

# **Keystone Heights High School**

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

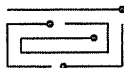
**For the Year Ended June 30, 2012**



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

**KEYSTONE HEIGHTS HIGH SCHOOL  
TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1
 <b>FINANCIAL STATEMENTS</b>	
Statement of Cash Receipts and Disbursements of the Internal Funds.....	2
Notes to Statement of Cash Receipts and Disbursements.....	3
 <b>SUPPLEMENTAL INFORMATION</b>	
Accounts Payable and Encumbrances.....	4
Management Letter.....	5



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Keystone Heights High 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the 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 Keystone Heights High School for the year ended June 30, 2012 on the basis of accounting described in Note 1.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2012

website: [www.connerhubbard.com](http://www.connerhubbard.com)  
Please respond to the office at:

1106 Park Avenue  
Orange Park, Florida 32073  
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212 North Davis Street  
Nashville, Georgia 31639  
(229) 686-9419

**KEYSTONE HEIGHTS HIGH SCHOOL**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS**  
**For the Year Ended June 30, 2012**

	<u>Cash Balance</u>	<u>Transactions</u>			<u>Cash Balance</u>
	<u>July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>June 30, 2012</u>
Athletics	\$ 55,332.09	\$ 213,001.53	\$ 215,956.75	\$ (1,504.55)	\$ 50,872.32
Music, Classes & Clubs	2,779.01	3,691.00	3,854.24	(208.12)	2,407.65
Departments	70,543.39	121,442.90	122,509.03	(262.08)	69,215.18
Trust	20,674.77	32,720.51	29,988.06	(5,318.62)	18,088.60
General	14,503.00	18,629.72	17,612.82	7,293.37	22,813.27
Outside Organizations	<u>2,067.07</u>	<u>5,663.16</u>	<u>4,739.28</u>	<u>-</u>	<u>2,990.95</u>
	<u>\$ 165,899.33</u>	<u>\$ 395,148.82</u>	<u>\$ 394,660.18</u>	<u>\$ -</u>	<u>\$ 166,387.97</u>

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

**KEYSTONE HEIGHTS HIGH SCHOOL**

Notes to Statement of Cash Receipts and Disbursements

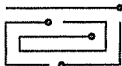
For The Year Ended June 30, 2012

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NOTE 1      The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2      Interest of \$281.78 was earned on funds invested with the Clay County School Board during the fiscal year ended June 30, 2012. No interest was earned on the checking account.

NOTE 3      The cash balance of \$166,387.97 at June 30, 2012, shown on the statement of cash receipts and disbursements consists of \$66,067.70 being held in the checking account, \$100,320.27 invested with the Clay County School Board. There were no insufficient checks held for collection.



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

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

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

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

Accounts Payable

Enterprise Car Rental	\$380.96
Clay County School Board	\$525.00

Encumbrances

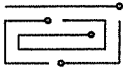
University of Florida	\$1,750.00
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The accounts payable balance did not agree with the June 30, 2012 Principal's Monthly Report.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2012



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of Keystone Heights High School for the year ended June 30, 2012, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

During our review of a sample of cash receipts and disbursements, we noted the following:

Six instances where the date on the "Report of Monies" collected was one or more days after the date on the teacher receipt.

One instance where we were unable to locate the teacher receipt listed on the "Monies Collected" form.

One instance where the amount of the check issued was \$40 less than the supporting invoice.

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

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 212 North Davis Street  
Nashville, Georgia 31639  
(229) 686-9419

Honorable Members  
Page 2

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

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

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2012



# KEYSTONE HEIGHTS JR./SR. HIGH SCHOOL

DR. SUSAN H. SAILOR  
PRINCIPAL

JUSTIN L. WILLIAMS  
VICE PRINCIPAL



LINDA F. M<sup>C</sup>GHY  
ASST. PRINCIPAL

BRIAN G. COX  
ASST. PRINCIPAL

August 21, 2012

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

Dear Mr. Hubbard,

*We appreciate the time and patience you have given to our 2011-2012 internal funds books. We strive to maintain accurate financial records. We go over the rules and procedures with our teachers at the beginning of each year and as needed throughout the school year. Procedures are also included in a notebook given to each teacher at the beginning of pre-planning. This year we have also attached step by step instructions and guidelines to many of our forms. By adding these directions with the forms, we hope to alleviate the instances where the date of the monies collected and the teacher receipts are not the same and I will make every effort to include an explanation if writing a check for an amount less than the invoice. Each year we incorporate new safeguards to ensure the accuracy of our finances.*

*We have reviewed the items noted and will make every effort to correct these errors.*

*Thank you for your professional assistance with our audit.*

A handwritten signature in cursive script that reads 'Susan Sailor'.

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

900 SW Orchid Avenue, Keystone Heights, FL 32656 (352) 473-2761 Phone (352) 473-5920 Fax

900 SW ORCHID AVENUE, KEYSTONE HEIGHTS, FL 32656 (352) 473-2761 PHONE (352) 473-5920 FAX

**Lake Asbury Elementary School**

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

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

**Lake Asbury Elementary School**

**Table of Contents**

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



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Certified Public Accounting Firm

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**Independent Auditors' Report**

Mr. Ben Wortham, Superintendent  
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 Lake Asbury Elementary School (the 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, 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 Lake Asbury Elementary School for the year ended June 30, 2012 on the basis of accounting described in Note 1.

*Coleman & Associates Cpa firm*

August 14, 2012

**Lake Asbury Elementary School  
Statement of Cash Receipts and Disbursement of the Internal Funds  
For the Year Ended June 30, 2012**

<u>Accounts</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2012</u>
Music	473.15	5,544.95	3,430.49	(2,208.22)	379.39
Classes, Clubs	30,188.30	75,844.89	75,214.32	(521.03)	30,297.84
Trust	2,490.46	19,867.79	19,277.41	(173.60)	2,907.24
General	21,823.85	12,193.12	23,538.72	3,072.30	13,550.55
Outside Organizations	<u>14,627.39</u>	<u>26,994.17</u>	<u>28,211.25</u>	<u>(169.45)</u>	<u>13,240.86</u>
Totals	<u>\$ 69,603.15</u>	<u>\$ 140,444.92</u>	<u>\$ 149,672.19</u>	<u>\$ 0.00</u>	<u>\$ 60,375.88</u>

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

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

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

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

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

**Basis of Accounting**

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

**Note 2 – Cash and Cash Equivalents**

As of June 30, 2012, the School's total cash balance of \$60,375.88; \$10,446.99 was held in a non-interest bearing checking account and \$49,928.89 was held in an investment account at year end.

**Note 3 – Investments**

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

**Lake Asbury Elementary School  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2012  
(Concluded)**

**Note 3 – Investments (concluded)**

The schools invested funds with Florida PRIME during the fiscal year and these investments had an average maturity of thirty-eight 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.

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 14, 2012 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**





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**Schedule of Accounts Payable and Encumbrances**

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

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2012, for Lake Asbury 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, 2012, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2012. Accounts payable and encumbrances are as follows:

Accounts Payable as of June 30, 2012

\$ --

Encumbrances as of June 30, 2012

\$ 4,957.52	Dell Computers
40.80	Office Depot
50.00	Simple Truths
1,582.13	The Reading Warehouse
435.80	The Reading Warehouse
<u>\$ 7,066.25</u>	Total Encumbrances

The above accounts payable amount was reported on the June 30, 2012 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

*Coleman & Associates Cpa firm*

August 14, 2012



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Mr. Ben Wortham, Superintendent  
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 internal funds financial statement of Lake Asbury Elementary School as of and for the fiscal year ended June 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

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

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

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

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

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

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

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

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

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

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

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

#### **Significant Audit Findings**

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

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2012. 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. No misstatements were detected as a result of audit procedures and there were no misstatements that needed to be corrected by management that 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 14, 2012



# Lake Asbury Elementary School

2901 Sandridge Road  
Green Cove Springs, Florida 32043

Office: 291-5440 • Guidance: 291-5442 • Clinic: 291-5445 • Cafeteria: 291-5443  
Fax: 291-5444



**Jackie Cory**  
PRINCIPAL

**Melanie Sanders**  
ASSISTANT PRINCIPAL

August 20, 2012

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

Dear Mr. Coleman,

I would like to take this opportunity to thank you for the professionalism in which the Lake Asbury Elementary School audit for the 2011-2012 school year was conducted. We appreciate your remarks and suggestions for improvement and look forward to working with you again next year.

Again, thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Cory".

Jackie Cory  
Principal

CC: Roni Campbell

**Lake Asbury Junior High School**

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

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

**Lake Asbury Junior High School**

**Table of Contents**

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



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Certified Public Accounting Firm

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### Independent Auditors' Report

Mr. Ben Wortham, Superintendent  
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 Lake Asbury Junior High School (the 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, 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 Lake Asbury Junior High School for the year ended June 30, 2012 on the basis of accounting described in Note 1.

*Coleman & Associates Cpa firm*

August 15, 2012



**Lake Asbury Junior High School  
Statement of Cash Receipts and Disbursement of the Internal Funds  
For the Year Ended June 30, 2012**

<u>Accounts</u>	<u>Cash Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Cash Balance June 30, 2012</u>
Athletics	31,271.11	66,184.75	70,177.89	(16.28)	27,261.69
Music	7,164.66	42,241.15	45,713.37	9.23	3,701.67
Classes, Clubs	38,884.51	122,376.40	110,671.39	(218.68)	50,370.84
Trust	3,327.70	14,784.42	14,951.13	(102.01)	3,058.98
General	22,852.59	6,512.67	10,444.17	316.79	19,237.88
Outside Organizations	3,327.28	7,431.92	7,739.66	10.95	3,030.49
<b>Totals</b>	<b><u>\$ 106,827.85</u></b>	<b><u>\$ 259,531.31</u></b>	<b><u>\$ 259,697.61</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 106,661.55</u></b>

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

**Lake Asbury Junior High School  
Notes to the Financial Statements  
For the Fiscal 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 Lake Asbury Junior High School (the School) within the Clay County, Florida school system.

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

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

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

**Basis of Accounting**

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

**Note 2 – Cash and Cash Equivalents**

As of June 30, 2012, the School's total cash balance of \$106,661.53; \$63,314.94 was held in a non-interest bearing checking account and \$43,346.59 was held in an investment account at year end.

**Note 3 – Investments**

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

**Lake Asbury Junior High School  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2012  
(Concluded)**

**Note 3 – Investments (concluded)**

The schools invested funds with Florida PRIME during the fiscal year and these investments had an average maturity of thirty-eight 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.

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 15, 2012 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. Ben Wortham, Superintendent  
Ms. Carol Studdard, Chairman  
Ms. Janice Kerekes, Vice-Chairman  
Mr. Frank Farrell  
Ms. Lisa Graham  
Mr. Charles Van Zant, Jr.

Honorable Members:

The Clay County School Board has requested that we provide a schedule of accounts payable and encumbrances incurred as of June 30, 2012, for Lake Asbury Junior High School's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 2012, and accordingly, were not included in the statement of cash receipts and disbursements of the internal funds for the year ended June 30, 2012. Accounts payable and encumbrances are as follows:

Accounts Payable as of June 30, 2012

\$       --

Encumbrances as of June 30, 2012

\$ 8,025.00 eInstruction Corp

The above accounts payable amount was reported on the June 30, 2012 Principal's Monthly Report. Encumbrances are not reported on the monthly principal's report.

*Coleman & Associates Cpa firm*

August 15, 2012



COLEMAN & ASSOCIATES  
Certified Public Accounting Firm

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Mr. Ben Wortham, Superintendent  
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 internal funds financial statement of Lake Asbury Junior High School as of and for the fiscal year ended June 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the internal funds of Lake Asbury Junior High School 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 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 did note the following internal control deficiencies.

- The FFA sponsor collected monies and held onto them for five days. The funds were held over a weekend. School Board policies require monies collected to be turned into the School bookkeeper by the next day and specifically prohibit funds to be kept over the weekend. We recommend that teachers and sponsors be reminded of School Board policies.
- The Chorus planned a trip to attend a music festival. It appeared from the documentation that planning for the trip happened months in advance; however, the major portion of the cost of this trip was approved in writing when the final bill was presented for payment. We caution the School that any significant costs receive written approval from the Principal prior to obligating the School. We recommend that sponsors provide a memo or letter documenting the expected cost, cancellation provisions and estimates for the total cost. The Principal should approve the tentative plan in writing.

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, 2012. 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. No misstatements were detected as a result of audit procedures and there were no misstatements that needed to be corrected by management that 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 15, 2012





Lake Asbury Junior High School  
*Home of the Tigers*



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

Catherine Richardson, Principal

Christina Cornwell  
*Vice Principal*

David Burke  
*Asst Principal*

---

August 21, 2012

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

Dear Mr. Coleman:

This letter is in response to the comments made on your audit report for Lake Asbury Junior High School for the fiscal year ended June 30, 2012.

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

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

Comment: Chorus field trip documentation was months in advance of the final payment and there was no written approval to document expected cost and cancellation provisions for final payment.

Sponsor will provide documentation with expected cost, cancellation provisions and estimate for total cost and have the Principals written approval.

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

Sincerely,

*Cathy Richardson*

Catherine Richardson  
Principal

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

**Lakeside Elementary School  
Internal Funds**

**Statement of Cash Receipts  
and Disbursements**

**June 30, 2012**

**Lakeside Elementary School  
Internal Funds  
Statement of Cash Receipts and Disbursements  
June 30, 2012**

**Table of Contents**

Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements	2
Notes to Financial Statement	3
Management Letter & Communication with Those Charged with Governance	4



## Independent Auditors' Report

District School Board  
Clay County, Florida

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of Lakeside Elementary 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 the Lakeside Elementary 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 Lakeside Elementary School Internal Funds for the year ended June 30, 2012, on the basis of accounting described in Note 1.

*DDF CPA Group*

August 3, 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

**Lakeside Elementary School  
Internal Funds  
Statement of Cash Receipts and Disbursements  
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>
Music	\$ 167.54	\$ 1,026.00	\$ 1,044.07	\$ -	\$ 149.47
Classes, Clubs and Departments	9,259.89	39,803.35	35,160.05	35.00	13,938.19
Trusts	489.02	14,192.90	14,522.87	-	159.05
General	3,087.48	11,267.20	6,031.70	-	8,322.98
Outside Organizations	<u>11,062.14</u>	<u>37,196.78</u>	<u>35,774.84</u>	<u>(35.00)</u>	<u>12,449.08</u>
	<u>\$ 24,066.07</u>	<u>\$ 103,486.23</u>	<u>\$ 92,533.53</u>	<u>\$ -</u>	<u>\$ 35,018.77</u>

See accompanying Notes to Financial Statement

**Lakeside Elementary 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 Lakeside Elementary School.

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

*Basis of Accounting*

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

**Note 2 - Cash and Cash Equivalents**

The June 30, 2012 cash balance, totaling \$35,018.77 consists of \$29,114.16 in a non-interest bearing checking account and \$5,904.61 invested with the State Board of Administration. Interest earnings for the year ended June 30, 2012 amounted to \$16.60.

**Note 3 - Accounts Payable and Encumbrances**

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

<b>Accounts Payable</b>	
<u>Vendor</u>	<u>Amount</u>
Staples	\$ <u>129.81</u>
 <b>Encumbrances</b>	
School Specialty	\$ 2,566.00
Schoolhouse Products	6,160.00
Weekly Reader Corporation	<u>1,279.85</u>
	\$ <u>10,005.85</u>



## Management Letter

District School Board  
Clay County, Florida

In planning and performing our audit of the financial statements of Lakeside Elementary 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 Lakeside Elementary School's internal control.

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

As part of our audit, we considered the correction of prior year findings. With regard to the finding from the June 30, 2011 audit report, the item noted was corrected.

## **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 3, 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 Lakeside Elementary School for the cooperation and courtesies extended during our audit. We have sincerely enjoyed our association with the Clay County District School Board and look forward to a continuing relationship.

*DDF CPA Group*

August 3, 2012

# Lakeside Elementary



Katina Allen  
Principal

Jeff Schriver  
Assistant Principal

2752 Moody Avenue  
Orange Park, FL 32073

Phone: (904) 213-2966 / Fax: (904) 213-2965

August 23, 2012

ddf CPA Group  
P. O. Box 9089  
Fleming Island, FL 32006

Dear Sirs:

This letter is in response to the recent audit of the Internal Accounts for the 2011-2012 school year at Lakeside Elementary. It was a pleasure to meet with you, and we appreciate your positive comments and that there were no notes mentioned in your management letter.

I have total confidence in our Bookkeeper and Principal's Secretary, Judy Crook. Each and every one of the 21 years that Mrs. Crook has worked at Lakeside, we have been extremely pleased with her organizational skills, efficiency, and ability to effectively manage multiple tasks. We are fortunate to have her handling our financial records, and will strive to maintain a high level of performance.

Sincerely,

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

Katina T. Allen  
Principal

KTA/jlc

LAKESIDE JUNIOR HIGH SCHOOL  
STATEMENT OF CASH RECEIPTS AND  
DISBURSEMENTS OF THE INTERNAL FUNDS

For the Year Ended June 30, 2012

LAKESIDE JUNIOR HIGH SCHOOL

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
Statement of Cash Receipts and Disbursements of the Internal Funds	2
Notes to Statement of Cash Receipts and Disbursements of the Internal Funds	3
Report on Internal Control / Communication with Those Charged with Governance	5
Management's Response	



## INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Lakeside Junior High School for the year ended June 30, 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 presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, this 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 Lakeside Junior High 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 Lakeside Junior High 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

LAKESIDE JUNIOR HIGH SCHOOL  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS  
 For the Year Ended June 30, 2012

	Cash Balance July 1, 2011	Receipts	Disbursements	Transfers	Cash Balance June 30, 2012
Athletics	\$ 50,861.83	\$ 93,535.90	\$ 82,787.02	\$ (5,451.00)	\$ 56,159.71
Music	6,548.53	29,038.90	33,370.84	4,070.00	6,286.59
Classes, Clubs & Departments	38,250.29	60,821.00	59,071.75	2,297.08	42,296.62
Trust	13,022.59	20,619.70	20,317.38	(7,070.00)	6,254.91
General	12,558.17	3,367.38	12,840.68	6,208.63	9,293.50
Outside Organizations	2,652.98	15,136.24	17,075.40	(54.71)	659.11
<b>TOTAL</b>	<b>\$ 123,894.39</b>	<b>\$ 222,519.12</b>	<b>\$ 225,463.07</b>	<b>\$ -</b>	<b>\$ 120,950.44</b>

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

LAKESIDE 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 include the effects of transactions and balances relating to the internal accounts of Lakeside Junior High School within the Clay County, Florida school system.

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

The Florida Department of Education and Clay County District 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 \$120,950.44 at June 30, 2012, consists of \$30,822.85 being held in a non-interest bearing checking account, \$89,877.72 invested with the State Board of Administration, and \$199.87 in uncollected checks that 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 Boards of Administration (SBA), Local Government Investment Pool (Florida PRIME). An investment in Florida PRIME is not insured or guaranteed by any government or government agency.

NOTE 3 – INTEREST INCOME

Interest was earned on funds invested with the Clay County School Board in the amount of \$255.19 for the fiscal year ended June 30, 2012.

LAKESIDE JUNIOR HIGH 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

Lakeside Junior High School reported five accounts payable and eleven encumbrances at June 30, 2012 for the internal funds.

Accounts Payable

<u>Vendor</u>	<u>Amount</u>
5- Star Design	\$ 832.00
BSN Sports	390.00
ACE Hardware	52.17
Patti's Roses Etc	75.00
Orange Park Florist	470.00
Total	<u><u>\$ 1,819.17</u></u>

Encumbrances

<u>Vendor</u>	<u>Amount</u>
Music & Arts	\$ 144.00
Walk 4 Life, Inc.	400.75
Varisty Spirit	4,135.55
National Geographic	163.80
Florida Office Interiors	11,548.01
Neff	4,292.50
Riddell	3,500.00
Wal-Mart	150.00
BSN	446.37
Teachers Discovery	92.36
McGraw-Hill	17.73
Total	<u><u>\$ 24,891.07</u></u>

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  
Ms. Carol Studdard, Chairman  
Ms. Janice Kerekes, Vice-Chairman  
Mr. Frank Farrell, Member  
Ms. Lisa Graham, Member  
Mr. Charles Van Zant, Jr., Member

Honorable Members:

We have audited the statement of cash receipts and disbursements of the internal funds of Lakeside Junior High 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 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:

- One instance 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 was 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. All significant transactions have been recognized in the financial statements in the proper period.

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.

District School Board  
Clay County, Florida  
Page 3

*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 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*

There were no prior year findings.

\* \* \*

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

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

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

*Magers & Associates, LLC*

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

# Lakeside Junior High School

2750 Moody Avenue Orange Park, FL 32073 (904)213-1800 Fax (904)213-2987



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



Jennifer Roach  
Assistant Principal  
(904) 213-1801

Frances Celis  
Vice-Principal  
(904) 213-1811

Lloyd Patterson  
Activities Director  
(904) 213-1872

August 9, 2012

Magers & Associates  
Mary Ann Magers  
165 Wells Road  
Orange Park, Florida 32073

Dear Ms. Magers:

Your firm made the following comments in the August 7, 2012 letter to the Superintendent, Mr. Ben Wortham, and the Clay County School Board Members concerning the audit of the Internal Funds of Lakeside Junior High School.

**In response to CY Finding:**

It was noted One instance where the deposit was not made within five days.

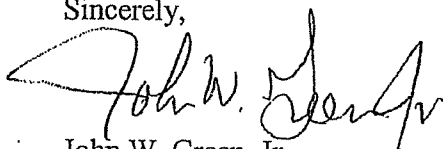
We purchased a safe this year and I regrettably, did not record the combination. Our Bookkeeper was out on leave the week in question and we could not access the deposits.

I have taken steps to assure this will not happen again – combination noted.

I appreciate the positive comments expressed during our exit conference noting the job well done by our Bookkeeper, Linda Russ. We definitely appreciate her diligent attention to details which shows in the audits of Lakeside Junior High School year after year.

Thank you for bringing the above finding to our attention and thank you again for your audit of our Internal Accounts. We appreciate your comments and will make every effort to be more assiduous in the areas mentioned above.

Sincerely,



John W. Green, Jr.  
Principal

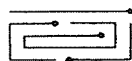
JWG/lar

# **McRae Elementary School**

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

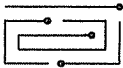
**For the Year Ended June 30, 2012**



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

**MCRAE ELEMENTARY SCHOOL  
TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1
 <b>FINANCIAL STATEMENTS</b>	
Statement of Cash Receipts and Disbursements of the Internal Funds.....	2
Notes to Statement of Cash Receipts and Disbursements.....	3
 <b>SUPPLEMENTAL INFORMATION</b>	
Accounts Payable and Encumbrances.....	4
Management Letter.....	5



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

**INDEPENDENT AUDITORS' REPORT**

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of McRae Elementary School for the year ended June 30, 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2012

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Please respond to the office at:

e-mail: [firm@connerhubbard.com](mailto:firm@connerhubbard.com)

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(904) 278-1040; Fax (904) 278-9444

212 North Davis Street  
Nashville, Georgia 31639  
(229) 686-9419

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

	<u>Cash Balance</u> <u>July 1, 2011</u>	<u>Transactions</u>			<u>Cash Balance</u> <u>June 30, 2012</u>
		<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	
Music	\$ -	\$ 298.00	\$ 298.00	\$ -	\$ -
Classes, Clubs & Departments	13,383.95	42,720.17	47,001.97	(582.58)	8,519.57
Trust	3,711.84	13,075.61	12,276.14	(50.16)	4,461.15
General	12,731.91	21,376.39	21,691.58	632.74	13,049.46
Outside Organizations	<u>100.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100.98</u>
	<u>\$ 29,928.68</u>	<u>\$ 77,470.17</u>	<u>\$ 81,267.69</u>	<u>\$ -</u>	<u>\$ 26,131.16</u>

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



**MCRAE ELEMENTARY SCHOOL**

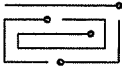
Notes to Statement of Cash Receipts and Disbursements  
For The Year Ended June 30, 2012

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NOTE 1        The School's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

NOTE 2        Interest of \$121.35 was earned on the checking account and on funds invested with the Clay County School Board during the fiscal year ended June 30, 2012.

NOTE 3        The cash balance of \$26,131.16 at June 30, 2012, shown on the statement of cash receipts and disbursements consists of \$11,122.56 being held in the checking account, \$14,803.10 invested with the Clay County School Board and \$205.50 of insufficient checks held for collection.



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

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

Honorable Members:

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

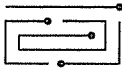
Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances.

There were no accounts payable or encumbrances as of June 30, 2012.

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

August 16, 2012



**CONNER, HUBBARD & COMPANY, LLC**  
Certified Public Accountants

Taxation, Accounting, Pension Planning, and Business Counseling

---

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

Honorable Members:

In planning and performing our audit of the statement of cash receipts and disbursements of the internal funds of McRae Elementary School for the year ended June 30, 2012, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

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

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

One instance where the amount of the check was \$78.00 greater than the supporting invoice.

On instance where the amount of the check was \$11.58 less than the supporting invoice.

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

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

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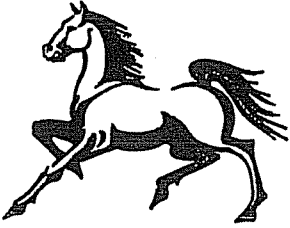
Honorable Members  
Page 2

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

*Conner, Hubbard & Company, LLC*

CONNER, HUBBARD & COMPANY, LLC  
Certified Public Accountants

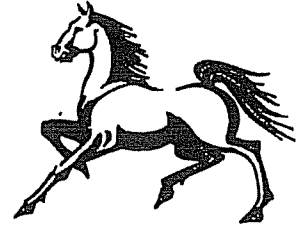
August 16, 2012



*Marcus Dooley  
Principal*

***McRae Elementary School***  
*"Home of the Mavericks"*

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



*Vicki Chappell  
Assistant Principal*

August 28, 2012

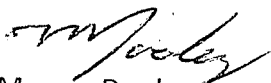
Conner, Hubbard & Company, LLC  
1106 Park Avenue  
Orange Park, Florida 32073

This is a response to the 2012 audit of internal accounts for McRae Elementary School completed by your firm.

- Upon review of supporting documents of check #4107, the vendor supplied the quote at \$2,730.13. The invoice amount is \$2,718.55, payment was made based on invoice. The quote and invoice is attached as supporting documents; there is a difference of \$11.58 between the quote amount and final invoice.
- Check #4244 was issued on 05/09/12 based upon an invoice with 95 participants on a field trip, only 93 attended. The vendor refunded \$78, the refund was noted on the invoice. The \$78 refund check was deposited on 06/06/12, a report of monies collected with receipt #6703 was prepared. The copy of the check requisition #4244 and paid invoice were attached to support this transaction.

Thank you for your services provided during the audit of McRae Elementary's internal accounts. We will utilize your recommendations to improve the efficiency of our internal accounts.

Sincerely,

  
Marcus Dooley  
Principal

cc: Roni Campbell