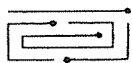


Middleburg Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

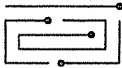
For the Year Ended June 30, 2012



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

**MIDDLEBURG ELEMENTARY SCHOOL
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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 Middleburg 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 Middleburg 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

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

e-mail: firm@connerhubbard.com

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

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

MIDDLEBURG 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	\$ 1,421.93	\$ 3,762.65	\$ 2,783.52	\$ -	\$ 2,401.06
Classes, Clubs & Departments	4,574.84	27,774.16	28,642.48	(247.76)	3,458.76
Trust	18,120.91	33,106.86	32,940.44	453.87	18,741.20
General	23,745.61	34,447.29	37,677.94	(206.11)	20,308.85
Outside Organizations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 47,863.29</u>	<u>\$ 99,090.96</u>	<u>\$ 102,044.38</u>	<u>\$ -</u>	<u>\$ 44,909.87</u>

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

MIDDLEBURG ELEMENTARY SCHOOL

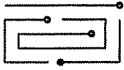
Notes to Statement of Cash Receipts and Disbursements

For The Year Ended June 30, 2012

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 \$1.35 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 \$44,909.87 at June 30, 2012, shown on the statement of cash receipts and disbursements consists of \$39,133.26 being held in the checking account and \$5,776.61 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

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 Middleburg Elementary School internal funds as reported to us by the School.

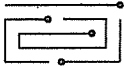
Such auditing procedures as we considered necessary in the circumstances were applied to the verification of these accounts payable and encumbrances.

There were no accounts payable and encumbrances as of June 30, 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 Middleburg 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 and disbursements, we noted the following:

Seven instances where the receipt numbers were not listed on the "Report of Monies Collected".

Two instances where we were unable to locate the teacher receipt book for the receipt numbers listed on the "Report of Monies Collected".

One instance where sales tax was paid.

One check did not have two signatures as required by policy.

One instance where the amount of the check was \$110.40 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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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

Middleburg Elementary School

3958 Main St Middleburg Florida 32068

904-291-5485 FAX 904-291-5491

Becky Wilkerson, Principal

Tammy Winkler, Asst. Principal

August 29, 2012

Conner, Hubbard & Company, LLC

In response to the auditors' report dated August 16, 2012 the following procedures will be implemented:

The principal and bookkeeper will make sure the required signatures are on all checks.

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

The bookkeeper is with the understanding she is to pay tax up front when purchasing items to sell for fundraisers, (pg. 28, Clay County School Board, Internal Accounts Manual). The bookkeeper will review this item with the School Board Finance Department.

Becky Wilkerson



Principal, Middleburg Elementary School

Middleburg High School

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

For the Year Ended June 30, 2012

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Beth A. Linder, CPA
Kathlyn C. Jordan, CPA

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of Certified Public Accountants

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 Middleburg 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 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 Middleburg High School for the year ended June 30, 2012, on the basis of accounting described in Note 1.



Adams & Harper, PA
Certified Public Accountants
August 14, 2012

**Middleburg High 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	
Athletics	\$ 92,834.94	\$ 215,007.03	\$ 195,342.78	\$ (9,275.67)	\$ 103,223.52
Music	4,645.40	100,289.92	92,069.32	(2,843.00)	10,023.00
Classes, Clubs, Departments	43,975.74	304,147.36	301,883.85	2,462.85	48,702.10
Trust	95,184.35	74,245.89	65,303.97	6,011.03	110,137.30
General	46,336.59	41,816.26	51,873.27	6,940.71	43,220.29
Outside Funds	8,337.25	54,590.52	52,026.64	(3,295.92)	7,605.21
Total	\$ 291,314.27	\$ 790,096.98	\$ 758,499.83	\$ -	\$ 322,911.42

See accompanying notes and independent auditors' report

Middleburg 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 Middleburg High School within the Clay County, Florida school system.

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

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

The internal account balances and transactions are 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 \$ 322,911.42 consists of \$ 40,614.47 held in the School's checking account (insured by the Federal Deposit Insurance Corporation (FDIC)), \$ 281,941.95 held in an investment account with Florida PRIME, as described in Note 1, and \$ 355.00 in the change fund.

Note 3 - Interest Income

Investment interest was earned on amounts invested with Florida PRIME, as described in Note 1, in the amount of \$ 896.58, representing an annual yield of approximately 0.34%.

Note 4 – Subsequent Events

The School has evaluated subsequent events through August 14, 2012, the date of the independent auditors' report, which is considered to be the date the financial statement is available for issuance. There were no material subsequent events to report.

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Members:
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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 Middleburg 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 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 Middleburg High School for the year ended June 30, 2012.

<u>Accounts Payable</u>	<u>Vendor</u>	<u>Amount</u>
	Reel Precision Products, Inc.	\$ 616.06
	Sam's Club/GEMB	99.26
	Enterprise Leasing	77.88
	TOTAL	\$ 793.20

<u>Encumbrances</u>	<u>Vendor</u>	<u>Amount</u>
	Thompson and Buckles, LLC	\$ 1,380.00
	Athletica, Inc.	1,798.48
	GTM Sportswear	4,625.00
	Varsity	1,113.50
	TOTAL	\$ 8,916.98

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 14, 2012

ADAMS & HARPER, PA

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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 Middleburg High 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 Middleburg High School 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 one deficiency in internal control over financial reporting which is described below, that we consider a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

Auditor Communications With Those Charged With Governance

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

We have audited the statement of cash receipts and disbursements of Middleburg High School Internal Accounts (the "School") for the year ended June 30, 2012 and have issued our report thereon dated August 14, 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 Middleburg High 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.

- Two account balances exceeded the allowable balance without proper documentation to leave the account balances overfunded.
- Two instances of no approval signature from the sponsor on the Report of Monies Collected.
- One instance of alterations without initials on the teacher's receipt.
- Five instances of no fundraiser number assigned.
- Five instances of fundraisers being improperly completed.
- Two instances of fundraiser recaps with no approval from the sponsor.
- One instance where the fundraiser recap section did not agree to the amounts posted in the general ledger.
- One instance of cash disbursement authorization not being dated.
- One instance of cash disbursement authorization with no principal signature.
- One instance of cash disbursement authorization that did not match invoice.
- One instance of cash disbursement authorization that was altered with no initials.
- One instance of cash disbursement authorization not matching support.

Mr. Ben Wortham, Superintendent of Schools and Board Members
Clay County, Florida
Page 4

Follow-up on Prior Year Audit Findings

As part of our current year audit, we considered your attention toward prior year audit findings. Last year only minor violations were noted on the governance letter from the auditors, much like our current findings.

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 improvement in the records of the internal funds accounts. We encourage you to continue the trend of improvement and resource protection into the upcoming school year, and we have a couple of suggestions to help you to achieve that goal.

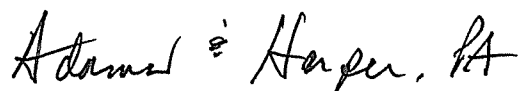
First, we noted issues with several fundraiser forms in the current year which seemed more pervasive than the prior year. In the preceding list, we noted instances where fundraising recaps were either incorrectly completed or not approved by sponsors at all. We would encourage you to have further discussions with teachers regarding how to fill out these forms properly and what information should be included in answer to each question. We further encourage you to affirm the proper completion of the forms prior to final filing of these forms in your record keeping system.

We also believe that ticket sales and collections associated with major sporting events conducted by the any high school teams represent a significant risk for misappropriation of school revenues. While we have not observed any evidence that point to impropriety in your school's instance, we would encourage you to remind all responsible parties to be especially vigilant in this arena and to consider control steps which might mitigate some of this risk. The school's goal is to collect and preserve the revenue it has earned so it might be effectively utilized.

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

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

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



Adams & Harper, PA
Orange Park, FL
August 14, 2012



Middleburg High School

3750 County Road 220 Middleburg, FL 32068

Phone: (904) 213-2100

Fax: (904) 291-5462

John O'Brian
Principal

Michelle Harris
Vice Principal

Abby Neal
Assistant Principal

Patrick Capriola
Assistant Principal

W. Alan Powers
Athletic Director

August 20, 2012

Adams & Harper, PA
1665 Kingsley Ave, Suite 100
Orange Park, Florida 32073

Dear Sirs:

We have reviewed the management documentation for Middleburg High School's 2011-12 Audit.

We have discussed the deficiencies within the report and articulated these policies and expectations to the various stakeholders. We will continue to emphasize the proper protocol and procedures throughout the year to enhance the information and understanding to the faculty and staff. We have implemented new policies within our school that we feel will ensure compliance from our Sponsors.

Documentation was provided to the Auditor regarding the two account balances that exceeded the balance limits. Account 5150 was for summer schools fees. The county office directed us to hold the funds in our Internal Accounts until July 10, 2012. We will be more cognitive to ensure signatures are obtained from teachers on all forms.

In addition, the Audit report mentioned issues with cash disbursement sheets. This form has been revised so that they will no longer require that specific criteria for completion. A check requisition will also accompany this form in the future.

We truly appreciate your professionalism and the guidance your company and its employees throughout our Audit. We acknowledge the areas of concern and will continue to address them to bring Middleburg High School's Audit into total compliance. While there are always areas for improvement, we are pleased with the overall findings in our Audit.

Sincerely,

John O'Brian,
Principal

MONTCLAIR ELEMENTARY SCHOOL

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

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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EMILY C. HELMS, CPA, PA
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Mr. Ben H. 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 Montclair 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 statement of cash receipts, and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

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

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

Emily C. Helms, CPA, PA

Emily C. Helms, CPA, PA
August 09, 2012

MONTCLAIR ELEMENTARY SCHOOL

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

	Cash	Transactions			Cash
	Balance July 1, 2011	Receipts	Disburse- ments	Interfund Transfers	Balance June 30, 2012
Classes, Clubs, Departments	\$ 4,576.41	32,855.55	31,945.55	(5,211.30)	275.11
Trust	\$ 13,841.83	9,432.84	11,176.09	(833.17)	11,265.41
General	\$ 1,281.28	17,638.60	17,936.04	6,544.47	7,528.31
Outside Organizations	\$ 8,535.54	23,754.80	22,936.58	(500.00)	8,853.76
Total	\$ 28,235.06	\$ 83,681.79	\$ 83,994.26	\$ -	\$ 27,922.59

See accompanying notes and accountant's report.

MONTCLAIR ELEMENTARY SCHOOL

NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS OF THE INTERNAL FUNDS For The Year Ended June 30, 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 Montclair Elementary School (the School) within the Clay County, Florida school system.

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

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

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

Basis of accounting

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

Investments

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

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

MONTCLAIR ELEMENTARY SCHOOL

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

NOTE 2 Cash

The June 30, 2012, total cash balance of \$27,922.59 as reported on the statement of cash receipts and disbursements consists of \$5,835.75 being held in a non interest checking account insured by the FDIC, \$21,913.84 held in an investment account with the Clay County School and \$173.00 held as uncollected NSF Funds.

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

NOTE 3 Investments

In accordance with GASB Statement No. 40, as of June 30, 2012 the School invested \$21,913.84 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2012, is 38 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$29.42. Investment interest is maintained in a separate fund account.

- Interest Rate Risk: Clay District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- Credit Risk: Clay District School Board policy limits investments to the Local Government Surplus Trust Fund or any intergovernmental investment pool, interest bearing time deposits or savings accounts held in qualified public depositories.

As of June 30, 2012 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAM.

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

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 09, 2012, the date of the independent auditor's report. There were no material subsequent events to report.

Supplemental Information

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

Kingsley Center

Telephone (904) 269-4292
Facsimile (904) 269-0391

Mr. Ben H. 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:

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

Accounts Payable

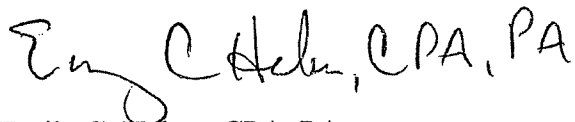
None

Encumbrances

None

The above accounts payable and encumbrance lists agree with the Principal's Monthly Report as of June 30, 2012.

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 Montclair Elementary School for the year ended June 30, 2012.



Emily C. Helms, CPA, PA
August 09, 2012

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
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Telephone (904) 269-4292
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Mr. Ben H. 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 internal funds financial statement of Montclair Elementary School as of and for the year ended June 30, 2012 and have issued our report thereon dated August 09, 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
And on Compliance and Other Matters**

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

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

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

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

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

- Non sufficient checks remain outstanding from April 2009. The bookkeeper did not timely request permission to write-off the dishonored checks during the 2011-2012 school year. The bookkeeper should follow page 23 of the Clay County School Board Internal Accounts Manual, Procedures for Insufficient Funds Checks to insure that proper procedures are followed so that dishonored checks are timely collected and merchandise is not delivered.

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

- Fund Raiser Application and Financial Recaps were incomplete, incorrect or did not agree with the General Ledger Report of sales collected. We recommend the bookkeeper review the Instructions for Fund Raising Applications, pages 11 through 14 of the Clay County School Board Internal Accounts Manual, with the sponsors prior to approval of the fund raiser.

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

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

Communication with Those Charged with Governance

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

Our Responsibility under Generally Accepted Auditing Standards

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

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing outlined in the Clay County District School Board letter dated May 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. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those

expected. There were no particularly sensitive estimates significantly affecting the internal funds financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

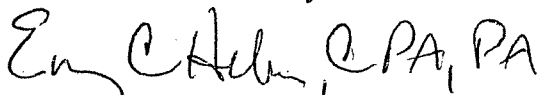
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that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

Management Representations

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

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

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



Emily C. Helms, CPA, PA

August 09, 2012



Montclair Elementary School

2398 Moody Avenue

Orange Park, Florida 32073

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

William Miller
Principal

Scott Voytko
Assistant Principal

August 29, 2012

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

CC: Roni Campbell
Clay County School Board

Emily-

This is in response to the noted items in Montclair Elementary School's annual audit for the school year 2011/2012.

1. We will be writing off any NSF Checks that are over 3 years old, but will still make a diligent effort to collect on the NSF checks. The bookkeeper has reviewed the procedures for Insufficient Funds Checks on page 23 of the Clay County School Board Internal Accounts Manual.
2. The bookkeeper will review the instructions for fund raising applications, on pages 11 through 14 of The Clay County School Board Internal Accounts Manual, with sponsors before they get approval for any fund raiser.

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

Sincerely,

William Miller
Principal

Stacia Hood
Principals Secretary/Bookkeeper

Oakleaf High School

Statement of Cash Receipts and Disbursements of the Internal Funds

For the Year Ended June 30, 2012

Oakleaf High School

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COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Report

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

Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Oakleaf High School (the School) 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 Oakleaf High School for the year ended June 30, 2012 on the basis of accounting described in Note 1.

Coleman & Associates Cpa firm

August 17, 2012

Oakleaf 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	\$ 53,956.62	\$ 191,193.79	\$ 197,400.94	\$ 9,952.14	\$ 57,701.61
Music	5,081.08	79,521.63	70,996.14	(2,740.04)	10,866.53
Classes, Clubs	23,100.14	230,059.25	217,849.02	(3,391.21)	31,919.16
Trust	1,052.67	13,134.38	9,302.57	848.05	5,732.53
General	7,768.14	33,447.72	26,484.45	4,006.99	18,738.40
Outside Organizations	15,236.08	44,164.56	43,875.92	(8,675.93)	6,848.79
Totals	<u><u>\$ 106,194.73</u></u>	<u><u>\$ 591,521.33</u></u>	<u><u>\$ 565,909.04</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 131,807.02</u></u>

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

**Oakleaf High School
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 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 High School (the School) within the Clay County, Florida school system.

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

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

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

Basis of Accounting

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

Note 2 – Cash and Cash Equivalents

As of June 30, 2012, the School's total cash balance of \$131,807.02 was held in a non-interest bearing checking account and \$0 held in an investment account at year end.

Note 3 – Investments

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

Oakleaf High School
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 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-one 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 17, 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

Schedule of Accounts Payable and Encumbrances

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

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 Oakleaf High School's internal funds as reported to us by the School.

Certain auditing procedures were applied to the verification of these accounts payable and encumbrances that we considered necessary. The following accounts payable and encumbrances, if any, were not paid during the School's fiscal year ending June 30, 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

\$ 17,000.00 Varsity Spirit Fashions

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 17, 2012



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

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

Honorable Members:

We have audited the internal funds financial statement of Oakleaf 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 Oakleaf 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.

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

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

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

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

Coleman & Associates Cpa firm

August 17, 2012



Oakleaf High School

David S. Broskie - Principal

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

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



August 29, 2012

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

Dear Mr. Coleman:

This letter is in response to your audit report for Oakleaf High School for the fiscal year ended June 30, 2012.

Although there were no comments on your audit report we would like to say it has been a pleasure working with your staff and thank you for your services as Oakleaf High School's Auditor for the fiscal year ended June 30, 2012

Sincerely,

David S. Broskie
Principal

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

OAKLEAF JUNIOR HIGH SCHOOL

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

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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EMILY C. HELMS, CPA, PA
Certified Public Accountant

EMILY C. HELMS, CPA, PA
Certified Public Accountant

1279 Kingsley Avenue, Suite 103
Orange Park, FL 32073

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Telephone (904) 269-4292
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INDEPENDENT AUDITOR'S REPORT

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

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

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



Emily C. Helms, CPA, PA
August 14, 2012

OLKLEAF JUNIOR HIGH SCHOOL

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

	Cash	Transactions			Cash
	Balance July 1, 2011	Receipts	Disburse- ments	Interfund Transfers	Balance June 30, 2012
Athletics	\$ 27,949.21	\$ 83,534.25	\$ 78,941.15	\$(2,924.00)	\$ 29,618.31
Music	3,284.70	39,248.50	41,610.80	-	922.40
Classes, Clubs, Departments	30,492.73	118,744.56	129,987.04	3,248.28	22,498.53
Trust	440.84	26,078.90	24,834.57	(328.00)	1,357.17
General	9,842.70	31,777.15	33,039.47	3.72	8,584.10
Outside Organizations	343.38	28.48			371.86
Total	\$ 72,353.56	\$ 299,411.84	\$ 308,413.03	\$ 0.00	\$ 63,352.37

See accompanying notes and accountant's report.

OAKLEAF 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 OakLeaf Junior High School (the School) within the Clay County, Florida school system.

The accompanying financial statement is not intended to be a complete presentation of all the internal account activities of the school system because this financial statement only includes the accounts at OakLeaf 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. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Investments

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

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

OAKLEAF JUNIOR HIGH SCHOOL

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

NOTE 2 Cash

The June 30, 2012, total cash balance of \$63,352.37 as reported on the statement of cash receipts and disbursements consists of \$52,660.49 being held in a non interest checking account insured by the FDIC, \$10,132.88 held in an investment account with the Clay County School, and \$559.00 held as uncollected NSF Funds.

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

NOTE 3 Investments

In accordance with GASB Statement No. 40, as of June 30, 2012 the School invested \$10,132.88 with Florida Prime. The weighted average days to maturity of the Florida PRIME at June 30, 2012, is 38 days. Interest was earned on amounts invested through the Clay County School Board in the amount of \$28.48. Investment interest is deposited directly into the PFA fund account.

- Interest Rate Risk: Clay District School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
- Credit Risk: Clay District School Board policy limits investments to the Local Government Surplus Trust Fund or any intergovernmental investment pool, interest bearing time deposits or savings accounts held in qualified public depositories.

As of June 30, 2012 the Schools invested money in Florida PRIME. The State Board of Administration's interpretation of GASB 31 is that Florida Prime is currently considered a SEC 2a-7 like fund, thus the account balance equals the fair value. The Florida PRIME is rated by Standard and Poor's. The current rating is AAAm.

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

NOTE 4 Subsequent Events

The School has evaluated subsequent events through August 14, 2012, the date of the independent auditor's report. There were no material subsequent events to report.

Supplemental Information

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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Facsimile (904) 269-0391

Mr. Ben H. 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:

In accordance with the instructions prepared by the Clay County School Board, OakLeaf Junior High School reported the following accounts payable and encumbrances as of June 30, 2012:

Accounts Payable

None

Encumbrances

None

The above accounts payable and encumbrance lists agree with the Principal's Monthly Report as of June 30, 2012.

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 OakLeaf Junior High School for the year ended June 30, 2012.



Emily C. Helms, CPA, PA
August 14, 2012

EMILY C. HELMS, CPA, PA
Certified Public Accountant

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Mr. Ben H. 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 internal funds financial statement of OakLeaf Junior High School as of and for the year ended June 30, 2012 and have issued our report thereon dated August 14, 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
And on Compliance and Other Matters**

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

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

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

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

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

- Large sums of money continue to be held over the weekend or deposited on Saturday. The Clay County School Board Internal Accounts Manual states in part "...NO FUNDS WILL BE HELD IN THE SCHOOL OVER A WEEKEND OR HOLIDAY PERIOD." Saturday deposits are considered to be over the weekend. Therefore all deposits must be made by Friday night. We recommend that the bookkeeper review the Internal Accounts Manual, page 17, Collection Procedures to insure deposits are timely made.

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

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

Communication with Those Charged with Governance

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

Our Responsibility under Generally Accepted Auditing Standards

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

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing outlined in the Clay County District School Board letter dated May 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. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

We commend the principal and the bookkeeper for an excellent job. It has been a pleasure to have this opportunity to serve OakLeaf Junior High School and the Clay County District Schools.

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



Emily C. Helms, CPA, PA

August 14, 2012



Oakleaf Junior High School
4085 Plantation Oaks Blvd.
Orange Park, FL 32065

Janice Tucker, Principal
Jeff Nelson, Vice Principal
Bridget Payne, Asst. Principal

August 28, 2012

Emily C. Helms
Certified Public Accountant
669 Kingsley Avenue
Orange Park, Florida 32073

This letter is in response to the audit report of the Internal Funds of Oakleaf Junior High for the year ending June 30, 2012. Steps have been taken to correct the item noted in our audit draft for 2011-2012.

1. Deposits will be made on Friday afternoons or as needed for larger deposits. The usage of a hold bag for funds that are turned in after Friday deposit have been set in place. We are implementing these steps to following the guidelines that have been set forth.

OLJH appreciates the patience of Emily Helms CPA.

Sincerely,

Janice Tucker

Principal OLJH