

**Oakleaf Village Elementary School**

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

**For the Year Ended June 30, 2012**

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## Independent Auditors' Report

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

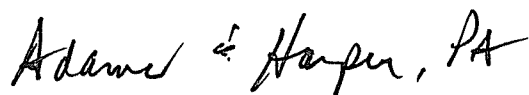
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Oakleaf Village Elementary School for the year ended June 30, 2012. 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 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. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Oakleaf Village Elementary School for the year ended June 30, 2012, on the basis of accounting described in Note 1.



Adams & Harper, PA  
Certified Public Accountants  
August 15, 2012

**Oakleaf Village Elementary School  
Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2012**

	Cash Balance July 1, 2011	Transactions			Cash Balance June 30, 2012
		Receipts	Disburse- ments	Transfers	
Music	\$ 8,702.90	\$ 12,347.08	\$ 13,657.15	\$ 542.16	\$ 7,934.99
Classes, Clubs, Departments	8,302.84	70,932.08	69,183.89	(3,259.33)	6,791.70
Trust	3,173.82	32,970.53	23,304.06	(12,112.67)	727.62
General	23,148.04	54,561.30	68,170.50	14,829.84	24,368.68
<b>Total</b>	<b>\$ 43,327.60</b>	<b>\$ 170,810.99</b>	<b>\$ 174,315.60</b>	<b>\$ -</b>	<b>\$ 39,822.99</b>

See accompanying notes and independent auditors' report

**Oakleaf Village Elementary School  
Notes to Statement of Cash Receipts  
and Disbursements of the Internal Funds  
For the Year Ended June 30, 2012**

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

**Reporting entity**

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

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

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

**Basis of accounting**

The accompanying financial statement is prepared on the cash basis of accounting and, therefore, reflects only cash received and disbursed. Such basis is a generally accepted basis of accounting for Florida school internal accounts as defined by Chapter 7 of the Florida Department of Education's Financial and Program Cost Accounting and Reporting for Florida Schools. Receivables and payables, accrued revenues and expenditures, and property and depreciation, if any, are not reflected. Consequently, this statement is not intended to present financial position nor results of operations in conformity with generally accepted accounting principles applied 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 applied 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, 2012, ending cash balance of \$ 39,822.99 consists of \$ 39,794.99 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)), \$ 0.00 held in an investment account with Florida PRIME, as described in Note 1, and \$ 28.00 in the change fund.

**Note 3 – Subsequent Events**

The School has evaluated subsequent events through August 15, 2012, the date of the independent auditors' report, which is considered to be the date the financial statements are available for issuance. There were no material subsequent events to report.

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## Schedule of Accounts Payable and Encumbrances

Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, listed below is a schedule of the accounts payable and encumbrances at June 30, 2012 of the Oakleaf Village 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 2011-2012 fiscal year, and accordingly, are not recorded on the statement of receipts and disbursements of the internal funds of Oakleaf Village Elementary School for the year ended June 30, 2012.

<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, 2012.

*Adams & Harper, PA*

Adams & Harper, PA  
Certified Public Accountants  
August 15, 2012

# ADAMS & HARPER, PA

Certified Public Accountants

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Mr. Ben Wortham, Superintendent of Schools and Board Members  
Clay County, Florida

Honorable Members:

Our report on internal control and our communication with those charged with governance for Oakleaf Village Elementary School follows.

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

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Oakleaf Village Elementary for the year ended June 30, 2012, 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 two deficiencies in internal control over financial reporting which is described below, that we consider significant deficiencies 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 items to be significant deficiencies 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 continual use of oversight and monitoring.
2. Our audit revealed multiple compliance violations in regards to the requirements of the Internal Accounts Manual, especially in the application of ticket sales documentation and procedures. Several forms were incorrectly prepared and errors were discovered in the individual entries within the reporting forms for ticket sales events. We were able to reconcile the annual totals of ticket sales collections and reporting and concluded that the issue is not training related. The nature of the violations leads us to believe that staff did not (or could not) provide adequate time in the preparation of records for the internal funds reporting. We would encourage reevaluating the operating responsibilities of staff to determine if changes can be made that would strengthen and preserve internal controls, particularly in the areas that involve cash receipts, handling, and disbursements.

### **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 Oakleaf Village Elementary School Internal Accounts (the "School") for the year ended June 30, 2012 and have issued our report thereon dated August 15, 2012. 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, 2012. 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 Oakleaf Village 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, 2012. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

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

### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

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

### *Disagreements with Management*

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

### *Management Representations*

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

### *Other Audit Findings or Issues*

We also wish to inform you that we discovered other minor compliance violations (listed below) and accordingly, we recommend you review the frequency and materiality of these violations and take mitigating actions to improve the general environment and climate of your operations. Without more attention by 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 of 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.

- Several monthly reporting packages that were changed and replaced subsequent to the closing without originals being retained for observation.
- Two instances of no approval signature from the sponsor on the Report of Monies Collected.
- Improper procedures for ticket event forms and the related cash receipts, along with improper tracking for the same fundraiser.
- Three instances of an inconsistent transfer number assigned.
- Two instances of the transfer date on the form not matching the general ledger date with a significant timing difference.

*Follow-up on Prior Year Audit Findings*

As part of our current year audit, we considered your correspondence regarding prior year audit findings. Last year only minor violations were noted on the governance letter from the auditors, which makes us feel that our current findings were an aberration when compared to normal operating procedures.

*Summary of Our Observations and General Comments towards Improving Your Controls*

During the course of our procedures, we noted that there was a general level of decline in the state of the records of the internal funds accounts. We encourage you to develop mechanisms within the guidance of the Internal Accounts Manual and the constraints of your own operating structure to improve the overall effectiveness of your records. We will also review these items again next year, and would hope to see improvement so that extenuating steps will not be necessary as a part of our audit.

We also recommend that you take additional steps to discourage dishonesty in the area of ticket sales. While we have noted no items that point to impropriety, we would encourage you to remain vigilant to prevent any thoughts of or instances of impropriety. Just the general knowledge that people are watching activities can often discourage any such occurrences.

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 15, 2012

# Oakleaf Village Elementary



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

Colette Wyant, Principal

Amy Rugen, Asst. Principal

Adams & Harper, PA  
Certified Public Accountants  
1665 Kingsley Avenue  
Orange Park, Florida 32073

This letter is in response to the documented notations you have listed on the 2011/12 audit:

In response to the significant deficiencies that Mr. Harper and Mr. Adams are speaking of I will only say that I am not aware of any receipts that I have issued myself. My policy is "I can not receipt myself and to my knowledge have not done so. In addition, I have an open communication with my principal and we are consistently in discussions about internal funds. I primarily use my principal as my back up signature for the reason of keeping her informed.

In response to significant deficiency number two, I have spent several hours speaking to my principal, Mr. Bryan from the accounting firm and the volunteer that is my main helper on our annual carnival. We have discussed many options and feel we have a resolution to this issue. In the future, I will continue to list our numbered wristbands on a separate money collected instead of including the sales of our food vouchers on the same form. I will tally the number of vouchers and report this separately. I believe this will resolve the problem of our deposits being larger then the wristbands sales recorded. I will itemize the money collected form so it can be easily interpreted by the auditor. I will additionally have myself and another individual review the forms for accuracy.

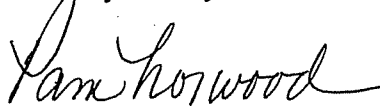
As far as the other mentioned violations listed. I will make sure I save the original Bank Requisition report as well as the revised version. Ms. Campbell discovered a minor problem in my report and I had to rerun a few months worth of reports just before the auditor picked up my books. Apparently, I did not enclose the original report with the revision.


I will make sure to check for missing signatures on all money collected forms in the future to rectify violation number two.

Violation number three will be rectified with the revisions I have discussed in the second paragraph.

I will pay more attention to dates and transfer numbers in the future. I believe what happened as far as dates not matching is the system automatically assigns the current date and I did not go back and change the day.

Thank you for your time.

  
Pam Norwood -Bookkeeper

  
Colette Wyant-Principal

ORANGE PARK ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE INTERNAL FUNDS

For the Year Ended June 30, 2012

ORANGE PARK ELEMENTARY SCHOOL

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## INDEPENDENT AUDITORS' REPORT

Mr. Ben Wortham, Superintendent  
Ms. Denise Adams, Deputy Superintendent  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member  
Ms. Janice Kerekes, Member

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Orange Park Elementary School for the year ended June 30, 2012. This financial statement is the responsibility of the School Board'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 is 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note 1, this financial statement includes only the financial activities of Orange Park Elementary School's internal accounts and does not include other financial activities of the District School Board.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Orange Park Elementary School for the year ended June 30, 2012, on the basis of accounting described in Note 1.

*Magers & Associates, LLC*

Magers & Associates, LLC  
Certified Public Accountants  
July 30, 2012

ORANGE PARK ELEMENTARY SCHOOL  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2012

	Cash Balances July 1, 2011	Receipts	Disbursements	Interfund Transfers	Cash Balances June 30, 2012
Athletics	\$ -	\$ 73.00	\$ -	\$ (73.00)	\$ -
Music	39.01	271.00	310.01	-	-
Classes, Clubs & Departments	4,954.27	51,605.68	49,517.36	(2,000.00)	5,042.59
Trust	1,438.19	21,802.45	18,162.28	(661.87)	4,416.49
General	3,363.65	20,837.84	24,956.00	2,907.82	2,153.31
Outside Organizations	14,530.75	19,426.80	21,251.85	(172.95)	12,532.75
<b>TOTAL</b>	<u>\$ 24,325.87</u>	<u>\$ 114,016.77</u>	<u>\$ 114,197.50</u>	<u>\$ -</u>	<u>\$ 24,145.14</u>

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



ORANGE PARK ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Basis of Accounting

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

NOTE 2 – CASH BALANCE

The cash balance of \$24,145.14 at June 30, 2012, consists of \$4,841.70 being held in a non-interest bearing checking account, \$19,088.13 invested with the State Board of Administration, and \$215.31 in uncollected checks which are expected to be collected.

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 (Florida PRIME). An investment in Florida PRIME is not insured or guaranteed by any government or government agency.

NOTE 3 – INTEREST INCOME

Interest was earned on funds invested with the Clay County School Board in the amount of \$54.17 for the fiscal year ended June 30, 2012.

ORANGE PARK ELEMENTARY SCHOOL  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For the Year Ended June 30, 2012

NOTE 4 – ACCOUNTS PAYABLE AND ENCUMBRANCES

Orange Park Elementary School reported accounts payable, as listed below, and no encumbrances at June 30, 2012 for the internal funds.

Accounts Payable

Lakeshore Learning Materials	\$ 76.42
Lakeshore Learning Materials	99.85
Office Depot	<u>25.94</u>
Total	<u>\$202.21</u>

Encumbrance

NONE

NOTE 5 – SUBSEQUENT EVENTS

The School has evaluated subsequent events through July 30, 2012, the date of the independent auditors' report. There were no material subsequent events to report.



Mr. Ben Wortham, Superintendent  
Ms. Denise Adams, Deputy Superintendent  
Mr. Frank Farrell, Chairman  
Ms. Carol Studdard, Vice-Chairman  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member  
Ms. Janice Kerekes, Member

Honorable Members:

We have audited the statement of cash receipts and disbursements of the internal funds of Orange Park Elementary School (the "School") for the year ended June 30, 2012, and have issued our report thereon dated July 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Report on Internal Control**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be 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 noted the following exceptions to the established internal control procedures:

- Two instances where a disbursement was not supported by a receipt
- Two instances where the deposit was not made within five days

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

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

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

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

#### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing that were previously communicated in our engagement letter.

#### Significant Audit Findings

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

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

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

The disclosures in the financial statement are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement discloses that the financial statement is prepared using the cash basis of accounting.

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Other Audit Findings or Issues*

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

*Review of Prior Year Audit Findings*

As part of our current year audit, we considered your attention to prior year audit findings. We noted minor violations of the Internal Accounts Manual again this year which were comparable to two of those noted in the prior year.

\* \* \*

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

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

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



Magers & Associates, LLC  
Certified Public Accountants  
July 30, 2012



## *Orange Park Elementary School*

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

August 10, 2012

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

Dear Ms. Magers:

Per this letter, we are responding to the following deficiencies in our audit for the year ending June 30, 2012.

**Two instances where a disbursement was not supported by a receipt.**

Response: Purchase requisitions are written prior to the actual cutting of the check. Occasionally, the purchase amount changes due to change in plans or a combination of purchasing from more than one store. More care will be taken to make sure these changes are reflected on each purchase requisition form.

**Two instances where the deposit was not made within five days.**

Response: We had two employees who wrote receipts but did not turn in money on a daily basis. Although instructions are included when they receive their receipt book and again in our faculty/staff handbook, we will issue a memo reminding all employees of the proper bookkeeping procedures.

Sincerely,

  
Carole McCullough

Principal

CM:tjw

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



## **Orange Park Elementary School**

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

August 10, 2012

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

Dear Ms. Magers:

Per this letter, we are responding to the following deficiencies in our audit for the year ending June 30, 2012.

**Two instances where a disbursement was not supported by a receipt.**

Response: Purchase requisitions are written prior to the actual cutting of the check. Occasionally, the purchase amount changes due to change in plans or a combination of purchasing from more than one store. More care will be taken to make sure these changes are reflected on each purchase requisition form.

**Two instances where the deposit was not made within five days.**

Response: We had two employees who wrote receipts but did not turn in money on a daily basis. Although instructions are included when they receive their receipt book and again in our faculty/staff handbook, we will issue a memo reminding all employees of the proper bookkeeping procedures.

Sincerely,



Carole McCullough  
Principal

CM:tjw

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

**Orange Park High School  
Internal Funds**

**Statement of Cash Receipts  
and Disbursements**

**June 30, 2012**



**Orange Park High School  
Internal Funds  
Statement of Cash Receipts and Disbursements**

**June 30, 2012**

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## Independent Auditors' Report

District School Board  
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of Orange Park High School Internal Funds for the year ended June 30, 2012. This financial statement is the responsibility of the School Board'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 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. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 of the Notes to Financial Statement, the accompanying financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As described in Note 1 of the Notes to Financial Statements, the accompanying financial statement includes only the financial activities of Orange Park High School Internal Funds. The financial statement does not include other financial activities of the District School Board.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of Orange Park High School Internal Funds for the year ended June 30, 2012, on the basis of accounting described in Note 1.

*DDF CPA Group*

August 13, 2012

*ddfcpa.com*

- P.O. Box 996, Starke, Florida 32091  
107 Edwards Road, Starke, Florida 32091 | tel 904.964.7404 toll 800.771.7404 fax 904.964.6583
- P.O. Box 9089, Orange Park, Florida 32006  
4729 US Highway 17 S, Suite 204, Orange Park, Florida 32003 | tel 904.264.9768 toll 866.811.9701 fax 904.269.7091

**Orange Park High School  
Internal Funds  
Statement of Cash Receipts and Disbursements  
For the Year Ended June 30, 2012**

	<u>Cash Balances July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Cash Balances June 30, 2012</u>
Athletics	\$ 48,631.96	\$ 227,374.84	\$ 233,094.57	\$ 727.50	\$ 43,639.73
Music	9,118.24	80,072.61	71,348.96	(3,984.86)	13,857.03
Classes, Clubs and Departments	90,470.55	205,729.31	234,725.65	6,718.42	68,192.63
Trusts	18,134.44	40,055.23	37,810.50	(537.31)	19,841.86
General	84,103.25	41,181.50	31,212.46	(7,218.75)	86,853.54
Outside Organizations	<u>31,844.93</u>	<u>28,696.62</u>	<u>34,909.96</u>	<u>4,295.00</u>	<u>29,926.59</u>
	<u>\$ 282,303.37</u>	<u>\$ 623,110.11</u>	<u>\$ 643,102.10</u>	<u>\$ -</u>	<u>\$ 262,311.38</u>

See accompanying Notes to Financial Statement

**Orange Park High School  
Internal Funds  
Notes to Financial Statement  
For the Year Ended June 30, 2012**

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

*Reporting Entity*

The accompanying financial statement includes the effects of transactions and balances relating to the internal fund activities of Orange Park High School.

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

*Basis of Accounting*

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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2012 cash balance, totaling \$262,311.38 consists of \$9,953.49 in a non-interest bearing checking account, \$252,014.39 invested with the State Board of Administration and \$343.50 in checks returned to the school for insufficient funds. The School will either collect and re-deposit the NSF checks or seek approval from the District School Board to write them off as uncollectible after collection efforts have been exhausted. Interest earnings for the year ended June 30, 2012 amounted to \$707.85.

**Note 3 - Accounts Payable and Encumbrances**

As requested by the Clay County School Board, the following is a schedule of accounts payable at June 30, 2012.

**Accounts Payable**

<u>Vendor</u>	<u>Amount</u>
Sam's Club	\$ 90.69
Dean Williams	270.00
	360.69
	\$ 360.69

There were no encumbrances at June 30, 2012.



## Management Letter

District School Board  
Clay County, Florida

In planning and performing our audit of the financial statements of Orange Park High School as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the school's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the school's internal control. Accordingly, we do not express an opinion on the effectiveness of the Orange Park High School's internal control.

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

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

- Regarding fundraising activities, the total number of items sold multiplied by the selling price of each item should equal total cash deposited and any differences should be accompanied by a detailed explanation. We found instances where the inventory section of the Financial Recap form was not adequately completed to support total collections. However, for the vast majority of fundraisers tested, total income reported on the Financial Recap form did agree with total cash receipts recorded in the general ledger. We suggest teachers and sponsors sufficiently complete the inventory section of the Financial Recap form to be able to recalculate total fundraiser income, in accordance with Section 1 (I) of the Internal Accounts Manual.

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 consider the following deficiencies in Orange Park High School's internal control to be significant deficiencies:

- Pursuant to Section III (A) of the Internal Accounts Manual, all cash collected by an individual should be turned into the bookkeeper the same day as collected or, if the collection occurred after office hours, by the very next business day. Testing of receipts revealed six occasions where collections from teachers/sponsors were not turned into the bookkeeper by the next business day for deposit. We recommend that teachers and/or sponsors turn in all money collected to the bookkeeper no later than the next business day to ensure compliance with established collection policies and procedures.
- With regard to disbursements, the Internal Accounts Manual states that an Internal Funds Request for Purchase Approval form must be completed and proper authorization for the purchase must be obtained from the Principal or their designee before making the actual purchase. We noted in 9% of the Purchase Approval forms tested the Principal/designee's approval occurred after the purchase took place. We suggest that teachers and sponsors are reminded that a signed commitment from the principal or designee must be on file before any purchase is made.

As part of our audit, we considered the correction of prior year findings. With regard to the findings from the June 30, 2011 audit report, the findings regarding fundraisers and disbursements were repeated from the 2011 audit.

### **Communication With Those Charged With Governance**

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

#### Significant Audit Findings

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

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

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

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

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 13, 2012.

*Other Audit Findings or Issues*

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

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

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

*DDF CPA Group*

August 13, 2012

# ORANGE PARK HIGH SCHOOL



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

ASSISTANT PRINCIPALS  
William Fletcher  
Clayton Anderson  
Anthony Williams

*Home of the Raiders*

TREASURE PICKETT  
PRINCIPAL

August 30, 2012

Douglas, Douglas, & Farnsworth  
P. O. Box 9089  
Fleming Island, FL 32006

Dear Sirs,

Thank you for the courteous and efficient manner with which you conducted the recent audit of the Internal Funds of Orange Park High School for 2011-2012.

We will take the following steps to eliminate the items noted in your audit report for the school year 2012-2013.

1. The faculty will be reminded of the proper purchasing procedures in obtaining prior approval before an item is ordered or purchased.
2. The faculty will be reminded of how important it is to turn all cash collected into the Bookkeeper the same day as collected.

A large, stylized handwritten signature in cursive script that reads "Treasure Pickett".

Treasure Pickett  
Principal



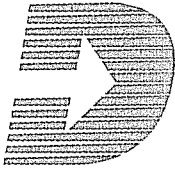
**ORANGE PARK JUNIOR HIGH SCHOOL**

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

**FOR THE YEAR ENDED  
JUNE 30, 2012**

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## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

### INDEPENDENT AUDITORS' REPORT

Mr. Ben Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Mr. Charles Van Zant, Jr.  
Mr. Frank Farrell  
Ms. Lisa Graham

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Orange Park Junior High School for the year ended June 30, 2012. This financial statement is the responsibility of the Clay County School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the internal funds of Orange Park Junior High School for the year ended June 30, 2012, on the basis of accounting described in Note 1.

*DuVal & Company, CPA's, P.A.*

DuVal & Company, CPA's, P.A.  
August 13, 2012

## Orange Park Junior High School

### Statement of Cash Receipts and Disbursements of the Internal Funds For the Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2012</u>
Athletics	\$ 18,164.03	\$ 54,808.37	\$ 54,844.84	\$ (3,424.31)	\$ 14,703.25
Music	1,255.92	25,918.83	25,931.58	(788.00)	455.17
Classes, Clubs and Departments	16,372.23	33,287.16	35,985.44	(478.28)	13,195.67
Trusts	720.05	17,908.83	19,887.65	2,243.29	984.52
General	25,986.84	13,688.65	9,993.09	2,447.30	32,129.70
Outside Organizations	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTALS</b>	<b><u>\$ 62,499.07</u></b>	<b><u>\$ 145,611.84</u></b>	<b><u>\$ 146,642.60</u></b>	<b><u>\$ 0.00</u></b>	<b><u>\$ 61,468.31</u></b>

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

**ORANGE PARK JUNIOR HIGH SCHOOL**  
**Notes To Statement of Cash Receipts and Disbursements**  
**of the Internal Funds**  
**For the Year Ended June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity**

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

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

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

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

**Basis of accounting**

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

**ORANGE PARK JUNIOR HIGH SCHOOL**

**Notes to Statement of Cash Receipts and Disbursements  
of the Internal Funds  
For the Year Ended June 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Investments**

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

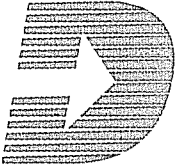
**NOTE 2 - CASH AND CASH EQUIVALENTS**

The June 30, 2012 cash balance, totaling \$61,468.31 consists of \$21,028.37 in a non-interest bearing checking account with Wells Fargo Bank and \$40,439.94 in an investment account with the Clay County School Board. There are no NSF checks outstanding.

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

**NOTE 3 - INTEREST INCOME**

Interest earned on the investment account during the year ended June 30, 2012 was \$ 113.58. This represented a yield of approximately .28% for that period.



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

Mr. Ben Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Mr. Charles Van Zant, Jr.  
Mr. Frank Farrell  
Ms. Lisa Graham

Honorable Members:

As requested by the Clay County School Board, listed below is a schedule of accounts payable and encumbrances for Orange Park Junior High School at June 30, 2012.

### ACCOUNTS PAYABLE

None \$ -0-

### ENCUMBRANCES

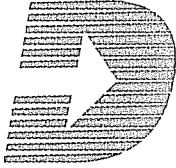
None \$ -0-

The accounts payable and encumbrances above agree with the Principal's Monthly Report for June 30, 2012.

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

*DuVal & Company, CPA's, P.A.*

DuVal & Company, CPA's, P.A.  
August 13, 2012



## DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ASSOCIATION

Mr. Ben Wortham, Superintendent of Schools  
Clay County, Florida  
Ms. Janice Kerekes  
Ms. Carol Studdard  
Mr. Charles Van Zant, Jr.  
Mr. Wayne Bolla  
Ms. Lisa Graham

### Honorable Members:

In connection with our audit of Orange Park Junior High School's (the "school") financial statement as of June 30, 2012 and for the year ended, and our audit of the school's internal control over financial reporting as of June 30, 2012 ("integrated audit"), the standards established by the American Institute of Certified Public Accountants required that we advise you of the following internal control matters identified during our integrated audit.

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

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



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

Overall, we found the internal accounting records neat and orderly. All of the issues listed in the prior-year auditor's report were addressed and corrected. In addition, we found the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual.

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

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

*DuVal & Company, CPAs, P.A.*

DuVal & Company, CPA's, P.A.  
August 13, 2012

# ORANGE PARK JUNIOR HIGH SCHOOL

*Home of the Wildcats*

---

Angela Johnson  
Vice Principal

Joyce Orsi  
Principal

Al De Jesus  
Assistant Principal

August 21, 2012

DuVal Fields Consulting, LLC  
428 Walnut Street  
Green Cove Springs, FL 32043

Dear Sirs:

Thank you for the thorough and professional audit of our internal accounts for the 2011-2012 school year.

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

Again, thank you for your representation.

Sincerely,



Joyce Orsi  
Principal

**R.M. PATERSON ELEMENTARY SCHOOL**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
OF THE INTERNAL FUNDS  
For The Year Ended June 30, 2012**

Steven W. Keenan, CPA  
Certified Public Accountant

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Steven W. Keenan, CPA  
Certified Public Accountant

STEVEN W. KEENAN, CPA  
*Certified Public Accountant*

673 Kingsley Avenue  
Orange Park, FL 32073

Mansard Place

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

**INDEPENDENT AUDITOR'S REPORT**

Mr. Ben Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Carol Studdard, Chairman  
Ms. Janice Kerekes, Vice Chairman  
Mr. Frank Farrell  
Ms. Lisa Graham  
Mr. Charles Van Zant, Jr.

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of R.M. Paterson Elementary School for the year ended June 30, 2012. This financial statement is the responsibility of the School's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As described in Note 1, this financial statement was prepared on the 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 R.M. Paterson Elementary School for the year ended June 30, 2012, on the basis of accounting described in Note 1.



Steven W. Keenan, CPA  
August 17, 2012

## R.M. PATERSON ELEMENTARY

### STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For the year Ended June 30, 2012

	Cash Balance July 1, 2011	Transactions			Cash Balance June 30, 2012
		Receipts	Disburse- ments	Transfers	
Music	\$ -	\$ -	\$ -	\$ -	\$ -
Classes, Clubs, Departments	17,899.19	100,063.86	99,480.05	3,852.00	22,335.00
Trust	6,582.79	31,611.24	28,190.16	249.00	10,252.87
General	33,680.13	13,613.41	17,946.08	(3,962.00)	25,385.46
Outside Organizations	27,711.30	23,963.93	25,989.98	(139.00)	25,546.25
<b>Total</b>	<b>\$ 85,873.41</b>	<b>\$ 169,252.44</b>	<b>\$ 171,606.27</b>	<b>\$ -</b>	<b>\$ 83,519.58</b>

See accompanying notes and independent auditor's report.

# R.M. PATERSON ELEMENTARY SCHOOL

## NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 2012

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

#### **Reporting entity**

The accompanying statement of cash receipts and disbursements of the internal funds includes the effects of transactions and balances relating to the internal account of R.M. Paterson Elementary School within the Clay County, Florida school system.

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

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

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

#### **Basis of accounting**

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

#### **Investments**

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

**NOTE 2 Cash**

The June 30, 2012, total cash balance of \$83,519.58 as reported on the statement of cash receipts and disbursements consists of \$22,810.23 being held in a non interest bearing checking account insured by the FDIC, \$60,709.35 held in an investment account with the Clay County School and no uncollected NSF checks.

**NOTE 3 Interest Income**

Interest was earned on amounts invested through the Clay County School Board in the amount of \$170.53. This represents a yield of approximately .3 percent.



STEVEN W. KEENAN, CPA  
Certified Public Accountant

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Mansard Place

Telephone (904) 579-4323  
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Mr. Ben Wortham, Superintendent of Schools,  
Clay County, Florida  
Ms. Carol Studdard, Chairman  
Ms. Janice Kerekes, Vice Chairman  
Mr. Frank Farrell  
Ms. Lisa Graham  
Mr. Charles Van Zant, Jr.

Honorable Members:

In accordance with the instructions prepared by the Clay County School Board, R.M. Paterson Elementary School reported the following accounts payable and encumbrances as of June 30, 2012:

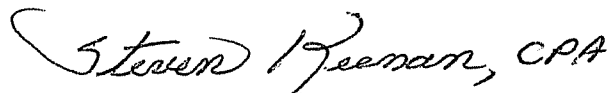
Accounts Payable

None

Encumbrances

BES	\$3,135.79
Premier Agendas	\$2,407.30
Turning Technologies	<u>\$1,099.00</u>
	\$6,642.09

The above accounts payable list agrees with the Principals Report as of June 30, 2012. Encumbrances are not included in the Principals Report. Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2011-2012 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of R.M. Paterson Elementary School for the year ended June 30, 2012.

  
Steven W. Keenan, CPA  
August 17, 2012

# STEVEN W. KEENAN, CPA

*Certified Public Accountant*

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Mr. Frank Farrell  
Ms. Lisa Graham  
Mr. Charles Van Zant, Jr.

Honorable Members:

We have audited the internal funds financial statement of R.M. Patterson Elementary School for the year ended June 30, 2012, and have issued our report thereon dated August 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

## **Report on Internal Control**

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

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

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

## Communication with Those Charged with Governance

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

### *Our Responsibility Under U.S. Generally Accepted Auditing Standards*

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

### *Planned Scope and Timing of the Audit*

We performed the audit according to the planned scope and timing outlined in the Clay County District letter dated May 21, 2012.

### 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, 2012. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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

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

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

#### *Corrected and Uncorrected Misstatements*

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

#### *Disagreements with Management*

We encountered no disagreement during the course of our audit.

*Management Representations*

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

*Other Audit Findings and Issues*

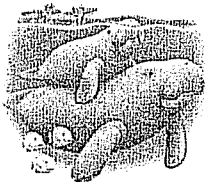
We would like to point out that there were no items noted that were not in accordance with the rules and regulations directed in the Internal Accounts Manual. As part of our audit, we also considered the correction of prior year findings. The prior year discrepancy reported was corrected.

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

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



Steven W. Keenan, CPA  
August 17, 2012



# Robert M. Paterson Elementary

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



Terry Grieninger, Principal

Pamela L. White, Assistant Principal

August 16, 2012

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

Dear Sir:

Thank you for the thorough and professional audit of our internal accounts for the 2011-2012 school year.

As you noted in your report there were no irregularities, or discrepancies involving management or employees in the internal control structure at Paterson Elementary. This is in no small part the result of the bookkeeper's (Mrs. Cheryl Plummer), attention to detail and diligence.

Thank you for your diligent work in completing our audit.

Sincerely,

Terry Grieninger  
Principal

Cc: Roni Campbell, Accounting Coordinator