

**ADULT AND COMMUNITY EDUCATION**

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

EMILY C. HELMS, CPA, PA  
Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT**

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

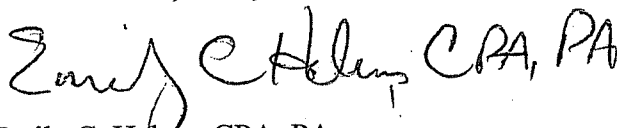
Honorable Members:

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



Emily C. Helms, CPA, PA  
August 19, 2013

## ADULT AND COMMUNITY EDUCATION

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

	Cash Balance July 1, 2012	Transactions			Cash Balance June 30, 2013
		Receipts	Disburse- ments	Interfund Transfers	
Trust	\$ 1,114.68	722.97	2,658.17	1,400.00	579.48
General	2,182.98	3,231.94	1,140.70	(1,400.00)	2,874.22
<b>Total</b>	<b>\$ 3,297.66</b>	<b>\$ 3,954.91</b>	<b>\$ 3,798.87</b>	<b>\$ -</b>	<b>\$ 3,453.70</b>

See accompanying notes and accountant's report.

# ADULT AND COMMUNITY EDUCATION

## 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 Adult and Community Education (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 Adult and Community Education.

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

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

#### Basis of accounting

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

#### Investments

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

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

## ADULT AND COMMUNITY EDUCATION

### 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 \$ 3,453.70 as reported on the statement of cash receipts and disbursements consists of \$2,106.14 being held in a non interest checking account insured by the FDIC, \$575.95 cash on hand and \$771.61 held in an investment account with the Clay County School.

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

#### **NOTE 3 Investments**

In accordance with GASB Statement No. 40, as of June 30, 2013 the School invested \$771.61 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 \$1.94. 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 19, 2013, the date of the independent auditor's report. There were no material subsequent events to report.

## Supplemental Information

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

Honorable Members:

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

Accounts Payable

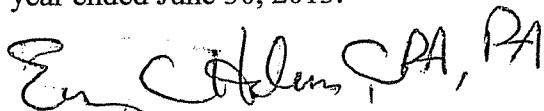
None

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 Adult and Community Education for the year ended June 30, 2013.



Emily C Helms, CPA, PA  
August 19, 2013



# EMILY C. HELMS, CPA, PA

*Certified Public Accountant*

1279 Kingsley Avenue, Suite 103  
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Telephone (904) 269-4292  
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Mr. Charles Van Zant, Jr., Superintendent of Schools,  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Ms. Tina Bullock  
Ms. Johnna McKinnon  
Ms. Lisa Graham

Honorable Members:

We have audited the internal funds financial statement of Adult and Community Education as of and for the year ended June 30, 2013 and have issued our report thereon dated August 19, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

In planning and performing our audit, we considered Adult and Community Education'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 considered the following deficiencies in the Adult and Community Education's internal control to be **significant deficiencies**.

1. Routinely, Request for Purchase Approval and Check Requisitions are being prepared after the purchase is made and at the time the check is issued. Purchase Approval and Check Requisitions are signed by the Supervisor in blue and the date is entered in black indicating that the request for purchase is back dated and/or the Supervisor is pre-signing the Request for Purchase Approval and Check Requisition forms. A sample of such requisitions are for check numbers 1188, 1189, 1191, 1212, 1213, 1215 1216, and 1219. We recommend the bookkeeper, staff, and supervisor stop this practice immediately. Additionally, we recommend that the bookkeeper, staff, and supervisor review the Clay County School Board Internal Accounts Manual, Disbursements Procedures, pages 32 through 35 to better familiarize themselves with the correct disbursement procedures.
2. Funds collected were not timely deposited and were held in the school over the weekend at the end of the school year. Collection procedure state, in part, "...NO FUNDS WILL BE HELD IN THE SCHOOL OVER A WEEKEND OR HOLIDAY PERIOD." We recommend that the bookkeeper review the Clay County School Board Internal Accounts Manual, page 17, Collection Procedures to better familiarize herself with the correct collection procedures.

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

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

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

## Communication with Those Charged with Governance

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

### Our Responsibility under Generally Accepted Auditing Standards

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

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

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

### Planned Scope and Timing of the Audit

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

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

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

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

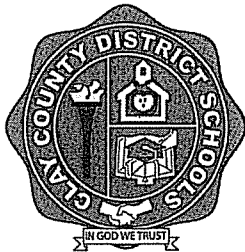
We have requested certain representations from management that are included in the management representation letter.

We commend the principal and the bookkeeper for an excellent job. It has been a pleasure to have this opportunity to serve Adult and Community Education and the Clay County District Schools.

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



Emily C. Helms, CPA, PA  
August 19, 2013



Charlie Van Zant, Jr.  
Superintendent of Schools

# SCHOOL DISTRICT OF CLAY COUNTY

Center for Adult & Community Education

2306 Kingsley Ave.

Orange Park, Florida 32073

PHONE 904/272-8170 FAX 904/272-8164

Supervisor  
Shannah Kosek,  
M.Ed.

Testing Specialist  
Gary Smith

Career Specialist  
Margaret Lawshe

Full-time GED  
Instructors  
David Silverman  
Tracy Oliver

August 29, 2013

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

Dear Ms. Helms:

Thank you for your thorough and professional audit of our internal accounts for the 2012/2013 school year. We are pleased that the financial statement, which was prepared on the basis of cash receipts and disbursements, has been represented correctly.

The following is a response to the items noted in the auditor's report.

1. Every effort will be made to properly prepare and obtain properly dated approval for Requests for Purchase Approval and Check Requisitions. Also, checks will be prepared and properly signed and dated in accordance with District policies.
2. Every effort will be made to timely deposit funds collected and will not be held in the school over the weekend or over a holiday period in accordance with District policies.

Sincerely,

Shannah M. Kosek, M.Ed.  
Supervisor, Adult & Community Education

**Argyle Elementary**

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

**For the Year Ended June 30, 2013**

## **Argyle Elementary**

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**COLEMAN & ASSOCIATES**  
Certified Public Accounting Firm

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**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 Argyle Elementary (the School) as of and for the year ended June 30, 2013, and the related notes to the financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

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

**Basis of Accounting**

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

*Coleman & Associates Cpa Firm*

August 21, 2013



**Argyle Elementary**  
**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>
Music	\$ 1,065.84	\$ 4,310.50	\$ 5,165.63	\$ 1,041.93	\$ 1,252.64
Classes, Clubs and Departments	10,110.42	52,365.84	50,260.51	(3,760.35)	8,455.40
Trust	8,953.79	16,717.13	19,949.61	(576.92)	5,144.39
General	7,170.29	35,665.47	41,042.13	3,295.34	5,088.97
Outside Organizations	10,331.55	13,942.56	17,130.11	--	7,144.00
<b>Totals</b>	<u>\$ 37,631.89</u>	<u>\$ 123,001.50</u>	<u>\$ 133,547.99</u>	<u>\$ --</u>	<u>\$ 27,085.40</u>

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

**Argyle Elementary  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**Note 1 – Summary of Significant Accounting Policies**

**Reporting entity**

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of Argyle Elementary (the School) within the Clay County, Florida school system.

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

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

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

**Basis of Accounting**

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

**Note 2 – Cash and Cash Equivalents**

As of June 30, 2013, the School's total cash balance of \$26,944.30 was held in a non-interest bearing checking account plus \$141.10 in outstanding non-sufficient funds checks.

**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.

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

**Note 3 – Investments (concluded)**

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

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

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

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

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

**Note 4 - Subsequent Events**

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

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**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 Argyle Elementary School's internal funds as reported to us by the School.

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

Accounts Payable as of June 30, 2013

\$ 760.88	Sam's Club
75.34	Publix
196.00	Neptune Embroidery
30.97	Home Depot
<u>343.42</u>	MidAmerica Books
<u>\$ 1,406.61</u>	Total

Encumbrances as of June 30, 2013

<u>\$ --</u>
<u>\$ --</u>

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

*Coleman & Associates Cpa firm*

August 21, 2013



COLEMAN & ASSOCIATES  
Certified Public Accounting Firm

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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 Argyle Elementary as of and for the fiscal year ended June 30, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the internal fund's financial statements of Argyle Elementary for the year ended June 30, 2013; in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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

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

- As reported in the prior year auditor's report, the School issued some checks without a vendor invoice or receipt for support. For example, the School paid the balance due for the use of a charter bus and paid for pizza without a supporting invoice or receipt. School Board and Red Book policies require all disbursements to have adequate supporting documentation.
- School Board and Red Book policies require that the Principal approve all purchases in advance and in writing. The School made a couple of purchases and the approval date was after the receipt and invoicing by the vendor. We recommend that all purchase approvals be in writing prior to ordering goods and services.
- We noticed that a couple of receipts from October 2012 and the related supporting documentation were not included in the information provided for audit. We could not locate receipt numbers 10207, 10222 and 10243. These monies were deposited into the bank, but the supporting paperwork could not be located.

- School Board policies require that monies collected not be held into the weekend. We noted a couple of deposits were made on a Saturday and sometimes the following Monday. We recommend that deposits are not kept at the School into the weekend.

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

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

### **Communication with Those Charged with Governance**

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

#### Our Responsibility under U.S. Generally Accepted Auditing Standards

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

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

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

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

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

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

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

*Coleman & Associates Cpa firm*

August 21, 2013





We are all Pioneers...

...Pathfinders on the Trail of a New Frontier

Theresa Roman, Principal  
[troman@oneclay.net](mailto:troman@oneclay.net)

Jessica Pullen, Assistant Principal  
[jppullen@oneclay.net](mailto:jppullen@oneclay.net)

September 03, 2013

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

Dear Coleman and Associates:

This letter is in response to the audit report of the internal funds of Argyle Elementary School for the year ending June 30, 2013 and the steps I have been taken to correct the items noted in our audit draft for the 2013-2014 school year.

1. In regards to the issue of some checks not having a vendor invoice or receipt for support, the bookkeeper will review the Red Book policies on the procedures of check writing and ensure that all disbursements have proper supporting documentation.
2. In regards to purchases made prior to Principal's approval; the bookkeeper has reviewed the purchasing policies in the Internal Accounts Manual and will make certain that each purchase receives prior approval before ordering goods and services.
3. In regards to a couple of receipts and related supporting documentation not included in the information provided for the audit. The bookkeeper will make certain that each receipt is accounted for and contains supporting documentation.
4. In regards to money being held into the weekend; the bookkeeper has reviewed the Internal Accounts Manual and will make certain that deposits are made on or before the weekend or placed in a HOLD bag.

Argyle Elementary appreciates the patience and guidance of our auditor, Coleman and Associates. We would like to thank Coleman and Associates for being extremely helpful and understanding.

Sincerely,

A handwritten signature in cursive script that reads "Theresa Roman".

Theresa Roman  
Principal

**Bannerman Learning Center**

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

**For the Year Ended June 30, 2013**

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## **Independent Auditors' Report**

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

Honorable Members:

### **Report on the Financial Statement**

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Bannerman Learning Center for the year ended June 30, 2013, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

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

### **Auditor's Responsibility**

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

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

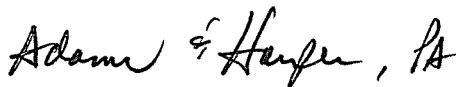
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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

### **Basis of accounting**

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



Adams & Harper, PA  
Orange Park, FL  
August 9, 2013

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

	<u>Cash Balance July 1, 2012</u>	<u>Transactions</u>			<u>Cash Balance June 30, 2013</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Transfers</u>	
Classes, Clubs, Departments	\$ 4,048.17	\$ 11,513.71	\$ 9,622.49	\$ 154.12	\$ 6,093.51
Trust	1,064.09	18,517.27	17,493.81	(295.41)	1,792.14
General	2,187.78	5,952.74	6,085.84	141.29	2,195.97
<b>Total</b>	<b>\$ 7,300.04</b>	<b>\$ 35,983.72</b>	<b>\$ 33,202.14</b>	<b>\$ -</b>	<b>\$ 10,081.62</b>

See accompanying notes and independent auditors' report

**Bannerman Learning Center  
Notes to Statement of Cash Receipts  
and Disbursements of the Internal Funds  
For the Year Ended June 30, 2013**

**Note 1 - Summary of Significant Accounting Policies**

**Reporting entity**

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of Bannerman Learning Center 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 Bannerman Learning Center.

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

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

**Basis of accounting**

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

**Investments**

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

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

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

**Note 2 - Cash**

The June 30, 2013 ending cash balance of \$ 10,081.62 consists of \$ 10,081.62 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)).

**Note 3 - Interest Income**

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

**Note 4 – Subsequent Events**

The School has evaluated subsequent events through August 9, 2013; the date of the independent auditors' report and the date which the financial statement is considered available to issue. There were no material subsequent events to report.



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**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

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

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

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

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

*Adams & Harper, PA*  
Adams & Harper, PA  
Orange Park, FL  
August 9, 2013

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

Honorable Members:

Our report on internal control and our communication with those charged with governance for Bannerman Learning Center follows.

## **Independent Auditors' Report on Internal Control**

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

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

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

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

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

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

### **Auditor Communications With Those Charged With Governance**

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

We have audited the statement of cash receipts and disbursements of Bannerman Learning Center Internal Accounts (School) for the year ended June 30, 2013 and have issued our report thereon dated August 9, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

### Significant Audit Findings

#### *Qualitative Aspects of Your Accounting Practices*

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

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

#### *Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

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

*Other Audit Findings or Issues*

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

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

- The distribution of receipt books is not being controlled to the extent required by the Internal Accounts Manual, page 18. Each teacher / sponsor should be assigned his or her own receipt book, and records should be maintained including the teacher / sponsor's signature upon acceptance of the receipt book and the bookkeeper's signature upon return of the receipt book.
- Separate sequential list of receipts reports are not being included with deposit documentation as required by the Internal Accounts Manual page 19.

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

Follow-up on Prior Year Audit Findings

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

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

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

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

*Adams & Harper, PA*

Adams & Harper, PA  
Orange Park, FL  
August 9, 2013



# BANNERMAN LEARNING CENTER

608 Mill Street - Green Cove Springs, Florida 32043  
Main Office: (904) 529-2100 Fax: (904) 529-2103  
Fax: (904) 529-1025(ESE) Fax: (904) 529-2599 (Administration)

Michael Elia, Principal  
Amanda George, Assistant Principal

August 13, 2013

Adams and Harper, PA

This letter is in response to your findings of Bannerman Learning Center's audit for 2012/2013.

I will make sure that I have each teacher sign for their receipt books when I distribute the receipt books.

I will include a sequential list of receipts with every bank deposit.

Thank you,  
*Renee*  
Renee Taylor

**Charles E. Bennett Elementary School**

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

**For the Year Ended June 30, 2013**

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## **Independent Auditors' Report**

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

Honorable Members:

### **Report on the Financial Statement**

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2013, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

### **Basis of accounting**

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

*Adams & Harper, PA*

Adams & Harper, PA  
Orange Park, FL  
August 9, 2013

**Charles E. Bennett Elementary School  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2013**

	Cash Balance July 1, 2012	Transactions			Cash Balance June 30, 2013
		Receipts	Disburse- ments	Transfers	
Music	\$ 898.73	\$ 8,755.24	\$ 8,591.79	\$ -	\$ 1,062.18
Classes, Clubs, Departments	15,022.22	41,601.07	45,374.73	(94.02)	11,154.54
Trust	3,342.44	21,947.25	23,442.02	(66.75)	1,780.92
General	17,453.21	27,422.67	32,204.55	160.77	12,832.10
Outside Funds	2,824.48	-	2,824.48	-	0.00
<b>Total</b>	<b>\$ 39,541.08</b>	<b>\$ 99,726.23</b>	<b>\$ 112,437.57</b>	<b>\$ 0.00</b>	<b>\$ 26,829.74</b>

See accompanying notes and independent auditors' report

**Charles E. Bennett Elementary School  
Notes to Statement of Cash Receipts  
and Disbursements of the Internal Funds  
For the Year Ended June 30, 2013**

**Note 1 - Summary of Significant Accounting Policies**

**Reporting entity**

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of Charles E. Bennett 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 Charles E. Bennett Elementary School.

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

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

**Basis of accounting**

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

**Investments**

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

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

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

**Note 2 - Cash**

The June 30, 2013 ending cash balance of \$ 26,829.74 consists of \$ 5,532.58 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)), \$ 21,269.16 held in an investment account with Florida PRIME, as described in Note 1, and \$ 28.00 in outstanding NSF checks receivable.

**Note 3 - Interest Income**

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 53.06, representing an annual yield of approximately 0.25%.

**Note 4 – Subsequent Events**

The School has evaluated subsequent events through August 9, 2013; the date of the independent auditors' report and the date which the financial statement is considered available to issue. There were no material subsequent events to report.

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**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2013 of the Charles E. Bennett 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 accounts payable and encumbrances. The accounts payable and encumbrances were not paid during the 2012-2013 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Charles E. Bennett Elementary School for the year ended June 30, 2013.

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

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

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

Adams & Harper, PA  
Certified Public Accountants  
August 9, 2013

# ADAMS & HARPER, PA

Certified Public Accountants

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Members:  
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of Certified Public Accountants

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

Honorable Members:

Our report on internal control and our communication with those charged with governance for Charles E. Bennett Elementary School follows.

## **Independent Auditors' Report on Internal Control**

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

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

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

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

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

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

### **Auditor Communications With Those Charged With Governance**

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

We have audited the statement of cash receipts and disbursements of Charles E. Bennett Elementary School Internal Accounts (School) for the year ended June 30, 2013 and have issued our report thereon dated August 9, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

### **Significant Audit Findings**

#### *Qualitative Aspects of Your Accounting Practices*

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

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

#### *Difficulties Encountered in Performing the Audit*

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



*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

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

*Other Audit Findings or Issues*

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

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

- We discovered a couple instances of principal's report packages not being completely filed in duplicate as required by page 60 of the Internal Accounts Manual.
- We identified one fundraiser that was extended well past the approved ending date and did not include an explanation for the difference in items sold and total cash deposited, as required by the Internal Accounts Manual pages 11-14.
- We identified one check that was not signed by two individuals, as required by page 32 of the Internal Accounts Manual.

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

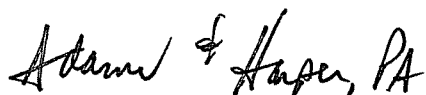
Follow-up on Prior Year Audit Findings

As part of our current year audit, we considered your attention to prior year audit findings. We noted that the majority of minor violations of the Internal Accounts Manual from the previous year have not been repeated during the current year under audit. We are pleased to report this progress.

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

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

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



Adams & Harper, PA  
Orange Park, FL  
August 9, 2013

# Charles E. Bennett Elementary School

1 South Oakridge Avenue  
Green Cove Springs, FL 32043  
(904) 529-2126  
(904) 529-2133 – Fax  
www.oneclay.net/ceb

Evelyn S. Chastain  
Principal

PROUD TO BE A 'B' SCHOOL!

Mark G. Phelps  
Assistant Principal

---

August 26, 2013

Adams & Harper, PA  
1665 Kingsley Avenue  
Suite 100  
Orange Park, FL 32043

To Whom It May Concern:

Dolly Conner and I would like to thank you for the professional way the audit was conducted at Charles E. Bennett Elementary School. Nate Woodruff was knowledgeable and willing to provide valuable feedback on questions regarding specific policies in place at our school. He conducted the audit in a courteous and professional manner and represented your firm in a most positive manner.

1. There were two instances when an addendum to the Principal's Report was not completely filed in duplicate as stated in the Internal Accounts manual. The original Principal's Reports were completely filled out, but the second copy was not signed. This was an oversight on the part of the bookkeeper and will not happen again.
2. One fundraiser was extended well past the end date noted on the Fundraiser application and did not provide an explanation of the difference in items sold and total cash deposited. The bookkeeper discussed this with Mr. Woodruff to come up with a better system for her handling this fundraiser after the end date. Although it would be helpful if all of the money is turned in in a timely manner, sometimes that is not possible. We will extend the fundraiser dates for a longer period of time. This will give us the option of closing it if all of the money is collected prior to the end date.
3. One check was not signed by two individuals as required in the Internal Accounts manual. This was just an error on the part of the bookkeeper.

All of the audit findings have been addressed with the personnel involved, so that these issues are not repeated at Charles E. Bennett Elementary School.

Sincerely,



Evelyn Chastain, Principal

**W.E. CHERRY ELEMENTARY SCHOOL**

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

**For the Year Ended June 30, 2013**

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SHIRLEY W. HATCHER, CPA, PA  
CERTIFIED PUBLIC ACCOUNTANT



INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

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

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

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

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

*Shirley W. Hatcher, CPA PA*

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

**W.E. CHERRY ELEMENTARY SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2013**

	Cash Balance <u>July 1, 2012</u>	Transactions			Cash Balance <u>June 30, 2013</u>
		<u>Receipts</u>	<u>Disburse- ments</u>	<u>Interfund Transfers</u>	
Athletics	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00
Music	17.62	354.00	432.64	61.02	.00
Classes, Clubs & Departments	6,239.76	44,355.53	40,969.04	(1,902.80)	7,723.45
Trust	2,711.87	20,488.79	21,692.93	1,200.00	2,707.73
General	318.38	1,401.84	457.02	.29	1,263.49
Outside Organization	<u>2,767.54</u>	<u>22,423.48</u>	<u>23,025.73</u>	<u>641.49</u>	<u>2,806.78</u>
<b>Total</b>	<b><u>\$ 12,055.17</u></b>	<b><u>\$89,023.64</u></b>	<b><u>\$ 86,577.36</u></b>	<b><u>\$ .00</u></b>	<b><u>\$ 14,501.45</u></b>

**See accompanying notes to statement of cash receipts and disbursements.**

**W.E. CHERRY ELEMENTARY SCHOOL**  
**NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the Year Ended June 30, 2013**

**NOTE 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

The accompanying statement of cash receipts and disbursements of the internal funds include the effects of transactions and balances relating to the internal accounts of W.E. Cherry 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 W.E. Cherry Elementary School.

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

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

**Basis of Accounting**

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

**Investments**

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



**W.E. CHERRY ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
(CONTINUED)  
For the Year Ended June 30, 2013**

**NOTE 2 – Cash and Cash Equivalents**

The June 30, 2013 cash balance of \$14,501.45 as reported on the Statement of Cash Receipts and Disbursements is being held in a non-interest bearing checking account insured by the FDIC.

**NOTE 3 - Interest Income**

No interest income was earned during the year ended June 30, 2013.

**NOTE 4 - Subsequent Events**

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

**SHIRLEY W. HATCHER, CPA, PA**  
**CERTIFIED PUBLIC ACCOUNTANT**



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

Mrs. Carol Studdard

Ms. Janice Kerekes

Ms. Johnna McKinnon

Ms. Lisa Graham

Ms. Tina Bullock

Honorable Members:

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

**ACCOUNTS PAYABLE**

None

**ENCUMBRANCES**

None

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

*Shirley W. Hatcher CPA PA*

SHIRLEY W. HATCHER, CPA, P.A.

August 9, 2013

SHIRLEY W. HATCHER, CPA, PA  
CERTIFIED PUBLIC ACCOUNTANT



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

Mrs. Carol Studdard

Ms. Janice Kerekes

Ms. Johnna McKinnon

Ms. Lisa Graham

Ms. Tina Bullock

Honorable Members:

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

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

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

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

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

1. Several disbursement issues were noted during my audit including incomplete purchase orders, voided checks without the signature area mutilated, purchases prior to approval, and checks written for change funds not being handled in accordance with the Internal Funds Manual.
2. Several gift cards were issued without acknowledgement from the individuals receiving such cards.
3. Transfer forms were completed but 25% of the forms were missing the sponsor's signature for authorization.
4. Page 12 of the Internal Funds Manual addresses the completion of the fundraising form. The listed purpose of the fundraiser should "be specific in reasons for fundraising ..." On numerous occasions the school listed "school," "students," or "teachers" as the purpose.

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, all items were repeated with the exception of the tickets sold.

### **Communication with Those Charged with Governance**

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

#### Significant Audit Findings

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

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

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

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

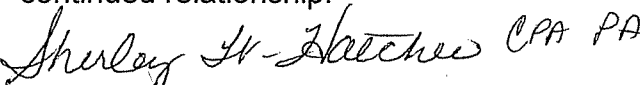
*Disagreements with Management* - For purposes of this letter, professional standards define a disagreement with management as a financial accounting, report, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.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

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

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

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

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

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

# W. E. CHERRY ELEMENTARY SCHOOL

420 EDSON DRIVE  
ORANGE PARK, FLORIDA 32073

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<http://www.clay.k12.fl.us/wec>

ANGELA WHIDDON  
PRINCIPAL

AMY VANN  
ASSISTANT PRINCIPAL

September 18, 2013

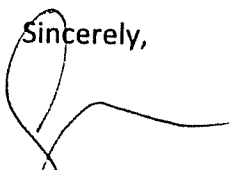
Shirley W. Hatcher, CPA, PA  
2239 Blanding Blvd Suite 2  
Middleburg, FL 32068

Dear Ms Hatcher,

This letter is in response to the audit report of the internal funds of W. E. Cherry Elementary School. Steps have been taken to correct the items noted in our audit for the 2012-2013 school year.

1. With regards to incomplete purchase orders, voided checks, purchases prior to approval and checks written for change funds, they will be handled in accordance with the Internal Funds Manual. I discussed different things with the district office and now have a better understanding.
2. With regards to gift cards being issued without acknowledgement from the individuals receiving such cards for authorization, we will have the individuals sign a form indicating they received the gift card. There was just one incident when gift cards were purchased to use on a field trip to Disney. In speaking with the auditor, she mentioned we did follow the guidelines in all but this one incident.
3. With regards to the transfer forms missing the sponsor's signature, we will assure the sponsor signs the form.
4. With regards to the completion of the fundraising form, we will ensure that specific reasons are noted on the form.
5. With regards to sales tax not being paid on purchase of items for resale, we will make sure we pay the vendor and if that is not possible, then sales tax will be paid to the State on sales price.

Sincerely,



Angela Whiddon  
Principal