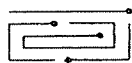


Keystone Heights JR./SR. High School

Statement of Cash Receipts and Disbursements of the Internal Funds

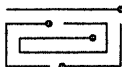
For the Year Ended June 30, 2013



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

**KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL
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CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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To the Honorable Members
August 13, 2013
Page 2 of 2

Auditor's Responsibility (Continued)

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

Opinion

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

Conner, Hubbard & Company, LLC

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

August 13, 2013

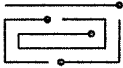
KEYSTONE HEIGHTS JR/SR HIGH SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS
For the Year Ended June 30, 2013

	<u>Cash Balance July 1, 2012</u>	<u>Transactions</u>			<u>Cash Balance June 30, 2013</u>
		<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	
Athletics	\$ 48,303.23	\$ 203,081.59	\$ 200,916.89	\$ (2,670.21)	\$ 47,797.72
Music, Classes & Clubs	4,976.74	5,903.09	10,331.46	(4.76)	543.61
Departments	69,215.18	112,611.49	120,323.81	(1,170.93)	60,331.93
Trust	18,088.60	26,837.04	26,341.87	774.59	19,358.36
General	22,813.27	22,778.70	31,166.97	2,347.97	16,772.97
Outside Organizations	2,990.95	3,104.16	5,148.08	723.34	1,670.37
	<u>\$ 166,387.97</u>	<u>\$ 374,316.07</u>	<u>\$ 394,229.08</u>	<u>\$ -</u>	<u>\$ 146,474.96</u>

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

KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL
Notes to Statement of Cash Receipts and Disbursements
For The Year Ended June 30, 2013

- NOTE 1 The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2 Interest of \$250.78 was earned on funds invested with the Clay County School Board during the fiscal year ended June 30, 2013. No interest was earned on the checking account.
- NOTE 3 The cash balance of \$146,474.96 at June 30, 2013, shown on the statement of cash receipts and disbursements consists of \$45,746.82 being held in the checking account, \$100,571.14 invested with the Clay County School Board and \$157.00 in insufficient checks held for collection.
- NOTE 4 The school has performed an evaluation of subsequent events through August 13, 2013, the date the financial statements were available to be issued. There were no events or transactions that met disclosure requirements.



CONNER, HUBBARD & COMPANY, LLC

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Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2012 of the Keystone Heights JR./SR. High School internal funds as reported to us by the School.

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

The following is a list of accounts payable and encumbrances as of June 30, 2012.

Accounts Payable

State of Florida	\$ 24.66
Lockerroom	75.00
Team Express	136.48
Bakers Sporting Goods	18.00
GTM	102.00
Total:	<u>\$ 356.14</u>

Encumbrances

Vanity Shop	\$ 646.50
Bob's Athletic	810.00
Allen UCA Camp	662.50
Varsity	4,643.00
GTM	617.00
Total:	<u>\$7,629.00</u>

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 13, 2013

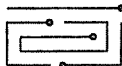
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CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

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

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

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

The supporting documentation for one cash disbursement was missing two of the supporting invoices.

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

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 13, 2013

website: www.connerhubbard.com

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KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL

Dr. Susan H. Sailor
Principal

Justin L. Williams
Vice Principal



Linda F. McGlhy
Asst. Principal

Roy S. Shewchuk
Asst. Principal

August 15, 2013

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

Dear Mr. Hubbard,

We appreciate the time and patience you have given to our 2012-2013 internal funds books and the professional courtesy in which Mr. Gilledge conducted our audits. We strive to maintain accurate financial records and appreciate suggestions or notes that help us tweak our procedures and make them better. We added directions to most of our forms last year and although it is a bit more costly, we plan to keep that in place since we feel it made an improvement. We have reviewed the noted item and will make every effort to correct this in the upcoming school year. We continually stress the importance of attaching original receipts to the paperwork teachers turn in and will continue to stress this throughout the year.

Thank you for your professional and courteous assistance with our audit.

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

**Lake Asbury Elementary School
Internal Funds**

**Statement of Cash Receipts
and Disbursements**

June 30, 2013

**Lake Asbury Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
June 30, 2013**

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Independent Auditors' Report

District School Board
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of Lake Asbury Elementary School Internal Funds for the year ended June 30, 2013.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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4729 US Highway 17 S, Suite 204, Orange Park, Florida 32003 | tel 904.264.9768 toll 866.811.9701 fax 904.269.7091

As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Additionally, also described in Note 1 of the Notes to Financial Statement, the accompanying financial statement includes only the financial activities of Lake Asbury Elementary School Internal Funds. The financial statement does not include other financial activities of the District School Board.

Opinion

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

DDF CPA Group

August 21, 2013

**Lake Asbury Elementary School
Internal Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013**

	<u>Cash Balances July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2013</u>
Music	\$ 379.39	\$ 3,980.00	\$ 3,444.83	\$ -	\$ 914.56
Classes, Clubs and Departments	30,297.84	89,749.17	100,759.40	(2,924.82)	16,362.79
Trusts	2,907.24	19,711.67	16,252.73	16,909.15	23,275.33
General	13,550.55	8,618.62	16,234.63	1,112.28	7,046.82
Outside Organizations	<u>13,240.86</u>	<u>28,214.76</u>	<u>21,390.01</u>	<u>(15,096.61)</u>	<u>4,969.00</u>
	<u>\$ 60,375.88</u>	<u>\$ 150,274.22</u>	<u>\$ 158,081.60</u>	<u>\$ -</u>	<u>\$ 52,568.50</u>

See accompanying Notes to Financial Statement

**Lake Asbury Elementary School
Internal Funds
Notes to Financial Statement
For the Year Ended June 30, 2013**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

Basis of Accounting

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

Note 2 - Cash and Cash Equivalents

The June 30, 2013 cash balance, totaling \$52,568.50 consists of \$7,524.15 in a non-interest bearing checking account and \$45,044.35 invested with the State Board of Administration. Interest earnings for the year ended June 30, 2013 amounted to \$61.14.

Note 3 - Accounts Payable and Encumbrances

There was no accounts payable at June 30, 2013.

There were no encumbrances at June 30, 2013.



Management Letter

District School Board
Clay County, Florida

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

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

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

- We noted instances where fundraising forms were inadequate. It was not always evident that the fundraiser was approved prior to the event. The inventory section of the form was not always completed when it appeared necessary to do so and the financial recap section of the form did not always agree with the amount deposited.

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 considered the following deficiency in Lake Asbury Elementary School's internal control to be a significant deficiency:

- In our sample of cash disbursement and purchase transactions, we noted that items were sometimes purchased prior to the date of approval.

As part of our audit, we considered the correction of prior year findings. There were no audit findings for the fiscal year ended June 30, 2012.

Communication With Those Charged With Governance

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2013.

Other Audit Findings or Issues

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

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

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

DDF CPA Group

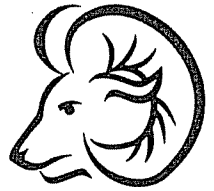
August 21, 2013



Lake Asbury Elementary School

2901 Sandridge Road
Green Cove Springs, Florida 32043

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Fax: 291-5444



Sarah Lawson
PRINCIPAL

Melanie Sanders
ASSISTANT PRINCIPAL

August 29, 2013

Lora L. Douglas
Certified Public Accountant
P.O. Box 9089
Fleming Island, FL 32003

Dear Ms. Douglas,

In response to the Lake Asbury Elementary School's Internal Accounts audit for the 2012-2013 school year, I have noted the suggestions made for improvement and will take the necessary steps by implementing the following:

- We will review and follow proper procedures regarding fundraiser applications as outlined in the Internal Accounts Manual.
- We will review and follow proper procedures regarding prior approval for purchases made as outlined in the Internal Accounts Manual.

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

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

Again, thank you for your time.

Sincerely,

Sarah Lawson
Principal

CC: Roni Campbell

**Lake Asbury Junior High School
Internal Funds**

**Statement of Cash Receipts
and Disbursements**

June 30, 2013

**Lake Asbury Junior High School
Internal Funds
Statement of Cash Receipts and Disbursements
June 30, 2013**

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Management Letter & Communication With Those Charged With Governance	5



Independent Auditors' Report

District School Board
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of Lake Asbury Junior High School Internal Funds for the year ended June 30, 2013.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Additionally, also described in Note 1 of the Notes to Financial Statement, the accompanying financial statement includes only the financial activities of Lake Asbury Junior High School Internal Funds. The financial statement does not include other financial activities of the District School Board.

Opinion

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

DDF CPA Group

August 21, 2013

**Lake Asbury Junior High School
Internal Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2013**

	<u>Cash Balances July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2013</u>
Athletics	\$ 27,261.69	\$ 63,361.12	\$ 52,528.23	\$ 53.65	\$ 38,148.23
Music	3,701.67	45,883.00	45,067.44	87.86	4,605.09
Classes, Clubs and Departments	50,370.84	113,732.75	124,182.38	(288.51)	39,632.70
Trusts	3,058.98	15,501.68	15,018.30	-	3,542.36
General	19,237.88	8,167.06	16,167.80	355.00	11,592.14
Outside Organizations	<u>3,030.47</u>	<u>13,018.30</u>	<u>14,097.24</u>	<u>(208.00)</u>	<u>1,743.53</u>
	<u>\$ 106,661.53</u>	<u>\$ 259,663.91</u>	<u>\$ 267,061.39</u>	<u>\$ -</u>	<u>\$ 99,264.05</u>

See accompanying Notes to Financial Statement

**Lake Asbury Junior High School
Internal Funds
Notes to Financial Statement
For the Year Ended June 30, 2013**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statement includes the effects of transactions and balances relating to the internal fund activities of Lake Asbury Junior High School.

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

Basis of Accounting

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

Note 2 - Cash and Cash Equivalents

The June 30, 2013 cash balance, totaling \$99,264.05 consists of \$55,789.04 in a non-interest bearing checking account, \$43,455.01 invested with the State Board of Administration and \$20.00 in checks returned to the school for insufficient funds. The School will either collect and re-deposit the NSF checks or seek approval from the District School Board to write them off as uncollectible after collection efforts have been exhausted. Interest earnings for the year ended June 30, 2013 amounted to \$177.56.

Note 3 - Accounts Payable and Encumbrances

There was no accounts payable at June 30, 2013.

Encumbrances for the year ended June 30, 2013 are as follows:

<u>Vendor</u>	<u>Amount</u>
Riddell	\$ 1,226.35
Baker Sporting Goods	275.00
Varsity Spirit Fashions	<u>7,620.75</u>
	<u>\$ 9,122.10</u>



Management Letter

District School Board
Clay County, Florida

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

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

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

- We noted one instance where the Report of Monies Collected form reported an individual teacher receipt as \$30 less than the amount actually receipted to the student. The amount reported on the Report of Monies Collected form was the amount turned in and deposited.

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 found improvement regarding documentation of the Chorus trip. Regarding the finding related to teacher's turning in cash receipts daily, we did note a few instances where teachers were not turning in receipts daily during the 2012-13 fiscal year.

Communication With Those Charged With Governance

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2013.

Other Audit Findings or Issues

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

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

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

DDF CPA Group

August 21, 2013



Lake Asbury Junior High School

Home of the Tigers

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



Christina Cornwell
Vice Principal

Cathy Richardson, *Principal*

David Burke
Assistant Principal

September 3, 2013

Lora L. Douglas, CPA
DDF CPA Group
4729 US Highway 17, South
Suite 201
Fleming Island, FL 32003

Dear Ms. Douglas:

This letter is in response to the comments made on your audit report for Lake Asbury Junior High School for the fiscal year ended June 30, 2013.

Comment: One instance was noted where a Monies Collected Form reported an individual teacher receipt as \$30 less than the amount actually receipted to the student. The amount reported on the Monies Collected form was the amount turned in and deposited.

Action: This Monies Collected Form and receipt book were reviewed by the bookkeeper and the individual teacher who collected and receipted this money. The error was noted that the receipt should have been written for \$153 instead of \$183, thus being the \$30 difference.

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

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

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

Sincerely,

Cathy Richardson
Catherine Richardson
Principal

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

"An Equal Opportunity Employer"

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

Joan O. Michael, CPA, PA
Certified Public Accountant

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Joan O. Michael, CPA, PA
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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


Honorable Members:

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

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

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

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


Joan O. Michael, CPA, P.A.
August 21, 2013

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

	Cash	Transactions			Cash
	Balance July 1, 2012	Receipts	Disburse- ments	Transfers	Balance June 30, 2013
Music	\$ 149.47	\$ 716.00	\$ 839.90	\$ -	\$ 25.57
Classes, Clubs, Departments	13,938.19	39,446.42	40,422.60	(654.00)	12,308.01
Trust	159.05	15,331.34	14,599.27	-	891.12
General	8,322.98	8,749.96	11,501.11	728.00	6,299.83
Outside Organizations	12,449.08	43,327.94	47,036.02	(74.00)	8,667.00
Total	\$ 35,018.77	\$ 107,571.66	\$ 114,398.90	\$ -	\$ 28,191.53

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

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

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

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

Basis of accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted method of accounting for Florida school internal accounts as defined by Chapter 8 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

The School Board has the authority, and is required under Rule 6A-1.085 of the Florida Administrative Code, to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and the Florida State Board of Administration (SBA), Local Government Investment Pool.

NOTE 2 Cash

The June 30, 2013, total cash balance of \$28,191.53 as reported on the statement of cash receipts and disbursements consists of \$22,272.16 being held in a non-interest bearing checking account insured by the FDIC and \$5,919.37 held in an investment account with the Clay County School Board.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$14.76. This represents a yield of approximately .25 percent.

NOTE 4 Subsequent Events

The school has evaluated subsequent events through August 21, 2013, the date of the independent auditor's report. There were no material events to report.

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

Honorable Members:

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

Accounts Payable

None	\$	0
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Encumbrances

B & H Photo	\$	400.47
Discount Office Items		648.00
School Specialty		2,593.50
Total	\$	<u>3,641.97</u>

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

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

Joan O. Michael, CPA, PA

Joan O. Michael, CPA, PA
August 21, 2013

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Clay County, Florida
Ms. Carol Studdard, Chairman
Ms. Lisa Graham, Vice Chairman
Ms. Johnna McKinnon
Ms. Janice Kerekes
Ms. Tina Bullock

Honorable Members:

We have audited the internal funds financial statement of Lakeside Elementary School for the year ended June 30, 2013 and have issued our report thereon dated August 21, 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 as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the school's internal control.

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level

of management. There were no misstatements identified during the audit.

Disagreements with Management

We encountered no disagreement during the course of our audit.

Management Representations

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

Other Audit Findings or Issues

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

- During the examination of cash disbursements Three (3) purchase approvals missing received in good condition signatures and Twenty-five (25) purchase approvals missing vendor and cost center information were discovered. Page 33 of the Internal Accounts Manual requires the name of the company from whom merchandise or service is to be purchased or name of person to whom refund is to be made.

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

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

Joan O. Michael, CPA, P.A.

Joan O. Michael, CPA, PA

August 21, 2013

Lakeside Elementary



Katina Allen
Principal

Jeffrey Schriver
Assistant Principal

2752 Moody Avenue
Orange Park, FL 32073
Phone: (904) 213-2966 / Fax: (904) 213-2965

August 23, 2013

Joan O. Michael, CPA, PA
669 Kingsley Avenue
Orange Park, FL 32073

Dear Ms. Michael:

This letter is in response to the recent audit of the Internal Accounts for the 2012-2013 school year at Lakeside Elementary. It was a pleasure to meet with Ms. Landon, and we appreciate her positive comments.

With regard to the note, we will make sure the school number (0352) and vendor name are on the check requisitions. Also, on the internal accounts requisition purchase orders, we will make sure the line is signed for "receipt of goods".

I have total confidence in our Bookkeeper and Principal's Secretary, Judy Crook. Each and every one of the 22 years that Mrs. Crook has worked at Lakeside, we have been extremely pleased with her organizational skills, efficiency, and ability to effectively manage multiple tasks. We are fortunate to have her handling our financial records, and will strive to maintain a high level of performance.

Sincerely,

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

Katina T. Allen
Principal

KTA/jlc

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

Joan O. Michael, CPA, PA
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Lakeside 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 financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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



Joan O. Michael, CPA, P.A.

August 21, 2013

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

	Cash	Transactions			Cash
	Balance		Disburse-		Balance
	July 1, 2012	Receipts	ments	Transfers	June 30, 2013
Athletics	\$ 56,159.71	\$ 72,478.00	\$ 82,091.81	\$ (1,236.65)	\$ 45,309.25
Music	6,286.59	31,058.49	31,014.96	2,572.94	8,903.06
Classes, Clubs, Departments	42,296.62	44,809.92	52,049.03	(2,298.26)	32,759.25
Trust	6,254.91	26,675.51	25,537.62	(1,752.44)	5,640.36
General	9,293.50	6,056.45	13,294.45	5,299.11	7,354.61
Outside Organizations	659.11	20,452.25	17,123.91	(2,584.70)	1,402.75
Total	\$ 120,950.44	\$ 201,530.62	\$ 221,111.78	\$ -	\$ 101,369.28

LAKESIDE 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 account of Lakeside Junior High School within the Clay County, Florida school system.

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

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

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

Basis of accounting

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted method of accounting for Florida school internal accounts as defined by Chapter 8 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

The School Board has the authority, and is required under Rule 6A-1.085 of the Florida Administrative Code, to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds in savings and deposit accounts with Qualified Public Depositories and the Florida State Board of Administration (SBA), Local Government Investment Pool.

NOTE 2 Cash

The June 30, 2013, total cash balance of \$101,369.28 as reported on the statement of cash receipts and disbursements consists of \$11,266.78 being held in a non-interest bearing checking account insured by the FDIC and \$90,102.50 held in an investment account with the Clay County School Board.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$224.78. This represents a yield of approximately .25 percent.

NOTE 4 Subsequent Events

The school has evaluated subsequent events through August 21, 2013, the date of the independent auditor's report. There were no material events to report.

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

Honorable Members:

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

Accounts Payable

Vendor	Amount
Patti's Roses	\$ 40.00
Hagan Ace Hardware	9.76
Florida Department of Revenue	3.67
Total:	<u>\$ 53.43</u>

Encumbrances

Vendor	Amount
NEFF Company	\$ 3,183.25
BSN	1,398.35
Gopher	729.20
Varsity Spirit	72.50
Total:	<u>\$ 5,383.30</u>

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

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

Joan O. Michael, CPA, PA.

Joan O. Michael, CPA, PA
August 21, 2013

Joan O. Michael, CPA, PA

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Ms. Tina Bullock

Honorable Members:

We have audited the internal funds financial statement of Lakeside Junior High School for the year ended June 30, 2013 and have issued our report thereon dated August 21, 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 as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the school's internal control.

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level

of management. There were no misstatements identified during the audit.

Disagreements with Management

We encountered no disagreement during the course of our audit.

Management Representations

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

Other Audit Findings or Issues

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

- Thirty-Three (33) Reports of Monies collected were issued without including the corresponding teacher receipt numbers. Page 17 of the Internal Accounts Manual (IAM) requires teachers to include the beginning and ending receipt numbers issued on the Report of Monies Collected.
- Sixteen (16) Requests for Official Forms missing check dates and numbers. Items requiring completion are described and depicted on pages 42 and 43 of the IAM.

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

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



Joan O. Michael, CPA, PA
August 21, 2013

LAKESIDE JUNIOR HIGH SCHOOL

2750 Moody Avenue ♦ Orange Park, FL 32073 ♦ (904) 213-1800 ♦ Fax (904) 213-2987
<http://www.clay.k12.fl.us/ljh/>

Jennifer Roach
Vice Principal
(904) 213-1801

John W. Green Jr.
Principal
(904) 213-1802

Rex Knight
Assistant Principal
(904) 213-1811

Lloyd Patterson
Activities Director
(904) 213-1872

TO: Roni Campbell
A/P County Office

FROM: Teresa Tubbs, Bookkeeper
Lakeside Junior High



SUBJECT: Audit of Internal Funds Accounts
Exit Interview Discussion Points

DATE: August 27, 2013

Below are my responses to the exit interview discussion points on the 2012-13 audit of internal funds accounts from Joan o Michael, CPA, PA.

Cash Receipts:

- (1) I am issuing an instruction sheet along with receipt books that include directions on items that are required for all Monies Collected forms. This sheet includes information that teacher receipt numbers MUST be included on the Monies Collected forms. (attached)
- (2) I will be more careful that any and all changes made to the Receipt of Monies Collected forms will be initialed by the person making the change.
- (3) As above, I am issuing an instruction sheet along with receipt books that include directions on completing a receipt. This sheet includes information that teachers should date the receipts when the monies are collected and that receipts must be voided and another one issued when mistakes are made while writing them.

Cash Disbursements:

- (1) During the transition period from previous bookkeeper to me, paperwork was lost or misplaced. I followed up by going back and receiving copies of all lost paperwork and receipts. I will make sure that all checks and purchase requests have the proper paperwork attached.
- (2) I will make sure that all purchase approvals have the required signature and dates.
- (3) I have been (and will continue to be) more specific with descriptions.
- (4) No payment reimbursements will include sales tax reimbursement. Reimbursement will be for the cost of items only.
- (5) All Request for Officials forms will include the check number and date of issuance.
- (6) School credit card purchase approvals will only be issued prior to purchases. And all approvals for payment will include receipts for the items purchased before a check will be issued.

Fundraisers:

- (1) All fundraiser forms will include vendor addresses, phone number and names.

If you have any questions, please give me a call.

CLAY COUNTY SCHOOL BOARD AUDIT OF INTERNAL FUNDS ACCOUNTS

EXIT INTERVIEW DISCUSSION POINTS:

Discussed the following items at exit interview:

School: Lakeside Junior High School

Date: August 21, 2013

Principal or Representative: John Green
Bookkeeper: Teresa Tubs

- Discuss and present Management Rep Letter. Received all info?
- **Cash Receipts:**
 - All reports of Monies Collected containing amounts in excess of \$5 should include the corresponding teacher receipt numbers.
 - When ROMC forms are changed they should be initialed
 - Teacher receipts should be dated when monies are collected and must be voided and another issued when mistakes are made when writing them.
- **Cash Disbursements:**
 - All checks and purchase requests must include back-up receipts
 - Make sure purchase approvals have all required signatures and dates
 - Be more specific with descriptions. i.e. party supplies, craft supplies instead of merchandise.
 - Payment Reimbursements should not include sales tax.
 - Request for Officials should include check number and date of issuance.
 - School Credit Card
 - Purchase approvals should be issued prior to purchase
 - All approvals should include the receipt for the items purchased
- **Fundraisers**
 - Forms should include vendor addresses, phone numbers and names.


Joan O Michael, CPA, PA

McRae Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

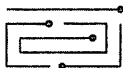
For the Year Ended June 30, 2013



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

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

Taxation, Accounting, Pension Planning, and Business Counseling

INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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Orange Park, Florida 32073
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212 North Davis Street
Nashville, Georgia 31639
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To the Honorable Members
August 21, 2013
Page 2 of 2

Auditor's Responsibility (Continued)

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

Opinion

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

Conner, Hubbard + Company, LLC

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

August 21, 2013

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

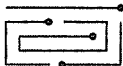
	<u>Cash Balance July 01, 2012</u>	<u>Transactions</u>			<u>Cash Balance June 30, 2013</u>
		<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	
Music	\$0.00	\$643.00	\$643.00	\$0.00	\$0.00
Classes, Clubs & Departments	8,519.57	35,764.70	33,735.01	(1,914.63)	8,634.63
Trust	4,461.15	14,664.90	15,208.48	161.93	4,079.50
General	13,049.46	16,672.71	18,514.73	1,752.70	12,960.14
Outside Organizations	<u>100.98</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100.98</u>
	<u>\$26,131.16</u>	<u>\$67,745.31</u>	<u>\$68,101.22</u>	<u>\$0.00</u>	<u>\$25,775.25</u>

The accompanying notes are an integral part of these financial statements

MCRAE ELEMENTARY SCHOOL

Notes to Statement of Cash Receipts and Disbursements
For The Year Ended June 30, 2013

- NOTE 1 The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- NOTE 2 Interest of \$78.12 was earned on the checking account and on funds invested with the Clay County School Board during the fiscal year ended June 30, 2013.
- NOTE 3 The cash balance of \$25,775.22 at June 30, 2013, shown on the statement of cash receipts and disbursements consists of \$10,714.63 being held in the checking account, \$14,840.12 invested with the Clay County School Board and \$220.50 of insufficient checks held for collection.
- NOTE 4 The school has performed an evaluation of subsequent events through August 21, 2013, the date the financial statements were available to be issued. There were no events or transactions that met disclosure requirements.



CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

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

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

There were no accounts payable or encumbrances as of June 30, 2013.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

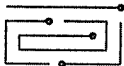
August 21, 2013

website: www.connerhubbard.com
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Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

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

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

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

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

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 21, 2013

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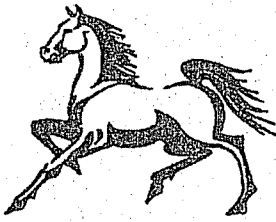
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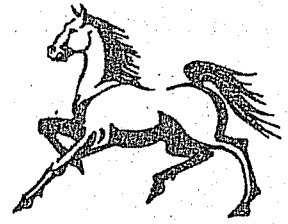
McRae Elementary School

"Home of the Mavericks"

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



*Marcus Dooley
Principal*



*Vicki Chappell
Assistant Principal*

September 04, 2013

Conner, Hubbard & Company, LLC
1106 Park Avenue
Orange Park, Florida 32073

This is a response to the 2013 audit of internal accounts for McRae Elementary School completed by your firm.

We appreciate the professional manner that Mr. Randall "Jay" Wiley performed the audit of McRae Elementary. Thank you for your services.

Sincerely,

Marcus Dooley
Principal

cc: Roni Campbell

"An Equal Opportunity Employer"