

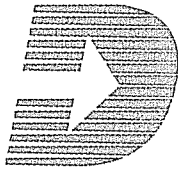
FLEMING ISLAND HIGH SCHOOL

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

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

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DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

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

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

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

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

DuVal & Company, CPAs, PA

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

Fleming Island High School

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

	<u>Balance July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Interfund Transfers</u>	<u>Balance June 30, 2012</u>
Athletics	\$ 54,109.48	\$ 209,751.21	\$ 247,535.14	\$ 9,638.61	\$ 25,964.16
Music	11,646.62	149,480.57	153,631.47	12,411.53	19,907.25
Classes, Clubs and Departments	122,988.63	361,107.52	358,771.41	(29,260.29)	96,064.45
Trusts	17,847.82	42,842.42	41,463.39	(7,407.90)	11,818.95
General	25,513.48	28,738.89	78,581.86	36,262.89	11,933.40
Outside Organizations	<u>77,000.32</u>	<u>241,251.89</u>	<u>230,727.40</u>	<u>(21,644.84)</u>	<u>65,879.97</u>
TOTALS	<u>\$ 309,106.35</u>	<u>\$ 1,033,172.50</u>	<u>\$ 1,110,710.67</u>	<u>\$ (0.00)</u>	<u>\$ 231,568.18</u>

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

FLEMING ISLAND 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 Fleming Island 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 Fleming Island High School.

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

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

Basis of accounting

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

FLEMING ISLAND HIGH SCHOOL

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

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

Investments

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

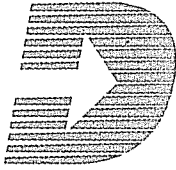
NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2012 cash balance, totaling \$231,568.18 consists of \$60,399.28 in a non-interest bearing checking account with Wells Fargo (formerly Wachovia Bank), \$170,820.90 in an investment account with the Clay County School Board, and \$348.00 in outstanding NSF checks receivable.

The school confirmed that there are no other bank accounts for school operations other than those listed above.

NOTE 3 - INTEREST INCOME

Interest earned on the SBA investment account during the year ended June 30, 2012 was \$479.80. This represented a yield of approximately 0.28% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

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

ACCOUNTS PAYABLE

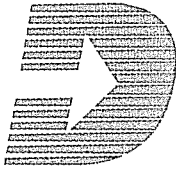
Enterprise Leasing	\$ 600.00
Park Avenue Florist	109.50
Walmart	190.88
Varsity	35,279.30
Home Depot Credit Services	692.84
Omni Sports	5,340.00
Logo Express	27.98
The Trophy Shop	108.00
Jostens	343.00
Action Publishing	1,801.77
The Sport Shop	<u>9,803.00</u>
Total	<u>\$54,296.27</u>

ENCUMBRANCES

Enterprise Leasing Co.	\$ 95.24
Total	<u>\$ 95.24</u>

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

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



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

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

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

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

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

1. During our receipts testing, we noted that, on a few occasions during our receipt testing month, monies were not turned into the bookkeeper on a daily basis. Also, the date of the Teacher Receipts and the Report of Monies Collected did not agree to the Official Receipt. We did not observe any occasions where money was held over the weekend that was not placed in hold bags.
2. The preparation of fundraising forms appears to have improved from the audit results of prior years (i.e., most forms were fully completed). However, in several instances, the fundraisers were not signed as approved until after the date the fundraiser was scheduled to begin or were not dated by the principal/designee.

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

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

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

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

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



Fleming Island High School

2233 Village Square Parkway
Fleming Island, FL 32003
Phone: (904) 541-2100
Fax: (904) 541-2110

Thomas E. Pittman
Principal

Teresa Hankel
Vice Principal

John Chappell
Assistant Principal

Greg Henderson
Assistant Principal

Becky Murphy
Assistant Principal

August 28, 2012

Duval & Company, CPA's, P.A.
428 Walnut Street
Green Cove Springs, FL 32043

To Whom It May Concern:

Administration will inform/remind teachers at grade level meetings, that money must be turned in daily, and that all fundraisers must be approved in writing by Ms. Hankel in advance. A written copy of bookkeeping procedures will be placed in each employee's mailbox. Weekly email reminders will also be sent. In order to stress the importance of following procedure, a copy of the items noted on the audit, will also be given to each employee and to the Booster clubs.

Please accept our gratitude to you for helping us improve our procedures.

Sincerely,

Tom Pittman,
Principal

Susan Edmonds
Bookkeeper

GREEN COVE SPRINGS JUNIOR HIGH
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2012

Joan O. Michael, CPA, PA
Certified Public Accountant

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Joan O. Michael, CPA, PA
Certified Public Accountant

JOAN O. MICHAEL, CPA, PA
Certified Public Accountant

669 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

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

INDEPENDENT AUDITOR'S REPORT

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

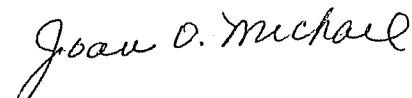
Honorable Members:

We have audited the accompanying statement of cash receipts and disbursements of the internal funds of Green Cove Springs 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 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 basis of cash receipts and disbursements which is a comprehensive basis of accounting other than US 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 Green Cove Springs Junior High School for the year ended June 30, 2012 on the basis of accounting described in Note 1.


Joan O. Michael, CPA, PA
August 13, 2012

GREEN COVE SPRINGS JUNIOR HIGH
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	Transfers	Balance June 30, 2012
Athletics	\$ 23,884.79	72331.82	76,328.87	1,107.63	\$ 20,995.37
Music Classes, Clubs,	368.71	18,809.36	18,855.83	(264.27)	57.97
Departments	15,889.39	61,754.83	54,103.86	(3,370.60)	20,169.76
Trust	13,744.92	14,186.88	13,662.90	(1,041.42)	13,227.48
General	10,998.28	8,451.63	12,120.44	3,568.66	10,898.13
Total	\$ 64,886.09	\$ 175,534.52	\$ 175,071.90	\$ -	\$ 65,348.71

See accompanying notes and independent auditor's report.

GREEN COVE SPRINGS JUNIOR HIGH
NOTES TO STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS OF THE INTERNAL FUNDS
For The Year Ended June 30, 2012

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

The accompanying statement of cash receipts and disbursements of the internal funds includes the effects of transactions and balances relating to the internal account of Green Cove Springs Junior High 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 Green Cove Springs Junior High.

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

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

Basis of accounting

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

Investments

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

NOTE 2 Cash

The June 30, 2012, total cash balance of \$65,348.71 as reported on the statement of cash receipts and disbursements consists of \$39,901.36 being held in a non interest bearing checking account insured by the FDIC, \$25,347.35 held in an investment account with the Clay County School District and \$100.00 in uncollected NSF checks.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$71.18 this represents a yield of approximately .3 percent.

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Certified Public Accountant

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Mansard Place

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Facsimile (904) 264-8057

Mr. Ben Wortham, Superintendent of Schools,
Clay County, Florida
Ms. Carol Studdard, Chairman
Ms Janice Kerekes, Vice Chairman
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, Green Cove Springs Junior High reported the following accounts payable and encumbrances as of June 30, 2012:

Accounts Payable

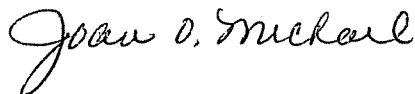
Sam's Club	\$92.00
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Encumbrances

None.

The above accounts payable list agrees with the Principals Report as of June 30, 2012. Encumbrances are not included in the Principals Report.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2011-2012 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of Green Cove Springs Junior High for the year ended June 30, 2012.



Joan O. Michael, CPA, PA
August 13, 2012

JOAN O. MICHAEL, CPA, PA

Certified Public Accountant

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

Honorable Members:

We have audited the internal funds financial statement of Green Cove Springs Junior High School for the year ended June 30, 2012, and have issued our report thereon dated August 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Report on Internal Control

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

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2012. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

We encountered no disagreement during the course of our audit.

Management Representations

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

Other Audit Findings or Issues

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

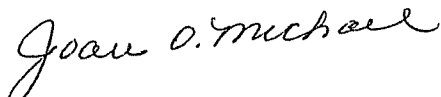
1. One instance when a Teacher's receipt was not issued when collecting funds in excess of \$5.00. Page 17 of the Internal Accounts Manual (IAM) requires teachers to issue receipts when collecting more than \$5.00.

Follow-up on Prior Year Audit Findings

As part of our current year audit, we considered the correction of prior year findings. With regard to the findings from the prior year audit report all discrepancies have been corrected.

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

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



Joan O. Michael, CPA, PA
August 13, 2012



GREEN COVE SPRINGS JUNIOR HIGH

1220 BONAVENTURE AVENUE, GREEN COVE SPRINGS, FL 32043
(904) 529-2140, Fax (904) 529-2144
WWW.CLAY.K12.FL.US/GCJ

Jeff Umbaugh
Principal

Paul Goodier
Vice Principal

Deborah Fish
Asst. Principal

August 24, 2012

Joan O. Michael, CPA, PA
669 Kingsley Avenue
Orange Park, FL. 32073

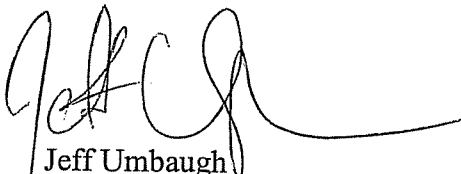
Dear Mrs. Michael,

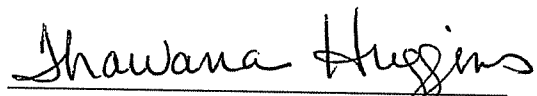
This letter is in response to the deficiency found in the audit for Green Cove Jr. High that ended June 30, 2012.

- In the future we will make every effort to ensure that a Teacher's receipt is issued when funds are collected that exceed \$5.00 as stated in the district's Internal Accounts Manual.

Thank you for the compliments noted on our bookkeeping procedures, and we will continue to strive to stay in compliance with the Internal Funds Manual of the Clay County School District.

Sincerely,


Jeff Umbaugh
Principal


Shawana Huggins
Bookkeeper

cc: Roni Campbell



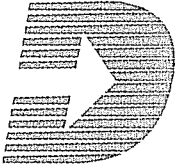
GROVE PARK ELEMENTARY SCHOOL

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

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

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DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT

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

Honorable Members:

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

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

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

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

DuVal & Company, CPAs, P.A.

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

Grove Park Elementary School

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

	Balance July 1, 2011	Receipts	Disbursements	Interfund Transfers	Balance June 30, 2012
Music	\$ 44.99	\$ 44.00	\$ 176.00	\$ 87.01	\$ 0.00
Athletics	7.65	0.00	0.00	(7.65)	0.00
Classes, Clubs and Departments	10,574.08	22,312.23	20,185.46	66.82	12,767.67
Trusts	1,911.38	11,603.76	11,365.86	(862.20)	1,287.08
General	1,076.90	7,148.24	9,086.02	2,251.02	1,390.14
Outside Organizations	8,609.05	9,651.01	6,734.85	(1,535.00)	9,990.21
TOTALS	<u>\$ 22,224.05</u>	<u>\$ 50,759.24</u>	<u>\$ 47,548.19</u>	<u>\$ (0.00)</u>	<u>\$ 25,435.10</u>

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

GROVE PARK ELEMENTARY SCHOOL

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

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

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

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

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

Basis of accounting

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

GROVE PARK ELEMENTARY SCHOOL

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Investments

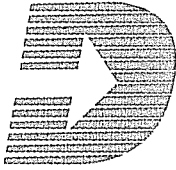
The School Board has the authority, under Florida Statute, Section 230.23(10)(k), to adopt policies pertaining to investment of school funds not needed for immediate expenditures. The intent is to maximize the yield on investments, with a minimum amount of risk. The schools have invested excess funds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

NOTE 2 - CASH AND CASH EQUIVALENTS

The June 30, 2012 cash balance, totaling \$25,435.10 consists of \$15,878.34 in a noninterest bearing checking account with Wells Fargo Bank, \$9,485.84 in an investment account with the Clay County School Board, and NSF checks receivable in the amount of \$ 70.92.

NOTE 3 - INTEREST INCOME

Interest earned on the investment account during the year ended June 30, 2012 was \$26.63. This represented a yield of approximately .28% for that period.



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

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

<u>ACCOUNTS PAYABLE</u>	<u>\$0.00</u>
<u>ENCUMBRANCES</u>	<u>\$0.00</u>

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

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

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

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



DuVal & Company

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ASSOCIATION

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

Honorable Members:

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

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

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

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

Overall, we found the internal accounting records neat and orderly. In addition, we found the procedures outlined in the Internal Funds Manual of the Clay County School Board were substantially followed by the school. The bookkeeper is doing an outstanding job in facilitating compliance with the manual.

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

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

DuVal + Company, CPA's, PA

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

Grove Park Elementary School

Dream Big Dreams, Do Great Things!



1643 Miller Street

Orange Park, FL 32073

Main Office: 278-2010 Fax Number: 278-2015

Linda Pratt
Principal

Anthony Bradley
Assistant Principal

August 23, 2012

Duval & Company, CPA's, P.A.
428 Walnut Street
Green Cove Springs, FL 32043

Dear Mr. DuVal,

Thank you for your thorough audit of the internal accounts of Grove Park Elementary School. It was a pleasure to work with Mr. Fields and we would like to thank him for his professional attention to our internal accounts. We are pleased that no deficiencies were noted and that Clay County School Board procedures are being followed as required by the school.

We thank you for recognizing the efforts of the bookkeeper to insure that the records are neat and orderly and in compliance with the Internal Accounts procedures. Your firm was very helpful verifying information and maintaining an open communication with the school.

Sincerely,

Linda Pratt
Principal

S. BRYAN JENNINGS ELEMENTARY SCHOOL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE INTERNAL FUNDS
For The Year Ended June 30, 2012

Steven W. Keenan, CPA
Certified Public Accountant

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Accounts Payable and Encumbrance Letter	7
Management Letter	8

Steven W. Keenan, CPA
Certified Public Accountant

STEVEN W. KEENAN, CPA
Certified Public Accountant

673 Kingsley Avenue
Orange Park, FL 32073

Mansard Place

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

INDEPENDENT AUDITOR'S REPORT

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

Honorable Members:

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

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

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

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



Steven W. Keenan, CPA
August 17, 2012

S. BRYAN JENNINGS ELEMENTARY

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

	Cash Balance July 1, 2011	Transactions			Cash Balance June 30, 2012
		Receipts	Disburse- ments	Transfers	
Music	\$ -	\$ -	\$ -	\$ -	\$ -
Classes, Clubs, Departments	4,370.73	15,629.08	14,911.33	18.00	5,106.48
Trust	8,434.18	9,912.43	9,644.56	(18.00)	8,684.05
General	3,465.06	13,359.37	12,219.14	0.00	4,605.29
Outside Organizations	4,746.02	14,233.59	15,061.02	0.00	3,918.59
Total	\$ 21,015.99	\$ 53,134.47	\$ 51,836.05	\$ -	\$ 22,314.41

See accompanying notes and independent auditor's report.

S. BRYAN JENNINGS ELEMENTARY SCHOOL

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

NOTE 1 Summary of Significant Accounting Policies

Reporting entity

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

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

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

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

Basis of accounting

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

Investments

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

NOTE 2 Cash

The June 30, 2012, total cash balance of \$22,314.41 as reported on the statement of cash receipts and disbursements consists of \$3,028.48 being held in a non interest bearing checking account insured by the FDIC, \$19,285.93 held in an investment account with the Clay County School and no uncollected NSF checks.

NOTE 3 Interest Income

Interest was earned on amounts invested through the Clay County School Board in the amount of \$54.16. This represents a yield of approximately .3 percent.

STEVEN W. KEENAN, CPA
Certified Public Accountant

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Facsimile (904) 579-4294

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

Honorable Members:

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

Accounts Payable

None

Encumbrances

None

The above accounts payable list agrees with the Principals Report as of June 30, 2012. Encumbrances are not included in the Principals Report.

Such auditing procedures as we considered necessary in the circumstances were applied to the verification of accounts payable and encumbrances. These accounts payable and encumbrances were not paid during the 2011-2012 fiscal year and accordingly, are not recorded on the statement of cash receipts and disbursements of the internal accounts of S. Bryan Jennings Elementary School for the year ended June 30, 2012.



Steven W. Keenan, CPA
August 17, 2012

STEVEN W. KEENAN, CPA

Certified Public Accountant

673 Kingsley Avenue
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Facsimile (904) 579-4294

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

Honorable Members:

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

Report on Internal Control

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

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County District Schools are described in Note 1 to the internal funds financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending June 30, 2012. We noted no transactions entered into by the School during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

We encountered no disagreement during the course of our audit.

Management Representations

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

Other Audit Findings or Issues

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

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

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



Steven W. Keenan, CPA

August 17, 2012

S. Bryan Jennings Elementary School

215 Corona Drive - Orange Park, FL 32073

Phone: (904) 213-3021

www.clay.k12.fl.us/sbj

Fax: (904) 213-3014

Mrs. Tiffany Outman
Principal

Ms. Amy Dyal
Assistant Principal

August 14, 2012

Steven W. Keenan, CPA
Certified Public Accountant
673 Kinglsey Avenue
Orange Park, Florida 32073

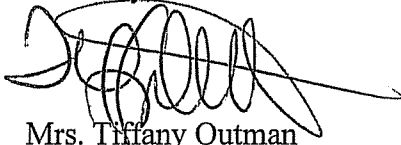
Dear Mr. Keenan:

I am responding to your audit report dated August 9, 2012, for the internal funds of S. Bryan Jennings Elementary School for the 2011-12 school year that ended June 30, 2012. We are pleased to have received such a positive report with no areas noted as being out of compliance with generally accepted accounting principles.

The bookkeeper, Sharon Morrow, and I are committed to following appropriate and responsible internal funds accounting procedures as outlined by the Clay County School Board.

We have enjoyed working with you these last three years. Thank you for your thorough audit of our procedures.

Sincerely,



Mrs. Tiffany Outman
Principal

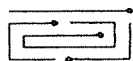
sam

cc: R. Campbell ✓

Keystone Heights Elementary School

Statement of Cash Receipts and Disbursements of the Internal Funds

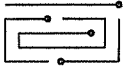
For the Year Ended June 30, 2012



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

**KEYSTONE HEIGHTS 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 Keystone Heights 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 Keystone Heights 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:

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

e-mail: firm@connerhubbard.com

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

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

	<u>Cash Balance July 1, 2011</u>	<u>Transactions</u>			<u>Cash Balance June 30, 2012</u>
		<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	
Music	\$ 1,347.10	\$ 4,022.00	\$ 3,836.38	\$ 900.00	\$ 2,432.72
Classes, Clubs & Departments	11,798.53	61,742.08	64,907.78	568.50	9,201.33
Trust	3,623.08	25,749.26	25,279.01	349.00	4,442.33
General	20,216.09	9,059.96	15,549.83	(1,007.50)	12,718.72
Outside Organizations	<u>416.60</u>	<u>3,845.00</u>	<u>2,810.39</u>	<u>(810.00)</u>	<u>641.21</u>
	<u>\$ 37,401.40</u>	<u>\$ 104,418.30</u>	<u>\$ 112,383.39</u>	<u>\$ -</u>	<u>\$ 29,436.31</u>

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

KEYSTONE HEIGHTS ELEMENTARY SCHOOL

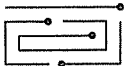
Notes to Statement of Cash Receipts and Disbursements

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 \$154.86 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 \$29,436.31 at June 30, 2012, shown on the statement of cash receipts and disbursements consists of \$16,571.65 being held in the checking account, \$12,829.16 invested with the Clay County School Board and \$35.50 of 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 Keystone Heights 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.

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

Accounts Payable

Mallard's Dollarama	\$3.87
---------------------	--------

Encumbrances

EquiCross, Inc	\$167.24
----------------	----------

The accounts payable balance shown above agrees with the June 30, 2012 Principal's Monthly Report.

Conner, Hubbard & Company, LLC

CONNER, HUBBARD & COMPANY, LLC
Certified Public Accountants

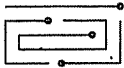
August 16, 2012

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

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

e-mail: firm@connerhubbard.com

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



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 Keystone Heights 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 we were unable to locate the teacher receipt listed on the "Monies Collected" form.

We were unable to locate a teacher receipt book relating to two items selected for testing.

Twelve instances where the "Monies Collected" form was dated one or more days after the date of the teacher receipt.

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.

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 ELEMENTARY SCHOOL
"Where Every Kid Is A Winner"

MARY S. MIMBS
Principal

ANGELA M. GENTRY
Assistant Principal



MELBA B. JOHNSON
Guidance Counselor

CODY M. CLARK
Guidance Counselor

August 28, 2012

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

Dear Mr. Hubbard:

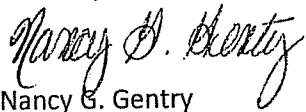
This letter is being written in response to the Independent Auditor's Report received during our school's exit interview on Thursday, August 17, 2012. We have reviewed all comments very carefully and listed below are our responses.

1. One instance where we were unable to locate the teacher receipt listed on the "Monies Collected" form. All faculty and staff will receive a memo reviewing Auditor's Comments for fiscal year 2011-2012. In the event a teacher receipt number is not listed on the "Monies Collected" form, it will be returned to the teacher for correcting.
2. We were unable to locate a teacher receipt book relating to two items selected for testing. The Principal, Bookkeeper, and Staff Member were aware in advance that the receipt book was missing. This information was provided as part of our Audit Materials presented in the "Receipt Book Information Log". Diligent efforts were made to locate the missing receipt book. I am not really sure what steps can be made to prevent the loss of receipt books. However, we will strongly encourage our faculty and staff to secure their receipt books in the same place every time.
3. Twelve instances where the "Monies Collected" form was dated one or more days after the date of the teacher receipt. All faculty and staff will receive a memo reminding them that the date of teacher receipt must be the same date recorded on the "Monies Collected" form. The teacher will be notified in the event information is not properly and/or accurately reported and provide a written explanation to the Principal.

Every year at Keystone Heights Elementary School, the Principal and Bookkeeper review all money issues with our faculty and staff at the beginning of each school year. Included in each employee's handbook are the guidelines covering monies collected, disbursements, fundraisers, etc. We will continue to work with our teachers and staff in following internal accounts guidelines throughout the year.

In closing, Keystone Heights Elementary School would like to thank you for the time and effort put forth in completing our audit. We look forward to working with you in the future.

Sincerely,



Nancy G. Gentry

Principal's Secretary and Bookkeeper

cc: Roni Campbell
Accounting and Internal Accounts Coordinator
Clay County School Board

Mary S. Mimbs
Principal
Keystone Heights Elementary School