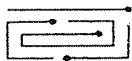


Middleburg Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

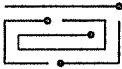
For the Year Ended June 30, 2013



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

**MIDDLEBURG ELEMENTARY SCHOOL
TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
 FINANCIAL STATEMENTS	
Statement of Cash Receipts and Disbursements of the Internal Funds	3
Notes to Statement of Cash Receipts and Disbursements	4
 SUPPLEMENTAL INFORMATION	
Accounts Payable and Encumbrances	5
Management Letter	6
Management Response	8



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 Middleburg 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.

website: www.connerhubbard.com
Please respond to the office at:

e-mail: firm@connerhubbard.com

1106 Park Avenue
Orange Park, Florida 32073
(904) 278-1040; Fax (904) 278-9444

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

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 Middleburg 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

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

	Cash Balance July 01, 2012	Transactions			Cash Balance June 30, 2013
		Receipts	Disbursements	Transfers	
Music	\$2,401.06	\$3,259.00	\$ 3,954.16	\$0.00	\$1,705.90
Classes, Clubs & Departments	3,426.65	27,731.64	28,478.78	30.91	2,710.42
Trust	18,773.31	13,970.71	15,987.77	13.57	16,769.82
General	20,308.85	30,958.02	33,067.82	(44.48)	18,154.57
Outside Organizations	-	-	-	-	-
	<u>\$44,909.87</u>	<u>\$75,919.37</u>	<u>\$81,488.53</u>	<u>\$0.00</u>	<u>\$39,340.71</u>

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

MIDDLEBURG 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 \$14.44 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 \$39,340.71 at June 30, 2013, shown on the statement of cash receipts and disbursements consists of \$33,549.66 being held in the checking account and \$5,791.05 invested with the Clay County School Board. There were no 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 Middleburg 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 and encumbrances as of June 30, 2013.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

August 21, 2013

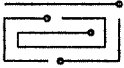
website: www.connerhubbard.com

Please respond to the office at:

1106 Park Avenue
Orange Park, Florida 32073
(904) 278-1040; Fax (904) 278-9444

e-mail: firm@connerhubbard.com

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



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 Middleburg Elementary School for the year ended June 30, 2013, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

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

One math error on a "Moneys Collected Form"

Three instances where the general ledger date was four or more days after the date on the "Monies Collected Form".

One instance where the individual receipt number was not listed on the "Moneys Collected Form".

One instance when supporting invoice did not match the cash disbursement amount.


Four cash disbursements that were not supported by a copy of the vendor invoice.

One cash disbursement where no supporting documentation could be located.

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.

website: www.connerhubbard.com
Please respond to the office at:

e-mail: firm@connerhubbard.com

 **1106 Park Avenue**
Orange Park, Florida 32073
(904) 278-1040; Fax (904) 278-9444

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

Honorable Members

Page 2

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

MIDDLEBURG ELEMENTARY SCHOOL

Becky Wilkerson
Principal

3958 Main Street
Middleburg, Florida 32068

Tammy Winkler
Assistant Principal

904/291-5485 FAX 904-291-5491

August 21, 2013

Conner, Hubbard & Company, LLC

We have noted the six items you have pointed out in the letter dated August 19, 2013.

The principal and bookkeeper will address all issues listed.

The principal and bookkeeper will review policies and procedures with all faculty and staff at the beginning of each school year and as necessary regarding "Monies Collected" forms and the importance of keeping accurate records and completing documentation in a timely manner.

Becky Wilkerson



Principal, Middleburg Elementary School

MIDDLEBURG ELEMENTARY SCHOOL

Becky Wilkerson
Principal

3958 Main Street
Middleburg, Florida 32068

Tammy Winkler
Assistant Principal

904/291-5485 FAX 904-291-5491

August 21, 2013

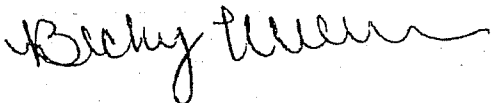
Conner, Hubbard & Company, LLC

We have noted the six items you have pointed out in the letter dated August 19, 2013.

The principal and bookkeeper will address all issues listed.

The principal and bookkeeper will review policies and procedures with all faculty and staff at the beginning of each school year and as necessary regarding "Monies Collected" forms and the importance of keeping accurate records and completing documentation in a timely manner.

Becky Wilkerson



Principal, Middleburg Elementary School

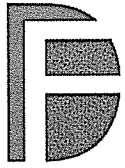
MIDDLEBURG HIGH SCHOOL

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

**FOR THE YEAR ENDED
JUNE 30, 2013**

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements	2
Notes to Statement of Cash Receipts and Disbursements	3-4
Supplementary Information	
Accounts Payable and Encumbrances	5-6
Management Letter	7-8



INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

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

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

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

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

DuVal Fields CPA Group, PA

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

Middleburg High School

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

	Balance July 1, 2012	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2013
Athletics	\$ 103,223.52	\$ 214,325.39	\$ 204,795.33	\$ (6,594.65)	\$ 106,158.93
Music	10,023.00	71,558.23	73,562.18	2,000.00	10,019.05
Classes, Clubs and Departments	48,702.10	253,165.42	200,168.38	7,070.21	108,769.35
Trusts	110,137.30	69,143.42	60,859.95	7,365.52	125,786.29
General	43,220.29	48,997.32	39,619.07	(2,794.26)	49,804.28
Outside Organizations	7,605.21	49,835.10	45,727.51	(7,046.82)	4,665.98
TOTALS	<u>\$ 322,911.42</u>	<u>\$ 707,024.88</u>	<u>\$ 624,732.42</u>	<u>\$ 0.00</u>	<u>\$ 405,203.88</u>

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

MIDDLEBURG 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 Middleburg 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 Middleburg 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 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, these statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

MIDDLEBURG 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 (cont.)

Investments

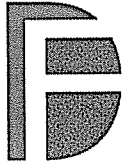
The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds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

NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2013 cash balance, totaling \$405,203.88 consists of \$92,435.44 in a noninterest bearing checking account with Wells Fargo (formerly Wachovia Bank), \$312,764.44 in an investment account with the Clay County School Board, and \$4.00 in outstanding NSF checks receivable.

NOTE 3 - INTEREST INCOME

Interest earned on the SBA investment account during the year ended June 30, 2013 was \$822.49. This represented a yield of approximately 0.28% for that period.



DuValFields

— CPA Group PA
ACCOUNTING • TAX • CONSULTING

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

Honorable Members:

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

ACCOUNTS PAYABLE

Sam's Club	\$ 419.31
TLC Enterprises	36.00
Publix	75.23
Head's House of Music	159.75
Balfour Yearbooks	<u>66,345.99</u>
Total	<u>\$67,036.28</u>

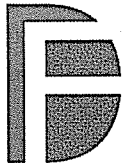
ENCUMBRANCES

School Date Books	\$ 2,175.67
The Gallery Collection	303.98
Baker Sporting Goods	8,404.00
Head's House of Music	159.75
Neff Company	4,635.72
Varsity	5,142.75
Athletica	1,385.52
GTM Sportswear	501.00
Agrow Pro	2,756.00
4Imprint	<u>888.58</u>
Total	<u>\$26,352.97</u>

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

DuVal Fields CPA Group, PA

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



DuValFields
— CPA Group PA
ACCOUNTING • TAX • CONSULTING

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

Honorable Members:

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

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

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

We reviewed the prior year audit recommendations and found the school to have approximately the same number of minor violations of procedures outlined in the Internal Funds Manual.

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

1. During our receipts testing, we noted that, on several occasions during our receipt testing month, monies were not turned into the bookkeeper on a daily basis. Also, the date of the Teacher Receipts and the Report of Monies Collected did not agree to the Official Receipt. On three occasions, teacher/sponsors held funds over a weekend and, in one case for over one week. On one occasion the Report of Monies Collected was not dated.
2. The preparation of fundraising forms appears to have improved from the audit results of prior years (i.e., most forms were fully completed). However, in several instances, the fundraiser forms were not signed as approved until after the date the fundraiser was scheduled to begin or were not dated by the principal/designee.
3. During our test month, a stamp of the principal's signature was used on many of the fundraising forms and the Request for Purchase approval and check requisitions. One check was missing a second signature altogether. Additional testing throughout the year revealed several instances where a stamp of the principals' signature was used on disbursement checks. The use of the Principal's stamp should be immediately discontinued. According to the Internal Funds Manual, all disbursements are required to have two manual signatures, preferably the Principal and the Bookkeeper.

Overall, we found the internal accounting records neat and orderly. We also found that the procedures outlined in the Internal Funds Manual of the Clay County School Board were generally followed by the school.

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

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

DuVal Fields CPA Group, P.A.

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



Middleburg High School

3750 County Road 220 Middleburg, FL 32068

Phone: (904) 213-2100

Fax: (904) 291-5462

John O'Brian
Principal

Michelle Harris
Vice Principal

Abby Neal
Assistant Principal

Patrick Capriola
Assistant Principal

W. Alan Powers
Athletic Director

August 29, 2013

Duval Fields CPA Group
428 Walnut St.
Green Cove Springs, FL 32043

Sirs:

We have reviewed the management letter for our 2012-2013 Audit.

As we discussed in our exit interview, our Bookkeeper will begin having teachers sign a written acknowledgement when funds are held over a weekend.

We have discussed and will continue throughout the year to reinforce the policies regarding fundraisers. The proper procedures for filling out fundraiser applications will be reviewed with each Sponsor. The importance of filling out these forms prior to start date will also be addressed.

The use of the Principal's stamp on all internal account forms has been discontinued.

We appreciate the professionalism of your company and its employees throughout our Audit. We would like to thank you for your time.

Sincerely,

John O'Brian
Principal

MONTCLAIR 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

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

Joan O. Michael, CPA, PA
Certified Public Accountant

Joan O. Michael, CPA, PA
Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
Facsimile (904) 264-8057

INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Montclair 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 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 Montclair Elementary School for the year ended June 30, 2013, on the basis of accounting described in Note 1.

Joan O. Michael CPA PA
Joan O. Michael, CPA, PA
August 13, 2013

MONTCLAIR 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	Interfund Transfers	Balance June 30, 2013
Classes, Clubs, Departments	\$ 275.11	30,765.01	30,745.35	1,172.37	1,467.14
Trust	\$ 11,265.41	10,185.84	10,591.69	(170.83)	10,688.73
General	\$ 7,528.31	22,594.33	28,704.10	1,213.08	2,631.62
Outside Organizations	\$ 8,853.76	51,785.13	34,363.10	(2,214.62)	24,061.17
Total	\$ 27,922.59	\$ 115,330.31	\$ 104,404.24	\$ -	\$ 38,848.66

See accompanying notes and accountant's report.

MONTCLAIR ELEMENTARY SCHOOL

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

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

Basis of accounting

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

Investments

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

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

MONTCLAIR ELEMENTARY 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 \$38,848.66 as reported on the statement of cash receipts and disbursements consists of \$16,611.02 being held in a non interest checking account insured by the FDIC, \$21,968.64 held in an investment account with the Clay County School and \$269.00 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 \$21,968.64 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2013, is 43 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$54.80. Investment interest is maintained in a separate fund account.

- 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.

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

The School has evaluated subsequent events through August 13, 2013, the date of the independent auditor's report. There were no material subsequent events to report.

Supplemental Information

Joan O. Michael, CPA, PA
Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
Facsimile (904) 264-8057

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

Honorable Members:

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

Accounts Payable

None

Encumbrances

None

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

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

Joan O. Michael CPA PA

Joan O. Michael, CPA, PA
August 13, 2013

Joan O. Michael, CPA, PA
Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

Telephone (904) 269-6748
Facsimile (904) 264-8057

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

Honorable Members:

We have audited the internal funds financial statement of Montclair Elementary School as of and for the year ended June 30, 2013 and have issued our report thereon dated August 13, 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 Montclair Elementary 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 over financial reporting.

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

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

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

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

- Non-sufficient checks continue to remain outstanding from 2009. The bookkeeper did not timely request permission to write-off the dishonored checks during the 2012-2013 school year. The bookkeeper should follow page 23 of the Clay County School Board Internal Accounts Manual, Procedures for Insufficient Funds Checks to insure that proper procedures are followed so that dishonored checks are timely collected and merchandise is not delivered.

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

- Report of Monies Collected forms and receipt books were incomplete and/or incorrect. We recommend that the bookkeeper review the instructions for Report of Monies Collected forms as well as proper techniques for receipt books, as per the Clay County School Board Internal Accounts Manual.

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

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

Communication with Those Charged with Governance

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

Our Responsibility under Generally Accepted Auditing Standards

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

The firm of Joan O. Michael, 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

Montclair Elementary School

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 Montclair Elementary School and the Clay County District Schools.

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

Joan O. Michael CPA PA

Joan O. Michael, CPA, PA
August 13, 2013



Montclair Elementary School

2398 Moody Avenue

Orange Park, Florida 32073

Phone (904) 278-2030 • Fax (904) 278-2090

William Miller
Principal

Connie Lee
Assistant Principal

September 3, 2013

Joan O. Michael
Certified Public Accountant
669 Kingsley Avenue
Orange Park, Florida 32073

CC: Roni Campbell
Clay County School Board

Joan-

This is in response to the noted items in Montclair Elementary School's annual audit for the school year 2012/2013.

1. We will be writing off any NSF Checks that are over 3 years old, but will still make a diligent effort to collect on the NSF checks. The bookkeeper has reviewed the procedures for Insufficient Funds Checks on page 23 of the Clay County School Board Internal Accounts Manual.
2. The bookkeeper has reviewed the instructions for Report of Monies Collected forms and receipt books, on pages 16 through 19 of The Clay County School Board Internal Accounts Manual, with sponsors/teachers and have reminded them to make sure they put all information on the monies collected forms. The bookkeeper will review each monies collected form to make sure all information is written on the form.

We will continue to follow the procedures outlined in the Internal Funds Manual of the Clay County School Board, and make every effort to correct the above.

Sincerely,

William Miller
Principal

Stacia Hood
Principals Secretary/Bookkeeper

Oakleaf High School

Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2013

Oakleaf High School

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 High School (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 High School 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 17, 2013

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

<u>Accounts</u>	<u>Cash Balance July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2013</u>
Athletics	\$ 57,701.61	\$ 256,848.70	\$ 262,123.67	\$ 1,139.47	\$ 53,566.11
Music	10,866.53	87,640.44	79,047.64	(2,477.82)	16,981.51
Classes, Clubs	31,919.16	289,390.37	274,767.49	3,566.73	50,108.77
Trust	5,732.53	30,322.25	22,782.00	(428.02)	12,844.76
General	18,738.40	34,290.23	36,216.52	(1,874.12)	14,937.99
Outside Organizations	6,848.79	28,122.63	30,141.64	73.76	4,903.54
Totals	<u>\$ 131,807.02</u>	<u>\$ 726,614.62</u>	<u>\$ 705,078.96</u>	<u>\$ 0.00</u>	<u>\$ 153,342.68</u>

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

**Oakleaf High School
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 High School (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 High School.

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 \$153,342.68 was held in a non-interest bearing checking account and \$0 held in an investment account at year-end.

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 High School
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 17, 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.

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 High 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

\$ 69.56	GTM Sportswear
\$ 12,422.26	Herff Jones, Inc.
7,672.91	Varsity Spirit Fashions
105.57	MF Athletics
4,800.00	Agrow Pro, Inc.
19.97	WT Cox

\$ 25,090.27 Total

Encumbrances as of June 30, 2013

\$ --

The above accounts payable total was not 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 17, 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 High School 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 funds of Oakleaf High School 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:

- We noted that teachers and staff collecting funds for PSAT fees and locker sales did not turn money into the bookkeeper in a timely manner. School Board policies require that funds collected by teachers and staff be turned into the bookkeeper daily and that monies collected are not to be held over the weekend. We noted that some funds were held eight to ten days before being turned into the bookkeeper. We recommend that teachers and staff be encouraged to turn in monies promptly.
- The School yearbook had an outstanding balance of approximately \$12,400 at year-end. The yearbook account did not have the funds at year-end to pay this bill and this payable was not listed on the year-end reports to the District. The School signed a contract to pay a base fee amount of \$38,845. However, the school only raised \$27,986 to pay for the yearbook. We recommend that the School change yearbook options and/or increase the cost of the book to cover shortages.

- The School issued checks with only one signature. We noted three cancelled checks clearing the bank during the fiscal year that had one signature. School Board policies require that all checks be signed by two individuals, preferably that of the Principal and the bookkeeper.

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 17, 2013



Oakleaf High School

David S. Broskie - Principal

Michelle Daly - Vice Principal • Brenda Troutman - Assistant Principal • Michael Randolph - Assistant Principal

4035 Plantation Oaks Boulevard • Orange Park, Florida 32065
PHONE (904) 213-1900 • FAX (904)272-8599



September 04, 2013

Timothy M. Coleman, CPA, CVA
Coleman and Associates, CPA Firm
P.O. Box 8279
Fleming Island, FL 32006

Dear Mr. Coleman:

This letter is in response to your audit report for Oakleaf High School for the fiscal year ended June 30, 2013.

The following corrective actions are being taken:

- We have communicated with our faculty and staff the importance of turning money in to the bookkeeper on a daily basis.
- The yearbook advisor has come up with an action plan to help cover the costs of the yearbook deficit which includes raising the price of the yearbook, decreasing the number of pages and requiring the yearbook staff to sell ads.
- In regards to the checks not being signed, the bookkeeper will verify that all checks have been signed before disbursing them.

We would like to say it has been a pleasure working with your staff and thank you for your services as Oakleaf High School's auditor for the fiscal year ended June 30, 2013.

Sincerely,

David S. Broskie
Principal

cc: Roni Campbell, Accounting Coordinator, CCSB
Michelle Skeen, Bookkeeper OLHS

"An equal opportunity employer"

Oakleaf Junior High School

Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2013

Oakleaf Junior High School

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 Junior High School (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 Junior High School 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 17, 2013

Oakleaf Junior High School
Statement of Cash Receipts and Disbursement of the Internal Funds
For the Year Ended June 30, 2013

<u>Accounts</u>	<u>Cash Balance July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2013</u>
Athletics	\$ 29,618.31	\$ 60,951.75	\$ 55,009.28	\$ (3,000.00)	\$ 32,560.78
Music	922.40	41,522.20	39,637.22	(449.00)	2,358.38
Classes, Clubs	22,498.53	136,850.64	131,681.33	3,075.00	30,742.84
Trust	1,357.17	21,231.86	20,129.00	449.00	2,909.03
General	8,584.10	34,317.40	39,137.22	(75.00)	3,689.28
Outside Organizations	371.86	25.35	-	-	397.21
Totals	<u><u>\$ 63,352.37</u></u>	<u><u>\$ 294,899.20</u></u>	<u><u>\$ 285,594.05</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 72,657.52</u></u>

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

**Oakleaf Junior High School
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 Junior High School (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 Junior High School.

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 \$72,657.52 was held in a non-interest bearing checking account in the amount of \$62,499.29 and \$10,158.23 was held in an investment account at year end. The School earned \$25.35 in interest earnings during the fiscal year.

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 Junior High School
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 17, 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.

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 Junior High 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

\$ --

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 17, 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 Junior High School 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 funds of Oakleaf Junior High School 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.

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 17, 2013