ELEMENTARY SCHOOL

3460 COPPER COLTS COURT
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PHONE (904) 291-5594

FAX (904) 291-5597

David Nix
Principal

"Home of the Colts"
www.oneclay.net/CGE

Debra Gaynes
Asst. Principal

August 21, 2012

Steven W. Keenan, CPA
673 Kingsley Avenue, Suite D
Orange Park, FL 32073

Dear Mr. Keenan:

Thank you for your time and effort in your audit of the Coppergate Elementary Internal Accounts for the 2012-3013 fiscal year. It was a pleasure meeting you and receiving your assessment of our accounts.

I was very pleased with your positive comments regarding our bookkeeper, Bonnie Dubberly. Mrs. Dubberly takes great pride in her work and is very conscientious in her duties. I know she was grateful, as was I, for your acknowledgement of the good job she does. We are so fortunate to have an exemplary faculty and staff, who strive to do the best job possible. Rest assured that we will continue to strive for excellence in this area.

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

Sincerely,

David Nix, Principal

DN:bd

cc: Roni Campbell

DOCTORS INLET ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2013

Steven W. Keenan, CPA
Certified Public Accountant

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Steven W. Keenan, CPA
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Mr. Charles E. Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

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, 2013. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 basis of cash receipts and disbursements which is a comprehensive basis of accounting other than US 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, 2013, on the basis of accounting described in Note 1.



Steven W. Keenan, CPA
August 19, 2013

DOCTORS INLET ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For the year Ended June 30, 2013

	Cash Balance July 1, 2012	Transactions			Cash Balance June 30, 2013
		Receipts	Disburse- ments	Transfers	
Music	\$ 791.98	\$ 3,098.67	\$ 3,459.91	\$ -	\$ 430.74
Classes, Clubs, Departments	29,046.36	65,134.57	66,973.57	(1,580.96)	25,626.40
Trust	2,242.39	15,573.47	12,929.59	(37.50)	4,848.77
General	6,369.61	4,937.29	9,882.49	1,618.46	3,042.87
Outside Organizations	7,889.57	20,798.15	17,095.72	-	11,592.00
Total	\$ 46,339.91	\$ 109,542.15	\$ 110,341.28	\$ (0.00)	\$ 45,540.78

DOCTORS INLET ELEMENTARY 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 includes the effects of transactions and balances relating to the internal account of Doctors Inlet 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 Doctors Inlet Elementary.

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

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

Basis of accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted method of accounting for Florida school internal accounts as defined by Chapter 8 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, and is required under Rule 6A-1.085 of the Florida Administrative Code, 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, 2013, total cash balance of \$45,540.78 as reported on the statement of cash receipts and disbursements consists of \$32,695.51 being held in a non-interest bearing checking account insured by the FDIC and \$12,845.27 held in an investment account with the Clay County Schools.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$32.04. This represents a yield of approximately .25 percent.

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 19, 2013, the date of the independent auditor's report. There were no material subsequent events to report.

Steven W. Keenan, CPA
Certified Public Accountant

673 Kingsley Avenue, Ste. D
Orange Park, FL 32073

Mansard Place

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Facsimile (904) 579-4294

Mr. Charles E. Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, Doctors Inlet Elementary School reported the following accounts payable and encumbrances as of June 30, 2013:

Accounts Payable

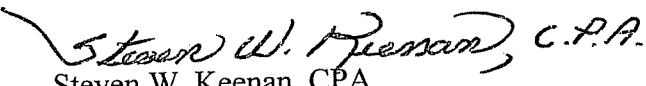
None \$0

Encumbrances

None \$0

The above accounts payable list agrees with the Principals Report as of June 30, 2013. Encumbrances are not included in the Principals Report.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2012-2013 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Doctors Inlet Elementary School for the year ended June 30, 2013.


Steven W. Keenan, CPA
August 19, 2013

Steven W. Keenan, CPA

Certified Public Accountant

673 Kingsley Avenue, Ste. D
Orange Park, FL 32073

Mansard Place

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

Mr. Charles E. Van Zant, Jr., Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

Honorable Members:

We have audited the internal funds financial statement of Doctors Inlet Elementary School for the year ended June 30, 2013 and have issued our report thereon dated August 19, 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) 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 the internal control structure such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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 outlined in the Clay County District letter dated May 17, 2013.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2013. We noted no transactions entered into by the School during the year for which there was 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 statements are neutral, consistent, and clear. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

We encountered no disagreement during the course of our audit.

Management Representations

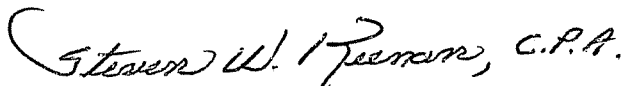
We have requested certain representations from management that are included in the management representation letter.

Other Audit Findings or Issues

We would like to point out that there were no items noted that were not in accordance with the rules and regulations directed in the Internal Accounts Manual. As part of our audit, we also considered the correction of prior year findings. The prior year discrepancy reported was corrected.

This report is intended solely for the information and use of Clay County School Board, management, and others within the school system. This restriction is not intended to limit the distribution of this report, which upon acceptance, is a matter of public record.

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


Steven W. Keenan, CPA
August 19, 2013

Doctors Inlet Elementary School



Anne H. Miller
Principal
Ruth Casias
Assistant Principal

2634 County Road 220
Middleburg, Florida 32068
(904) 213-3000
Fax: (904) 213-3011

September 4, 2013

Steven W. Keenan, CPA
673 Kingsley Ave. Ste D
Orange Park, FL 32073

Dear Mr. Keenan,

Thank you for conducting our 2012-13 Internal Accounts Audit.
We will continue to work with our teachers and staff to perform another great audit like
this year!

Thank you, again; and we look forward to working with you next summer.

Sincerely,

Anne H. Miller
Principal
ahm/ncl

FLEMING ISLAND ELEMENTARY SCHOOL

STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE INTERNAL FUNDS

For the Year Ended June 30, 2013

FLEMING ISLAND ELEMENTARY 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 Elementary 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 Elementary 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 8, 2013

FLEMING ISLAND ELEMENTARY 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
Music	\$ 1,439.02	\$ 1,497.76	\$ 2,877.94	\$ 906.21	\$ 965.05
Classes, Clubs, & Departments	18,429.90	82,784.08	\$ 94,763.17	\$ 9,870.22	\$ 16,321.03
Trust	24,975.47	23,225.69	22,191.17	(13,730.42)	12,279.57
General	6,570.36	21,353.56	27,972.67	5,353.99	5,305.24
Outside Organizations	17,126.93	49,158.80	49,040.64	(2,400.00)	14,845.09
TOTAL	<u>\$ 68,541.68</u>	<u>\$ 178,019.89</u>	<u>\$ 196,845.59</u>	<u>\$ -</u>	<u>\$ 49,715.98</u>

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

FLEMING ISLAND ELEMENTARY 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 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 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 \$49,715.98 at June 30, 2013, consists of \$19,768.36 being held in a non-interest bearing checking account and \$29,947.62 invested with the State Board of Administration.

NOTE 3 – INTEREST INCOME

Interest was earned on funds invested with the Clay County School Board in the amount of \$74.72 for the fiscal year ended June 30, 2013.

FLEMING ISLAND ELEMENTARY 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 8, 2013 the date of the independent auditors' report. There were no material subsequent events to report.

Supplemental Information



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- 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:

At the request of the Clay County School Board, we are providing a schedule of accounts payable and encumbrances as reported by Fleming Island Elementary 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 payable and encumbrances are as follows:

Accounts Payable as of June 30, 2013

Teacher Direct \$124.04

Encumbrances as of June 30, 2013

Premier Agendas \$506.73
Rhythm Band Instruments 327.14
\$833.87

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 8, 2013



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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 statement of cash receipts and disbursements of the internal funds of Fleming Island Elementary School (the "School") for the year ended June 30, 2013, and have issued our report thereon dated August 8, 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 three exceptions to the established internal control procedures. The first exception is that the sequential list of receipts totaling the amount of the deposit made is not being included in the back up deposit documentation. This is a requirement of 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 one instance where funds were turned into the bookkeeper three days after being collected.

The last exception noted was an instance where a teacher was unable to locate a receipt booklet 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:

Based on our testing, it appears that prior year audit findings have been addressed and do not appear to be relevant in the current year's audit.

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.

District School Board
Clay County, Florida
Page 4

* * *

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
Certified Public Accountants
August 8, 2013

Fleming Island Elementary

4425 Lakeshore Drive
Fleming Island, FL 32003

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

Jackie Cory
Principal

Laurie Burke
Assistant Principal

August 14, 2013

Magers & Associates, LLC
165 Wells Road, Suite 405
Orange Park, FL 32073

Dear Madam:

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

1. The teachers will be reminded of the procedures to turn the money they collected to the bookkeeper the same day they receive the money.
2. My bookkeeper will follow the procedure to print out a sequential list of receipts totaling the amount of the deposit.
3. My bookkeeper has spoken with the teachers explaining the importance of turning in the receipt books they had used.

We appreciate you help and patients.

Sincerely,



Jackie Cory,
Principal

Cc: George Copeland, Assistant Superintendent