

Oakleaf Village Elementary

Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2013

Oakleaf Village Elementary

Table of Contents

Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements of the Internal Funds	2
Notes to the Financial Statements	3
Supplemental Information:	
Schedule of Accounts Payable and Encumbrances	5
Report on Internal Control Over Financial Reporting / Communication with Those Charged with Governance	6



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Report

Mr. Charlie Van Zant Jr., Superintendent
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Mr. Johnna McKinnon
Ms. Tina Bullock
Ms. Janice Kerekes

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Oakleaf Village Elementary (the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

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

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 Oakleaf Village Elementary as of and for the year ended June 30, 2013 in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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.

Coleman & Associates Cpa firm

August 21, 2013

**Oakleaf Village Elementary
Statement of Cash Receipts and Disbursement of the Internal Funds
For the Year Ended June 30, 2013**

<u>Accounts</u>	<u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>June 30, 2013</u>
Music	\$ 7,934.99	\$ 14,015.18	\$ 16,548.54	\$ -	\$ 5,401.63
Classes, Clubs and Departments	6,791.70	66,790.29	66,979.69	(3,905.72)	2,696.58
Trust	727.62	33,136.97	24,773.36	(8,754.02)	337.21
General	24,368.68	38,870.25	58,032.96	12,659.74	17,865.71
Outside Organizations	-	150.00	-	-	150.00
Totals	<u>\$ 39,822.99</u>	<u>\$ 152,962.69</u>	<u>\$ 166,334.55</u>	<u>\$ --</u>	<u>\$ 26,451.13</u>

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

**Oakleaf Village Elementary
Notes to the Financial Statements
For the Fiscal 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 Oakleaf Village Elementary (the School) within the Clay County, Florida school system.

The accompanying statement of cash receipts and disbursements of the internal funds is not intended to be a complete presentation of all of the internal account activities of the school system because this financial statement only includes the accounts at Oakleaf Village Elementary.

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

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

Basis of Accounting

The School's accounting policy is to prepare its financial statements using a comprehensive basis of accounting known as cash. This means that revenues are recognized in the financial statements when received instead of when earned and expenses are recognized when paid rather than when the liability was incurred. This basis of accounting is not in conformity with generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Note 2 – Cash and Cash Equivalents

As of June 30, 2013, the School's total cash balance of \$26,451.13 was held in a non-interest bearing checking account.

Note 3 – Investments

The School Board has authority, under Florida Statute, Section 230.23(10) (k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and also with the Florida State Board of Administration (SBA), Local Government Surplus Funds Trust Fund (Florida PRIME). Florida PRIME was created in 1977.

**Oakleaf Village Elementary
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2013
(Concluded)**

Note 3 – Investments (concluded)

The schools invested funds with Florida PRIME during the fiscal year and these investments had a dollar weighted average days to maturity of forty days. In accordance with GASB Statement No. 40, investment information is as follows:

Interest Rate Risk. The District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Florida PRIME is considered a SEC 2a-7 like fund and the account balance equals the fair value. Florida PRIME is rated by Standard and Poors and the current rating is AAAM, which demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. Florida Prime was not exposed to any foreign currency risk during the fiscal year ending June 30, 2013.

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

Note 4 - Subsequent Events

Generally accepted accounting principles require the disclosure of significant events or transactions that occur after the balance sheet date but before the financial statements are issued. The School has evaluated subsequent events through August 21, 2013 and found no significant events or transactions that should have been recorded. The evaluation date is considered to be the date the financial statements are available to be issued.

Supplemental Information



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Schedule of Accounts Payable and Encumbrances

Mr. Charles Van Zant, Jr., Superintendent
Ms. Denise Adams, Deputy Superintendent
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Johnna McKinnon, Member
Ms. Janice Kerekes, Member
Ms. Tina Bullock, Member

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2013, for Oakleaf Village Elementary School's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 2013, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2013. Accounts payable and encumbrances are as follows:

Accounts Payable as of June 30, 2013

\$ -- Total

Encumbrances as of June 30, 2013

\$ --

The above accounts payable amount was reported on the June 30, 2013 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

Coleman & Associates Cpa firm

August 21, 2013



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Mr. Charles Van Zant, Jr., Superintendent of Schools
Ms. Denise Adams, Deputy Superintendent
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice-Chairman
Ms. Johnna McKinnon, Member
Ms. Janice Kerekes, Member
Ms. Tina Bullock, Member

Honorable Members:

We have audited the internal funds financial statement of Oakleaf Village Elementary as of and for the fiscal year ended June 30, 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

In planning and performing our audit of the internal fund's financial statements of Oakleaf Village Elementary for the year ended June 30, 2013; in accordance with auditing standards generally accepted in the United States of America, we considered 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, we noted the following matters that should be addressed by management:

- During our review of fundraising forms, we noted that teachers and staff did not always fill out the inventory sections for management review. For example, the School sold yearbooks, scented pencils, and run / walk shirts and the number of items purchased, sold and unsold were not included on the fundraising forms.
- School Board and Red Book policies require that the Principal approve all purchases in advance and in writing. The School made a couple of purchases and the approval date was after the receipt and invoicing by the vendor. We recommend that all purchase approvals be in writing prior to ordering goods and services.
- The School raised monies by holding an auction at their annual carnival. The list of auction winners was not included with the receipt information. We recommend that the School include this list with their receipt records to help verify the deposit.

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

We would like to express that we observed the internal funds accounting records were neat and very well organized. We also noted that we found that the School substantially followed the procedures outlined in the Clay County School Board Internal Accounts Manual.

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 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 Coleman and Associates, CPA Firm 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 misstatement. 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. We performed the audit according to the planned scope and timing. Our audit of the internal funds financial statements does not relieve you or management of your responsibilities.

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

It was a pleasure to work with the School's Principal, Bookkeeper and staff. We appreciate the opportunity to be of service to the Clay County District Schools and look forward to a continuing relationship.

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

Coleman & Associates Cpa firm

August 21, 2013

Oakleaf Village Elementary



410 Oakleaf Village Parkway
Orange Park, Florida 32065
Phone: (904)291-5458 Fax: (904)291-5471

Colette Wyant, Principal

Amy Rugen, Asst. Principal

Coleman & Associates
Certified Public Accountants
PO Box 8279
Fleming Island, Florida 32002

This letter is in response to the documented notations you have listed on the 2012/13 audit:

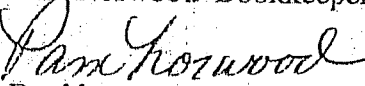
In response to the significant deficiency regarding inventory that Mr. Coleman mentioned in my report I will do the following:

- Make sure that the a copy of the invoice for fundraising goods is attached to the fundraiser report.
- Require the sponsor of the fundraiser to keep a running total of items sold.
- Verify that the sponsor has filled out the inventory section of the fundraising form.

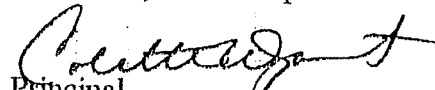
In response to significant deficiency number two, I am aware of the fact that the principal must give approval before purchases are made and I will make sure the dates reflect this. This may have been an over sight as far as written dates are concerned but, all purchases from Internal Accts. are discussed between my principal and myself prior to any purchases being made.

In response to significant deficiency number three, after next years auction, I will make sure our auction sponsor provides me with a copy of all bid sheets to be attached to the deposit into our account.

Thank you for your time.

Pam Norwood -Bookkeeper

Bookkeeper

Colette Wyant-Principal


Principal

ORANGE PARK ELEMENTARY SCHOOL

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

For the Year Ended June 30, 2013

CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Statement of Cash Receipts and Disbursements	2
Notes to the Statement of Cash Receipts and Disbursements	3
Supplementary Information	
Accounts Payable and Encumbrances	5
Management Letter	6

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



INDEPENDENT AUDITOR'S REPORT

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

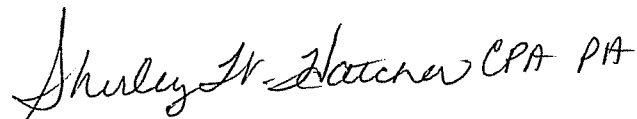
Honorable Members:

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

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

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

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


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

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

	Cash Balance <u>July 1, 2012</u>	<u>Transactions</u>			Cash Balance <u>June 30, 2013</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Interfund Transfers</u>	
Athletics	\$.00	\$.00	\$.00	\$.00	\$.00
Music	.00	607.00	604.42	.00	2.58
Classes, Clubs & Departments	5,042.59	51,713.20	48,216.75	(1,489.72)	7,049.32
Trust	4,416.49	13,681.77	11,497.52	(4,246.28)	2,354.46
General	2,153.31	25,876.00	33,189.92	5,786.00	625.39
Outside Organization	<u>12,532.75</u>	<u>17,234.26</u>	<u>22,252.19</u>	<u>(50.00)</u>	<u>7,464.82</u>
Total	<u>\$ 24,145.14</u>	<u>\$109,112.23</u>	<u>\$115,760.80</u>	<u>\$.00</u>	<u>\$ 17,496.57</u>

See accompanying notes to statement of cash receipts and disbursements.

ORANGE PARK ELEMENTARY SCHOOL
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 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 Orange Park Elementary School within the Clay County, Florida school system.

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

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

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

Basis of Accounting

The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

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

NOTE 2 – Cash and Cash Equivalents

The June 30, 2013 cash balance of \$17,496.57 as reported on the Statement of Cash Receipts and Disbursements is being held in a non-interest bearing checking account insured by the FDIC in the amount of \$3,220.90, the School Board investment account consists of \$14,124.32, and NSF on hand total \$151.35.

NOTE 3 - Interest Income

Interest in the amount of \$36.19 was earned during the year ended June 30, 2013, representing approximately a .25% return.

NOTE 4 - Subsequent Events

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

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



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

Honorable Members:

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

ACCOUNTS PAYABLE

Lakeshore Learning Materials	\$ 167.78
Really Good Stuff, Inc.	50.92
Quill Corp	<u>127.75</u>
Total	<u>\$ 346.45</u>

ENCUMBRANCES

None

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

Shirley W. Hatcher CPA PA

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

SHIRLEY W. HATCHER, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT



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

Honorable Members:

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

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

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

1. Sales tax was not paid on the purchase of items for resale including t-shirts and fundraisers. I reviewed the Florida law and Internal Funds Manual to ensure the individuals making such purchases are familiar with the guidelines.
2. "Any gift to an individual in excess of \$50 is treated as compensation to that individual (IFM page 32). If this is a school board employee, the payment should be run through payroll at the School Board level." During my audit, I noted the following payments made to employees of Orange Park Elementary School:
 - a. One individual received a \$500 check as a wedding gift;
 - b. Six individuals received a check for \$350 each for a retirement gift (\$2,100 total);
 - c. Thirteen employees received gift cards of \$90 each (\$1,170 total).
3. The approval processes are lacking consistency with the Internal Funds Manual. Transfer forms are being prepared and signed by the bookkeeper (without the sponsor's signature), purchase requisitions for items purchased out of PFA funds are being prepared and authorized by the principal (as sponsor), and purchases are being made from accounts "where funds are available" rather than classification as to the appropriate account. Inasmuch as the sponsors are accountable for the funds in their specific accounts, they should authorize all expenditures from or transfers involving the respective accounts.

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

1. No supporting documentation is attached to purchase requisitions for refunds to individuals for "found library" books. A copy of the original receipt or Report of Monies Collected form should be attached to the requisition to document the validity of the expenditure.
2. One fundraiser form did not have a stated purpose, and proceeds from another fundraiser were being deposited into the technology trust account despite the purpose being "teacher incentives." Furthermore, teacher luncheons and gifts were purchased from the #4202, Technology Trust Account.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2012 audit report, we noted no instances of non-compliance with receipting procedures. The lack of documentation for expenditures was repeated during this year.

Communication with Those Charged with Governance

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

Significant Audit Findings

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

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

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

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

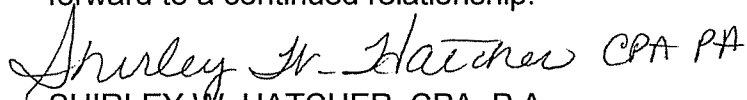
Disagreements with Management - For purposes of this letter, professional standards define a disagreement with management as a financial accounting, report, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.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

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

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

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

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


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

CAMPBELL, RONI M.

From: Shirley Hatcher <hatchercpa@comcast.net>
Sent: Tuesday, August 20, 2013 9:08 AM
To: CAMPBELL, RONI M.
Subject: Orange Park Elementary

Hi Roni,

Just to follow up on our conversation yesterday concerning OP Elementary's excessive spending, 13 out of 19 fundraisers stated the purpose as "teacher incentives, teacher appreciation, teacher supplies, or incentives." One of the FR forms did not have a purpose listed but the proceeds were coded to the 5100 account. The total stated profit for these 13 fundraisers was \$20,218.70. The profit on the one without a purpose was \$1,212.11, for a total of \$21,430.81 as teacher incentives/appreciation.

The only other fundraisers for the year included two (2) book fairs, one for red ribbon week, one for "to help PFA," and one for chorus.

On a side note, at least \$9,300 was spent by the school for "ink/toner not in warehouse." (These are the ones with descriptions on the list of sequential checks.)

Many of the items purchased for teacher incentives included "personalized" or "specialized" supplies which would be available at the county but would be of the "plain" variety ... plain post-it notes, note pads, etc.

I am bringing these items to you attention in the event it is determined there should be some type of cap on the amount of principal discretionary spending. I will point out these items in my exit interview with the principal, but I have not included in my audit report.

Please let me know if you have questions.

Thanks,
Shirley

Shirley W. Hatcher, CPA, PA
2239 Blanding Blvd., Suite 2
P.O. Box 541
Middleburg, FL 32068
904.282.7771
hatchercpa.com



Orange Park Elementary School

1401 Plainfield Avenue
Orange Park, Florida 32073-3996
Telephone: (904) 278-2040
An Equal Opportunity Employer

August 26, 2013

Shirley W. Hatcher, CPA, P.A.
2239 Blanding Blvd. Suite 2
Middleburg, FL 32068

Dear Ms. Hatcher:

Per this letter, we are responding to the following material weaknesses/deficiencies noted in our audit for the year ending June 30, 2013.

Sales tax was not paid on the purchase of items for resale including t-shirts and fundraisers. I reviewed the Florida law and Internal Funds Manual to ensure the individuals making such purchases are familiar with the guidelines.

Response: This issue has been addressed with Ms. Wussick, who usually pays the vendor directly. In the future the Internal Accounts Manual will be followed and maintained closely in order to safeguard the assets of the Schools internal funds.

“Any gift to an individual in excess of \$50.00 is treated as compensation to that individual (IFM). If this is a school board employee, the payment should be run through payroll at the School Board level.” During my audit, I noted the following payments made to the employees of Orange Park Elementary:

- a.) **One individual received 500.00 as a wedding gift.**
- b.) **Six individuals received a retirement check of 350.00.**

Response: Orange Park Elementary Hospitality collected from faculty and staff only. This was a gift and should not have been deposited into the Internal Accounts. We have addressed all faculty and staff on the financial guidelines that are outlined in the School District of Clay County Internal Funds.

- c.) **13 employees received gift cards of 90.00 each.**

Response: All monies that are collected for the staff appreciation will be disbursed as a staff luncheon or staff celebration throughout the fiscal school year. When meals are purchased the number of participants will be notated on the receipt.

The approval processes are lacking consistency with the Internal Funds Manual. Transfer forms are being prepared and signed by the bookkeeper.(without the sponsor's signature), purchase requisitions for items purchased out of PFA funds are being prepared and authorized by the principal (as sponsor), and purchases are

being made from accounts “where funds are available” rather than classification as to the appropriate account.

Response: Ms. Wussick will no longer prepare the account activity transfers for the teachers. Their time is very limited and she was trying to help with that issue. Ms. Wussick will make sure that the transfer request form will be signed by the disbursing account sponsor and the sponsor of the receiving account.

Mrs. McCullough will share at the next PFA meeting, the correct bookkeeping procedures that have to be followed according to the Internal Funds Manual. PFA will have to pre-approve all purchases made from their account along with the correct paperwork and signatures.

No supporting documentation is attached to purchase requisitions for refunds to individuals for “found library” books. A copy of the original receipt or Report of Monies collected form should be attached to the requisition to document the valisity of the expenditure.

Response: Mrs. Motes was made aware of this problem. She will now attach the original receipt to the check requisition form.

One fundraiser did not have a stated purpose, and proceeds from another fundraiser were being deposited into a technology account despite the purpose being “teacher incentives.” Furthermore, teacher luncheon and gifts were purchased from the Technology Trust Account.

Response: Ms. Wussick will make sure that all forms are filled out correctly by the sponsor at the time of the request. The Principal’s Discretionary account will be used for teacher gifts and luncheons.

Sincerely,



Mrs. Carole McCullough
Principal

CM:tjw

cc: Dr. George F. Copeland
Assistant Superintendent for Business Affairs
Clay County School Board

ORANGE PARK HIGH SCHOOL

**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

CONTENTS

	PAGE
Independent Auditor's Report	3
Statement of Cash Receipts and Disbursements Of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5
Supplemental Information	
Accounts Payable and Encumbrance Letter	8
Management Letter	9

EMILY C. HELMS, CPA, PA
Certified Public Accountant

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

INDEPENDENT AUDITOR'S REPORT

Mr. 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 Orange Park High 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 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 Orange Park High School for the year ended June 30, 2013, on the basis of accounting described in Note 1.



Emily C. Helms, CPA, PA
August 22, 2013

ORANGE PARK HIGH 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	Interfund Transfers	Balance June 30, 2013
Athletics	\$ 43,639.73	\$ 201,741.95	\$ 212,136.94	\$(3,027.50)	\$ 30,217.24
Music	13,857.03	91,389.84	98,740.86	(643.95)	5,862.06
Classes, Clubs, Departments	68,192.63	201,418.64	217,559.32	(1,036.91)	51,015.04
Trust	19,841.86	46,515.94	55,786.84	2,541.21	13,112.17
General	86,853.54	39,627.19	28,980.11	209.65	97,710.27
Outside Organizations	29,926.59	25,161.39	25,759.76	1,957.50	31,285.72
Total	\$ 262,311.38	\$ 605,854.95	\$ 638,963.83	\$ -	\$ 229,202.50

See accompanying notes and accountant's report.

ORANGE PARK 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 includes the effects of transactions and balances relating to the internal accounts of Orange Park High School (the School) within the Clay County, Florida school system.

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

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

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

Basis of accounting

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

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

ORANGE PARK HIGH SCHOOL

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 \$229,202.50 as reported on the statement of cash receipts and disbursements consists of \$26,431.47 being held in an interest checking account insured by the FDIC, \$202,628.03 held in an investment account with the Clay County School, and \$143.00 held as uncollected NSF Funds.

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

NOTE 3 Investments

In accordance with GASB Statement No. 40, as of June 30, 2013 the School invested \$202,628.03 with Florida PRIME. The weighted average days to maturity of Florida PRIME on June 30, 2013, are 43 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$613.64 and in an interest bearing account in the amount of \$62.80.

Interest Rate Risk: Clay District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

As of June 30, 2013 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 22, 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

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

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, Orange Park High School reported the following accounts payable and encumbrances as of June 30, 2013:

Accounts Payable

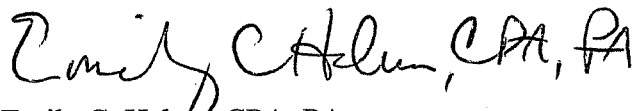
Mulberry Cove Marina	\$ 4,399.80
U. S. Treasury	986.12
Dean Williams	250.00
Publix	<u>182.90</u>
	<u>\$ 5,818.82</u>

Encumbrance

None

The above accounts payable and encumbrance lists **do not** 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 Orange Park High School for the year ended June 30, 2013.



Emily C. Helms, CPA, PA
August 22, 2013

EMILY C. HELMS, CPA, PA

Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

Mr. 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 Orange Park High School as of and for the year ended June 30, 2013 and have issued our report thereon dated August 22, 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 Orange Park High School's (the School's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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 are more than inconsequential will not be prevented or detected. We noted the following **significant deficiencies**:

- 1) **Accounts Balances over the limit** at the end of the school year were transferred to account 5101, Principal's Discretionary account, the Clay County School Board Internal Accounts Manual, page 10, states these funds should be transferred to account 5100, General Fund to be used by the Principal to "...benefit the student body as well as the faculty and staff."
- 2) Other improper transfers included:
 - a) Fund raiser number three (3) for the Women's Soccer sold the student parking passes for all students that park on school grounds. The amount collected was \$2,893.00 and was deposited in account 5133, a general account for the general welfare of the entire student body. During the year \$337.05 was disbursed on communication and golf cart repairs. At the end of the school year \$1,500.00 was transferred to Account 1122, Girl's Soccer. The Clay County School Board Internal Accounts Manual, Description and Classification of Accounts, General, page 16 states in part, "... This category controls money collected on an overall school basis ... for the general welfare of the entire student body... and spent for the general school needs...." We recommend this money be returned to the General Fund and spent for the general welfare of the student body.
 - b) Monies collected by the freshman class, at the end of the year were transferred into Account 1122, Girl's Soccer as a donation and into Account 5105 Principal's Discretionary as an overage amount. Freshman funds are to follow the freshman class and therefore should have been transferred to the sophomore class account. We recommend these funds be returned to the Freshman Class and rolled forward into the sophomore account.
- 3) Monies collected from **transcripts** were posted to Account 5103, Postage. No disbursements were made from this account. No funds from this account were spent for student's benefits.

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 noted the following **material weaknesses**:

- 4) **Fund Raisers** are not following the instructions as outlined the Clay County School Board Internal Accounts Manual, Fund Raising, page 11 through 13.
 - a) Fundraisers are often approved for an extended period of time. The date ending for most fund raisers should be two weeks after the onset of sales. In cases where the activity is

for an extended period of time, money should be deposited timely with the bookkeeper with a completed Monies Collected Form and reference to the Fundraiser Form for the total monies collected after each event or concession sale and not merely the number of individual bills being deposited. Boys Soccer and Girls Soccer have the most trouble with timely remitting all funds after an event.

- b) Some Financial Recap sheets overstate the cost associated with the fund raisers by including the cost associated with the purpose of the fund raiser. Therefore, the fund raising event appeared to have incurred a loss when in fact, there was a profit.
- c) Often the Inventory section of Financial Recap section was incomplete and did not provide adequate information to support the total sales or the costs of the fund raiser.

We recommend the school provide additional training on the proper methods and costs to use when completing the entire Financial Recap section.

- 5) **Funds collected** were not timely deposited and were held in the school over the weekend. Collection procedure state, in part, "...NO FUNDS WILL BE HELD IN THE SCHOOL OVER A WEEKEND OR HOLIDAY PERIOD."
- 6) **The Change Funds Procedures** were not followed. The Clay County School Board Internal Accounts Manual, Change Fund Procedures, page 56 states in part:
 - a) To establish a change fund the check should be made payable to the coach/sponsor. Change fund checks were made payable to the bookkeeper; she then cashed the checks and distributed the cash to the coach/sponsor requesting the funds.
 - b) Change funds were held at the school over the weekend. Change funds cannot be held on campus over the weekend. If the coach/sponsor doesn't return the change fund to the bookkeeper on Friday, they must complete the "hold" procedures for the school's bank. No documentation was available to confirm that the funds from ticket sales, concession sales or change fund were not held on campus, but by the bank. In fact, the bookkeeper confirmed that the funds were held in a safe on campus over the week-end.

We recommend that the bookkeeper review the Clay County School Board Internal Accounts Manual, page 17, Collection Procedures and page 56, Change Fund Procedures to better understand the required procedures.

- 7) Routinely, **Request for Purchase Approval and Check Requisitions** are being prepared after the purchase is made and at the time the check is issued.
- a) Purchase Approval and Check Requisitions appear to be pre-signed by the Principal.
 - b) The bookkeeper prepares one Request for Purchase Approval and Check Requisition for as many as seven (7) to ten (10) activities.
 - c) The merchandise requested to be purchased states "Items per Invoice."
 - d) The estimated amount is for the exact amount of the invoice from Sam's, Wal-Mart, Publix, or other vendor's statement.
 - e) The bookkeeper signs her name requesting payment for all the faculty member's purchases from the above vendors.
 - f) Purchases from both Wal-Mart and Publix included gift certificates and store cards; there was no support for either the purpose or the recipients.
 - g) Most request for purchase approval and check requisitions appear to be completed at one time after the purchase is made and when the invoice for payment is received.
- 8) **Report of Monies Collected**
- a) Form dates were changed to agree with the computer receipt and bank deposits. Computer generated receipts 31466 and 31467 are dated January 23, 2013, however, the Report of Monies Collected dates were changed from January 15, 2013 to January 25, 2013, two days after the funds were deposited into the bank.
 - b) **The Auto Mechanics Class** reports monies collected on the Report of Monies Collected Form as cash.
 - i) There were no references that identified from whom the monies were collected.
 - ii) Purchase invoices for some auto parts were found where cash had been used for payment while other parts were purchased with a school charge account.
 - iii) No Request for Purchase Approval and Check Requisitions were located for either type of purchase.
 - iv) The bookkeeper stated that the teacher had his own program to print invoices; however, no monies collected referenced an invoice and no invoice was made available for the audit.

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

The following accounts balances remained over the limit prescribed in the Clay County School Board Internal Accounts Manual, Account Balances, page 10:

<u>Account</u>	<u>Amount Over Limit</u>
3207	\$ 10.65
3400	443.63
3414	121.98
3426	4.00
3502	23.03
5101	37,509.55
5103	1,209.31
5131	<u>405.87</u>
	\$ 39,728.02

Account 5101 attached a written notice for the reasons why these funds were needed. While the notice stated specific purposes for those funds, the purposes appear to be normal expenses of the current year. The notice stated that funds were need:

- To paint the administrative part of the main building,
- For a new school year breakfast,
- For attendance and tutoring incentives,
- For a Christmas luncheon,
- For FCAT awards, and
- For additional painting.

The painting in the main building has been finished at an estimated cost of \$3,000.

An analysis of Account 5101 indicated that if the other fund balances that were over limit had not been transferred into this Account 5101; this account would still be over limit as well as all the other over limit accounts.

We recommend that both the Principal and Bookkeeper review the Clay County School Board Internal Accounts Manual, Account Balances, page 10 to better understand the reasons for retaining funds that have been collected in the current year and not expensed to benefit those students presently in school.

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

In a review of the past three years audits, we found that the school **has not corrected** either the material weaknesses regarding fundraisers or significant deficiencies regarding disbursements reported by the prior auditor.

We found that the School **did not** substantially follow 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 the 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.

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 22, 2013

ORANGE PARK HIGH SCHOOL



2300 Kingsley Avenue
Orange Park, Florida 32073
Phone (904) 272-8110
Fax (904) 272-8181

TREASURE PICKETT
PRINCIPAL

ASSISTANT PRINCIPALS
Michael Elia
Bill Fletcher
Anthony Williams

September 4, 2013

Emily Helms, CPA, PA
1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Dear Ms. Helms,

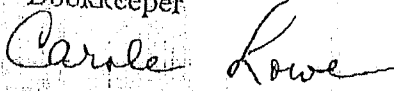
The following steps will be taken to eliminate the items noted in your audit report for the School year 2012 - 2013.

1. Accounts with balances over the limits at the end of the school year will be transferred to account 5100, General Funds as per the Clay County School Board Internal Accounts Manual, page 10, to benefit the student body as well as the faculty and staff.
2. Improper transfers:
Funds collected for parking passes will be transferred to General Fund as per CCSBIAM, page 16, for used for the general welfare of the student body.

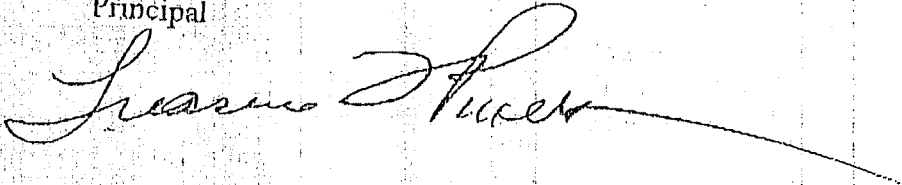
The Monies collected by the Freshmen Class were transferred to Account 1122 , Girls Soccer, was an error made by the Bookkeeper, as this was not initial. Funds will be transferred back to the Freshmen Class.
3. Monies collected from transcripts will be used for postage for school mailings to parents.
4. A meeting will be held with faculty and all the rules pertaining to fundraising per the CCSBIAM, pages 11 through 13, will be addressed and corrections made.
5. NO FUNDS WILL BE HELD IN THE SCHOOL OVER A WEEKEND OR HOLIDAY PERIOD.
6. Change Fund checks will be issued to coach or sponsor and not the Bookkeeper. Change funds held over any weekend period will follow "hold" procedures as instructed by the bank.

- 7. All requests for Purchase Approval and Check Requisitions will be pre-approved by the Principal. Faculty will be informed again of this rule. Bookkeeper will not sign request for the groups who make purchases using the credit cards.
- 8. Monies Collected Forms will be looked at more closely to identify wrong dates. A system will be used for Auto Mechanics Monies Collected. The Bookkeeper will check with other schools to see how their teachers use an invoice system.

Carole Lowe
Bookkeeper



Treasure Pickett
Principal



ORANGE PARK JUNIOR HIGH SCHOOL

**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

CONTENTS

	PAGE
Independent Auditor's Report	3
Statement of Cash Receipts and Disbursements Of the Internal Funds	4
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	5
Supplemental Information	
Accounts Payable and Encumbrance Letter	8
Management Letter	9

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

INDEPENDENT AUDITOR'S REPORT

Mr. 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 Orange Park Junior High 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 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 Orange Park Junior High School for the year ended June 30, 2013, on the basis of accounting described in Note 1.



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

ORANGE PARK JUNIOR HIGH 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	Interfund Transfers	Balance June 30, 2013
Athletics	\$ 14,703.25	\$ 50,591.81	\$ 53,815.78	\$(1,042.58)	\$ 10,436.70
Music	455.17	10,935.25	8,987.73	(220.00)	\$ 2,182.69
Classes, Clubs, Departments	13,195.67	37,850.18	38,148.69	(867.89)	\$ - \$ 12,029.27
Trust	984.52	20,806.62	21,951.82	1,247.22	\$ 1,086.54
General	32,129.70	17,438.46	11,017.08	883.25	\$ 39,434.33
Total	\$ 61,468.31	\$ 137,622.32	\$ 133,921.10	\$ -	\$ 65,169.53

See accompanying notes and accountant's report.

ORANGE PARK JUNIOR HIGH SCHOOL

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

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of accounting

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

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

ORANGE PARK JUNIOR HIGH SCHOOL

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 \$65,169.53 as reported on the statement of cash receipts and disbursements consists of \$24,628.46 being held in a non interest checking account insured by the FDIC and \$40,541.07 held in an investment account with the Clay County School.

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

NOTE 3 Investments

In accordance with GASB Statement No. 40, as of June 30, 2013 the School invested \$40,541.07 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2013, are 43 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$101.13. Investment interest is deposited directly into an interest account and transferred to the General Fund at the year end.

- **Interest Rate Risk:** Clay District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- **Credit Risk:** Clay District School Board policy limits investments to the Local Government Surplus Trust Fund or any intergovernmental investment pool, interest bearing time deposits or savings accounts held in qualified public depositories.

As of June 30, 2013 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

NOTE 4 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

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

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

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, Orange Park Junior High School reported the following accounts payable and encumbrances as of June 30, 2013:

Accounts Payable

Omni Center \$150.00

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 Orange Park Junior High School for the year ended June 30, 2013.

Emily C. Helms, CPA, PA

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

EMILY C. HELMS, CPA, PA

Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292

Facsimile (904) 269-0391

Mr. 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 Orange Park Junior High School 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 Orange Park Junior High School's (the School's) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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.

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 the 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

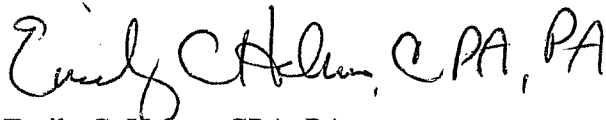
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that 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 Orange Park Junior High School and the Clay County District Schools.

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



Emily C. Helms, CPA, PA

August 20, 2013

Copy

ORANGE PARK JUNIOR HIGH SCHOOL

Home of the Wildcats

Angela Johnson
Vice Principal

Joyce Orsi
Principal

Al De Jesus
Assistant Principal

August 27, 2013

Emily C. Helms, CPA, PA
1279 Kingsley Ave. #103
Orange Park, FL 32073

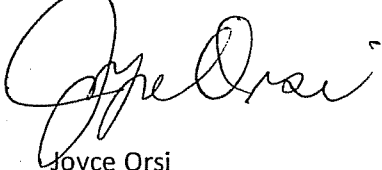
Dear Mrs. Helms:

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

We are happy to have received such a positive report with no areas noted as being out of compliance and with adherence to the procedures of the Clay county School Board. I can attribute that accomplishment to our bookkeeper, Mrs. Fritz's, commitment to ensuring Orange Park Junior High's financial fidelity.

Again, thank you for your representation.

Sincerely,



Joyce Orsi
Principal

R. M. PATERSON ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

R. M. PATERSON ELEMENTARY SCHOOL

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements of the Internal Funds	3
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	4
Supplemental Information	
Accounts Payable and Encumbrance Letter	6
Report on Internal Control / Communication with Those Charged with Governance	7



165 Wells Road, Suite 405
Orange Park, FL 32073
Phone: (904) 773-0180
Fax: (904) 773-0185
www.magerscpa.com

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 R. M. Paterson 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 R. M. Paterson 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 7, 2013

R. M. PATERSON 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
Classes, Clubs, & Departments	22,335.00	90,462.43	88,119.96	584.96	25,262.43
Trust	10,252.87	29,959.78	30,389.60	(1,757.00)	8,066.05
General	25,385.46	9,429.86	21,939.79	(359.96)	12,515.57
Outside Organizations	25,546.25	64,778.68	43,093.07	1,532.00	48,763.86
TOTAL	\$ 83,519.58	\$ 194,630.75	\$ 183,542.42	\$ -	\$ 94,607.91

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

R. M. PATERSON 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 R.M. Paterson 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 R. M. Paterson 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 \$94,607.91 at June 30, 2013, consists of \$33,746.72 being held in a non-interest bearing checking account and \$60,861.19 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 \$151.84 for the fiscal year ended June 30, 2013.

R. M. PATERSON 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 7, 2013, the date of the independent auditors' report. There were no material subsequent events to report.



165 Wells Road, Suite 405
Orange Park, FL 32073
Phone: (904) 773-0180
Fax: (904) 773-0185
www.magerscpa.com

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 R. M. Paterson 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

Bold Blooms:
 \$ 95.95

Encumbrances as of June 30, 2013

Premier Agendas:
 \$2,709.40

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 7, 2013



165 Wells Road, Suite 405
Orange Park, FL 32073
Phone: (904) 773-0180
Fax: (904) 773-0185
www.magerscpa.com

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 R. M. Paterson Elementary School (the "School") for the year ended June 30, 2013, and have issued our report thereon dated August 7, 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.

We noted the following exceptions to the established internal control procedures:

- One instance where disbursement check did not include two signatures
- One instance where a teacher did not turn funds in the same day as collected

Review of Prior Year Audit Findings – There were no prior year findings.

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.

District School Board
Clay County, Florida
Page 3

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Other Audit Findings or Issues

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

* * *

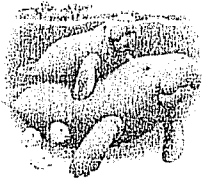
This report is intended solely for the information and use of the Clay County District School Board and its management, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

Magers & Associates, LLC

Magers & Associates, LLC
Certified Public Accountants
August 7, 2013



Robert M. Paterson Elementary

5400 Pine Avenue
Fleming Island, FL 32003
(904) 278-2078 – (904) 278-2093 (Fax)
<http://www.clay.k12.fl.us/pes>



Terry Grieninger, Principal

Pamela L. White, Assistant Principal

August 8, 2013

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

Dear Sir:

Thank you for the thorough and professional audit of our internal accounts for the 2011-2013 school year.

The following is my response to the items noted during your audit. One disbursement check did not include two signatures. Every effort will be made to ensure that I sign my portion of each check. One instance where a teacher did not turn funds in the same day as collected. Teachers were reminded at grade level meetings of the procedures for collecting and turning money in as specified in the Faculty and Staff Handbook.

Thank you for your diligent work in completing our audit.

Sincerely,

Terry Grieninger
Principal

Cc: Roni Campbell, Accounting Coordinator