



**THE SCHOOL DISTRICT OF
ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS**

FINANCIAL STATEMENT AND
SUPPLEMENTAL SCHEDULE

For the Year Ended June 30, 2015

And Report of Independent Auditor

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL FUNDS
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Report of Independent Auditor

The School Board of St. Lucie County, Florida
Ft. Pierce, Florida

Report on the Financial Statements

We have audited the accompanying statement of changes of fiduciary assets and liabilities of the School District of St. Lucie County, Florida School Internal Accounts (“School Internal Accounts”) as of and for the year ended June 30, 2015 and the related note to the financial statement, which comprises the basic financial statement, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the fiduciary assets and liabilities of the School District of St. Lucie County, Florida School Internal Accounts as of June 30, 2015, and the related changes in fiduciary assets and liabilities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statement presents only the School Internal Accounts and does not purport to, and does not, present fairly the financial position of the School District of St. Lucie County, Florida as of June 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the School District of St. Lucie County, Florida School Internal Accounts' basic financial statement. The accompanying supplemental combining schedule of changes in internal account balances by school for the year ended June 30, 2015 is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The combining schedule of changes in internal account balances by school is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of the District's internal control over financial reporting for internal accounts and on our tests of its compliance with certain provisions of laws, regulations and contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's overall financial reporting and compliance.

A handwritten signature in cursive script that reads "Cherry Behant LLP".

Orlando, Florida
December 9, 2015

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2015

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
Assets				
Cash and cash equivalents	\$ 2,225,959	\$ 7,365,644	\$ 7,234,174	\$ 2,357,429
Accounts receivable	1,723	110	1,723	110
Due from Board	75	-	75	-
Inventory	72,471	91,699	72,471	91,699
Total assets	<u>\$ 2,300,228</u>	<u>\$ 7,457,453</u>	<u>\$ 7,308,443</u>	<u>\$ 2,449,238</u>
Liabilities				
Accounts payable	\$ 14,429	\$ 2,442	\$ 14,429	\$ 2,442
Due to Board	4,730	509	4,730	509
Internal accounts payable	2,281,069	7,454,502	7,289,284	2,446,287
Total liabilities	<u>\$ 2,300,228</u>	<u>\$ 7,457,453</u>	<u>\$ 7,308,443</u>	<u>\$ 2,449,238</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL FUNDS
NOTE TO FINANCIAL STATEMENT

JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies

Reporting Entity - The School District of St. Lucie County, Florida, School Internal Accounts ("School Internal Accounts") are comprised of individual account balances of the 39 public schools and centers located within the geographical boundaries of the St. Lucie County, Florida.

The School District of St. Lucie County, Florida, (the "District") has a governing body composed of five elected members. The Superintendent of Schools is the executive officer of the District. The District is part of the State of Florida system of public education under the general direction and control of the State Board of Education.

The District's School Internal Accounts are included as agency funds in the District's annual financial report. The accompanying financial statement presents only the School Internal Accounts and is not intended to present fairly the financial position and results of operations of the School District of St. Lucie County, Florida, in conformity with accounting principles generally accepted in the United States of America

Fund Accounting - In accordance with Florida Statutes, the District accounts for its School Internal Accounts as an agency fund. This fund is organized into sub-funds to account for each School in the District. The operations of each sub-fund are accounted for with a separate set of self-balancing accounts that comprise each School's assets and liabilities, additions and deductions. Each sub-fund is divided into seven student activity/project classifications. These classifications are athletics, music, classes, clubs, department, trust, and general.

Because the receipts collected by these sub-funds are not available for unrestricted use, these sub-funds are temporarily restricted in nature. Disbursements are made in accordance with their designated purposes.

Recognition - The District's School Internal Accounts at the individual School level recognize receipts and disbursements using the cash basis of accounting during the year, and are adjusted to the accrual basis at year-end in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents - Cash and cash equivalents consists of deposits and other highly liquid cash equivalents held by banks qualified as public depositories under the laws of the State of Florida. All deposits are insured by federal depository insurance and/or by Florida's multiple financial institution collateral pool required by Section 280.07 and 280.08 of the Florida Statutes.

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Bayshore Elementary</u>	<u>Dale Cassens Education Complex</u>	<u>Fairlawn Elementary</u>	<u>Floresta Elementary</u>	<u>Frances K. Sweet Elementary</u>
Internal accounts payable - beginning of year	\$ 27,013	\$ 10,016	\$ 49,396	\$ 27,378	\$ 19,155
Additions:					
Athletics	-	-	-	-	-
Music	-	-	1,620	4,342	100
Classes	7,579	3,286	37,341	14,285	29,996
Clubs	1,386	-	1,405	-	17,270
Department	14,573	-	40,398	23,761	21,720
Trust	21,095	258	158,155	39,327	57,229
General	13,317	6,112	14,395	14,601	5,647
Total additions	<u>57,950</u>	<u>9,656</u>	<u>253,314</u>	<u>96,316</u>	<u>131,962</u>
Deductions:					
Athletics	-	-	-	729	-
Music	-	-	1,446	4,752	51
Classes	8,305	3,459	41,055	14,280	28,537
Clubs	1,360	-	1,687	157	17,403
Department	14,142	1,139	39,885	24,914	20,655
Trust	21,403	769	149,751	43,304	52,202
General	11,749	6,504	21,710	13,861	5,234
Total deductions	<u>56,959</u>	<u>11,871</u>	<u>255,534</u>	<u>101,997</u>	<u>124,082</u>
Internal accounts payable - end of year	<u>\$ 28,004</u>	<u>\$ 7,801</u>	<u>\$ 47,176</u>	<u>\$ 21,697</u>	<u>\$ 27,035</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Lakewood Park Elementary</u>	<u>Lawnwood Elementary</u>	<u>Mariposa Elementary</u>	<u>Morningside Elementary</u>	<u>Parkway Elementary</u>
Internal accounts payable - beginning of year	\$ 22,483	\$ 34,720	\$ 34,469	\$ 28,583	\$ 47,184
Additions:					
Athletics	-	-	-	-	-
Music	222	1,335	871	1,952	-
Classes	17,392	19,604	47,084	34,412	13,227
Clubs	366	2,062	-	439	-
Department	1,726	13,402	15,364	16,750	10,432
Trust	27,115	34,679	28,787	75,507	18,918
General	9,897	6,350	10,677	25,393	7,041
Total additions	<u>56,718</u>	<u>77,432</u>	<u>102,783</u>	<u>154,453</u>	<u>49,618</u>
Deductions:					
Athletics	-	-	-	-	-
Music	199	1,252	1,172	2,551	-
Classes	17,348	19,907	44,464	39,688	14,498
Clubs	323	1,578	50	453	-
Department	2,337	12,307	13,902	16,916	11,204
Trust	27,050	33,297	36,105	69,083	16,384
General	10,710	13,282	12,755	18,805	11,819
Total deductions	<u>57,967</u>	<u>81,623</u>	<u>108,448</u>	<u>147,496</u>	<u>53,905</u>
Internal accounts payable - end of year	<u><u>\$ 21,234</u></u>	<u><u>\$ 30,529</u></u>	<u><u>\$ 28,804</u></u>	<u><u>\$ 35,540</u></u>	<u><u>\$ 42,897</u></u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Rivers Edge Elementary</u>	<u>Savanna Ridge Elementary</u>	<u>St. Lucie Elementary</u>	<u>Village Green Elementary</u>	<u>Weatherbee Elementary</u>
Internal accounts payable - beginning of year	\$ 25,207	\$ 14,595	\$ 17,083	\$ 29,228	\$ 17,422
Additions:					
Athletics	-	-	-	-	-
Music	475	-	-	673	-
Classes	13,571	20,232	3,237	15,915	9,337
Clubs	40	-	40	1,513	1,469
Department	16,670	2,279	7,173	20,187	8,414
Trust	84,867	30,013	18,297	43,295	18,952
General	7,263	13,681	2,622	6,410	3,557
Total additions	<u>122,886</u>	<u>66,205</u>	<u>31,369</u>	<u>87,993</u>	<u>41,729</u>
Deductions:					
Athletics	-	-	-	-	-
Music	577	-	-	765	-
Classes	13,035	20,645	2,963	17,335	9,088
Clubs	-	-	27	1,438	1,850
Department	16,191	1,766	11,334	16,141	8,647
Trust	83,404	32,562	17,297	42,489	19,494
General	6,104	15,078	1,769	2,695	2,714
Total deductions	<u>119,311</u>	<u>70,051</u>	<u>33,390</u>	<u>80,863</u>	<u>41,793</u>
Internal accounts payable - end of year	<u>\$ 28,782</u>	<u>\$ 10,749</u>	<u>\$ 15,062</u>	<u>\$ 36,358</u>	<u>\$ 17,358</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>White City Elementary</u>	<u>Windmill Point Elementary</u>	<u>Allapattah Flats</u>	<u>C.A. Moore</u>	<u>Ft. Pierce Magnet School of the Arts</u>
Internal accounts payable - beginning of year	\$ 22,476	\$ 24,984	\$ 40,395	\$ 19,874	\$ 7,478
Additions:					
Athletics	-	7,444	1,860	-	98
Music	-	5,215	22,372	-	4,029
Classes	3,598	131	38,385	1,991	1,077
Clubs	-	912	160	3,940	1,993
Department	8,479	13,408	10,252	5,986	3,369
Trust	8,833	47,073	34,543	6,489	8,733
General	3,942	53,743	12,945	2,034	8,509
Total additions	<u>24,852</u>	<u>127,926</u>	<u>120,517</u>	<u>20,440</u>	<u>27,808</u>
Deductions:					
Athletics	-	6,826	1,860	-	-
Music	-	3,115	23,087	-	6,808
Classes	3,135	109	38,204	2,174	1,090
Clubs	-	4,387	86	3,451	1,800
Department	6,929	10,323	9,737	5,051	3,649
Trust	9,003	47,664	35,177	6,908	8,806
General	4,726	55,571	12,300	4,114	4,886
Total deductions	<u>23,793</u>	<u>127,995</u>	<u>120,451</u>	<u>21,698</u>	<u>27,039</u>
Internal accounts payable - end of year	<u>\$ 23,535</u>	<u>\$ 24,915</u>	<u>\$ 40,461</u>	<u>\$ 18,616</u>	<u>\$ 8,247</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Manatee Academy</u>	<u>Mosaic Digital Academy</u>	<u>Northport</u>	<u>Oak Hammock</u>	<u>Palm Pointe Educational Research School</u>
Internal accounts payable - beginning of year	\$ 35,768	\$ -	\$ 17,738	\$ 75,879	\$ 40,361
Additions:					
Athletics	3,763	-	4,151	3,982	2,701
Music	9,568	-	40,589	33,740	29,649
Classes	57,324	-	41,154	39,231	86,156
Clubs	6,950	-	3,875	5,639	1,659
Department	14,568	-	15,350	20,070	42,418
Trust	37,051	3,739	56,399	60,773	96,979
General	12,161	178	13,485	9,530	15,132
Total additions	<u>141,385</u>	<u>3,917</u>	<u>175,003</u>	<u>172,965</u>	<u>274,694</u>
Deductions:					
Athletics	4,229	-	3,965	3,811	3,023
Music	10,953	-	40,872	31,621	31,333
Classes	49,417	-	40,092	37,224	84,471
Clubs	6,580	-	3,626	4,531	2,059
Department	14,142	-	14,871	23,000	36,517
Trust	37,345	2,314	59,160	65,498	95,021
General	9,830	166	14,178	5,130	17,588
Total deductions	<u>132,496</u>	<u>2,480</u>	<u>176,764</u>	<u>170,815</u>	<u>270,012</u>
Internal accounts payable - end of year	<u>\$ 44,657</u>	<u>\$ 1,437</u>	<u>\$ 15,977</u>	<u>\$ 78,029</u>	<u>\$ 45,043</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Performance Based Prep Academy</u>	<u>Samual S. Gaines Academy</u>	<u>St. Lucie West</u>	<u>West Gate</u>	<u>Dan McCarty Middle</u>
Internal accounts payable - beginning of year	\$ -	\$ 14,486	\$ 100,182	\$ 70,471	\$ 5,526
Additions:					
Athletics	-	3,572	4,547	4,363	6,932
Music	-	890	16,765	5,584	6,780
Classes	3,256	21,610	100,679	165,945	1,762
Clubs	-	4,644	23,556	1,219	113
Department	-	5,664	14,617	20,370	1,949
Trust	268	9,608	38,304	41,605	12,594
General	1,044	9,157	57,099	59,949	37,069
Total additions	<u>4,568</u>	<u>55,145</u>	<u>255,567</u>	<u>299,035</u>	<u>67,199</u>
Deductions:					
Athletics	-	3,414	5,542	4,243	6,214
Music	-	1,786	15,505	5,030	7,586
Classes	1,230	20,362	97,838	164,403	1,766
Clubs	-	3,297	27,062	1,797	32
Department	-	10,209	18,612	18,669	1,964
Trust	112	9,238	37,619	33,204	13,534
General	959	8,727	58,550	59,191	36,350
Total deductions	<u>2,301</u>	<u>57,033</u>	<u>260,728</u>	<u>286,537</u>	<u>67,446</u>
Internal accounts payable - end of year	<u>\$ 2,267</u>	<u>\$ 12,598</u>	<u>\$ 95,021</u>	<u>\$ 82,969</u>	<u>\$ 5,279</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Forest Grove Middle</u>	<u>Southern Oaks Middle</u>	<u>Southport Middle</u>	<u>Ft. Pierce Central High</u>	<u>Ft. Pierce Westwood High</u>
Internal accounts payable - beginning of year	\$ 28,055	\$ 16,980	\$ 13,152	\$ 269,709	\$ 182,627
Additions:					
Athletics	2,355	11,450	1,452	438,628	151,853
Music	3,209	6,948	63,061	42,741	10,335
Classes	13,288	12,378	6,653	154,967	73,443
Clubs	11,721	322	9,925	67,039	114,241
Department	3,570	11,772	7,977	15,913	21,489
Trust	10,818	7,944	37,863	160,759	47,334
General	8,156	26,749	38,503	76,246	29,783
Total additions	<u>53,117</u>	<u>77,563</u>	<u>165,434</u>	<u>956,293</u>	<u>448,478</u>
Deductions:					
Athletics	2,160	11,733	1,612	440,852	151,479
Music	2,810	7,219	59,914	36,141	8,308
Classes	13,154	15,161	5,612	176,232	86,333
Clubs	11,740	63	9,585	63,745	105,157
Department	4,454	12,242	7,732	1,584	21,049
Trust	14,702	8,370	38,279	161,591	21,028
General	8,303	25,225	38,592	73,662	24,057
Total deductions	<u>57,323</u>	<u>80,013</u>	<u>161,326</u>	<u>953,807</u>	<u>417,411</u>
Internal accounts payable - end of year	<u><u>\$ 23,849</u></u>	<u><u>\$ 14,530</u></u>	<u><u>\$ 17,260</u></u>	<u><u>\$ 272,195</u></u>	<u><u>\$ 213,694</u></u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Lincoln Park Academy</u>	<u>Port St. Lucie High</u>	<u>St. Lucie West Centennial High</u>	<u>Treasure Coast High</u>
Internal accounts payable - beginning of year	\$ 200,872	\$ 235,439	\$ 221,526	\$ 178,008
Additions:				
Athletics	181,210	217,280	223,707	282,154
Music	213,853	69,909	25,424	48,961
Classes	86,402	101,499	221,196	155,336
Clubs	53,612	316,207	63,573	11,654
Department	27,105	11,037	22,393	39,674
Trust	15,122	10,329	14,396	37,867
General	50,459	13,948	31,380	7,667
Total additions	<u>627,763</u>	<u>740,209</u>	<u>602,069</u>	<u>583,313</u>
Deductions:				
Athletics	179,837	201,513	226,883	267,618
Music	207,972	72,797	22,648	46,697
Classes	81,642	90,792	238,749	139,029
Clubs	56,542	283,989	56,385	11,166
Department	25,450	7,807	21,046	43,640
Trust	17,639	9,445	18,807	37,229
General	47,127	24,217	30,765	3,944
Total deductions	<u>616,209</u>	<u>690,560</u>	<u>615,283</u>	<u>549,323</u>
Internal accounts payable - end of year	<u>\$ 212,426</u>	<u>\$ 285,088</u>	<u>\$ 208,312</u>	<u>\$ 211,998</u>

THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA
SCHOOL INTERNAL ACCOUNTS
COMBINING SCHEDULE OF CHANGES IN INTERNAL ACCOUNT BALANCES BY SCHOOL

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Total</u>	<u>Cash to Accrual Adjustment</u>	<u>Garden City Closing Adjustment</u>	<u>Adjusted Total</u>
Internal accounts payable - beginning of year	\$ 2,225,918	\$ 55,110	\$ 41	\$ 2,281,069
Additions:				
Athletics	1,553,502	-	-	1,553,502
Music	671,212	-	-	671,212
Classes	1,673,959	-	-	1,673,959
Clubs	728,944	-	-	728,944
Department	550,279	-	-	550,279
Trust	1,461,917	-	-	1,461,917
General	725,831	88,858	-	814,689
Total additions	<u>7,365,644</u>	<u>88,858</u>	<u>-</u>	<u>7,454,502</u>
Deductions:				
Athletics	1,527,543	-	-	1,527,543
Music	654,967	-	-	654,967
Classes	1,682,826	-	-	1,682,826
Clubs	683,406	-	-	683,406
Department	530,157	-	-	530,157
Trust	1,432,287	-	-	1,432,287
General	722,947	55,110	41	778,098
Total deductions	<u>7,234,133</u>	<u>55,110</u>	<u>41</u>	<u>7,289,284</u>
Internal accounts payable - end of year	<u>\$ 2,357,429</u>	<u>\$ 88,858</u>	<u>\$ -</u>	<u>\$ 2,446,287</u>

**Report of Independent Auditor on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Members of the District School
Board of St. Lucie County, Florida
Ft. Pierce, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the School District of St. Lucie County, Florida ("District") School Internal Accounts ("School Internal Accounts"), as of and for the year ended June 30, 2015 and the related note to the financial statement, which comprises the School District of St. Lucie County, Florida School Internal Accounts' basic financial statements, and have issued our report thereon dated December 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Internal Accounts internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District internal control. Accordingly, we do not express an opinion on the effectiveness of the District 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 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District of St. Lucie County, Florida School Internal Accounts' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

A handwritten signature in black ink that reads "Cherry Behant LLP". The signature is written in a cursive, flowing style.

Orlando, Florida
December 9, 2015

Management Letter

The School District of St. Lucie County, Florida
Ft. Pierce, Florida

In planning and performing our audit of the financial statements of the School District of St. Lucie County, Florida (the "District") School Internal Accounts as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the District'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 statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency. A summary of our comments and suggestions regarding these matters are shown below. We previously reported on the District's internal control in our report dated December 9, 2015. This letter does not affect our report dated December 9, 2015, on the financial statements of the School District of St. Lucie County, Florida School Internal Accounts.

Cash Collections

Cash collected by teachers and sponsors is not always being remitted to the bookkeeper in a timely manner. School Board Policy (A Principal's Manual for Internal Accounting) states that collections made outside of the school office must be turned in to the school office no later than the next business day. This matter was noted at eighteen schools this year. We recommend additional training be provided by the school principals and bookkeepers to teachers and sponsors to reiterate that collections made outside the school office must be turned in to the bookkeeper no later than the next business day and that funds are not to be left in classrooms overnight. This is a repeat finding from June 30, 2014.

Management Response:

As noted above, the School Board Policy (A Principal's Manual for Internal Accounting) specifies rules and time limits for cash collections. Rules and guidelines for cash collections were discussed in the Bookkeepers' Internal Account Audit Workshop training on August 4, 2015. The District will continue to provide training and communication with principals and bookkeepers through meetings, correspondence and workshops to review money handling procedures. The school's bookkeeper/executive secretary will inform the teachers and sponsors of the "Quick Reference Guide for Internal Accounts". Also, this guide is going to be made available on the District's Website. It is for anyone wishing to fund-raise or collect internal accounts money and will ensure that everyone is informed of the policies and procedures prior to handling internal account funds.

Fundraisers

Fundraiser Financial Forms were not completed for all fundraising activities. We noted the Fundraiser Financial Forms were not completed at eleven of the schools. School Board Policy (A Principal's Manual for Internal Accounting) states that a financial report must be filed with the principal after each fundraising activity. This is a repeat finding from June 30, 2014.

We recommend the sponsors and principals at each school be reminded of the above policies to ensure fundraising activities are pre-approved and the financial outcome of the fundraisers are properly accounted for by those involved in the activities.

Management Response:

As noted above, rules and procedures governing fundraising activities are included in School Board Policy (A Principal's Manual for Internal Accounting). Rules and guidelines for fundraising activities were discussed during the Bookkeepers' Internal Account Audit Workshop training on August 4, 2015. A "Quick Reference Guide for Internal Accounts" which includes guidelines for fundraising activities was sent to principals, on July 30, 2015, to further reinforce these procedures. A Permit/Fund-Raiser Log has been developed and was implemented for use at all schools/sites to track and monitor fund-raising activities. The use of this form will help to ensure that a final accounting of each approved fundraiser has been completed.

Principal Reports and Bank Reconciliations

Not all monthly Principal Reports and bank reconciliations were completed and authorized timely. We noted the above issue at eleven of the schools. School Board Policy (A Principal's Manual for Internal Accounting) states that Principal's Reports and bank reconciliation reports are to be completed and reviewed by the 20th of the following month. We recommend the principals and bookkeepers be familiarized or reminded of the above policy, in order to ensure the monthly Principal Reports and bank reconciliations are completed and authorized timely.

Management Response:

As noted above, guidelines for submission of monthly internal account reports are included in School Board Policy (A Principal's Manual for Internal Accounting). The district's finance staff will continue to closely monitor this to ensure that completion and authorization of bank reconciliations are done timely. If a school is found not processing timely authorized monthly reports an email reminder will be sent to both the principal and bookkeeper by the District's Accountant. The Administrator's Handbook that is provided to all Principals has been updated this year to include Principals' Responsibilities for Internal Account Procedures. The procedures outlined in this manual provide instruction in reviewing their schools' internal account. This information was given during the Principals Workshop at the beginning of the 2015/2016 school year. The District will continue to provide training and communication with principals and bookkeepers through meetings, correspondence and workshops to further reinforce these procedures.

We will review the status of the above comments during our next audit engagement. We have already discussed the comments and suggestions with various District personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Management's responses to the findings from our audit are included above. We did not audit the responses and, accordingly, we express no opinion on the responses.

We wish to thank the District's finance and accounting personnel and others involved in the conduct of the audit for their courtesy and cooperation.

The purpose of this management letter is solely to communicate certain observations that are not considered significant deficiencies or material weaknesses in internal control but which are opportunities for the District to improve internal control and operations. Accordingly, this management letter is not suitable for any other purpose.

Cherry Behant LLP

Orlando, Florida
December 9, 2015