



Required Communications

December 21, 2018

The School Board of St. Lucie County, Florida
and Management

Dear School Board and Management:

We are pleased to present the results of our audit of the 2018 financial statement of the School District of St. Lucie County, Florida Internal Accounts Fund ("St. Lucie Internal Accounts Fund").

This report to the School Board and Management summarizes our audit, the report issued and various analyses and observations related to the St. Lucie Internal Accounts Fund accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the St. Lucie Internal Accounts Fund's 2018 financial statement. We considered the School District of St. Lucie County, Florida's current and emerging business needs, along with an assessment of risks that could materially affect the financial statement, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the School Board and Management, expect. We received the full support and assistance of the School District of St. Lucie County, Florida personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the School Board and Management and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 321.255.0088 or yclayborne@cricpa.com.

Very truly yours,



Yvonne M. Clayborne, CPA
Partner
Carr, Riggs & Ingram, LLC

As discussed with the School Board and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the St. Lucie Internal Accounts Fund. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the School Board, in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, in order to express an opinion on the St. Lucie Internal Accounts Funds' financial statement for the year ended June 30, 2018;
- Communicate directly with the School Board and management regarding the results of our procedures;
- Address with the School Board and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the School Board and management; and
- Perform other audit-related projects as they arise and upon request.

We wanted to thank the personnel from the Finance Department for their assistance in gathering information needed to conduct the audit. We also wanted to thank the school principals and bookkeepers for their time and cooperation during our audit.

Executive Summary

The percentage of schools by number of findings for the year ended June 30, 2018 is as follows:

NUMBER OF FINDINGS	NUMBER OF SCHOOLS	%
None	2	5%
1	6	15%
2	8	21%
3	8	21%
4	4	10%
5 or more	11	28%
Total	39	100%

Below is a chart showing the average number of findings per type of school as compared to the prior report.

Decrease in findings	10 schools
Constant number of findings	9 schools
Increase in findings	20 schools

A summary of the activity of the Internal Accounts Fund for the year ended June 30, 2018 is as follows:

Balance July 1, 2017	Additions	Expenditures	Balance June 30, 2018
\$2,503,549	\$7,094,674	(\$7,041,207)	\$2,557,016

Required Communications

We have audited the financial statement of the St. Lucie Internal Accounts Fund for the year ended June 30, 2018, and have issued our report thereon dated December 21, 2018. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Auditors' responsibility under Generally Accepted Auditing Standards</p>	<p>As stated in our engagement letter dated February 20, 2017, 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 conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statement does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the St. Lucie Internal Accounts Fund. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statement of fiduciary assets and liabilities in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>No significant estimates were noted regarding the financial statement.</p>
<p>Potential effect on the financial statement of any significant risks and exposures <i>Major risks and exposures facing the St. Lucie Internal Funds and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</p>	See Note 1 to the financial statement.
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	None.
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statement or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	None.
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None.</p> <p>We made certain recommendations for improvements in internal control in our report dated December 21, 2016.</p>
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None.
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the School District of St. Lucie County, Florida, that could individually or in the aggregate have a significant effect on the financial statement. All uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statement taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	Please see the following section titled "Summary of Audit Adjustments."

Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p>Major issues discussed with management prior to retention</p> <p><i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	None.
<p>Consultations with other accountants</p> <p><i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	None of which we are aware.
<p>Written representations</p> <p><i>A description of the written representations the auditor requested.</i></p>	See "Management Representation Letter" section.
<p>Internal control deficiencies</p> <p><i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	See "Internal Control Findings" section.
<p>Fraud and illegal acts</p> <p><i>Fraud involving senior management, the School Board or those responsible for internal controls, or causing a material misstatement of the financial statement, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statement.
<p>Other information in documents containing audited financial statement</p> <p><i>The external auditors' responsibility for information in a document containing the audited financial statement, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents containing the financial statement is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statement; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statement.</p>

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the School District of St. Lucie County, Florida and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the School District of St. Lucie County, Florida or passed (uncorrected).

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to net increase, or vice versa.
- Whether the difference concerns an area of the St. Lucie Internal Accounts Fund's operating environment that has been identified as playing a significant role in the St. Lucie Internal Accounts Fund's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Summary of Audit Adjustments

Recorded (Corrected Journal Entries)

School	#	Description	Assets	Liabilities	Revenue/ Expense
Frances K. Sweet Elementary	1	Inventory	\$ 4,198		
		Trusts			\$ (4,198)
Lakewood Park Elementary	1	Inventory	\$ 2,638		
		Departments			\$ (517)
		General			\$ (2,121)
Parkway Elementary	1	Inventory	\$ 2,888		
		General			\$ (2,888)
Dan McCarty Middle	1	Inventory	\$ 4,715		
		General			\$ (4,715)
Forest Grove Middle	1	Inventory	\$ 3,662		
		General			\$ (3,662)
	2	Inventory	\$ 3,836		
		General			\$ (3,836)
Manatee Academy	1	Inventory	\$ 4,548		
		General			\$ (4,548)
Oak Hammock K-8	1	Inventory	\$ 7,622		
		Athletics			\$ (1,170)
		Music			\$ (261)
		Classes			\$ (887)
		Clubs			\$ (132)
		Departments			\$ (1,759)
		Trusts			\$ (3,413)
Performance-Based Prep Academy	1	Accounts Payable		\$ (175)	
		Classes			\$ 175
Southern Oaks Middle	1	Inventory	\$ 11,124		
		Classes			\$ (10,766)
		General			\$ (358)
Southport Middle	1	Inventory	\$ 6,059		
		General			\$ (6,059)
St Lucie West Centennial High	1	Inventory	\$ 8,549		
		Departments			\$ (5,355)
		General			\$ (3,194)
	2	Accounts Payable		\$ (4,874)	
		Classes			\$ 4,874
St Lucie West K-8	1	Inventory	\$ 9,576		
		Trusts			\$ (9,576)
West Gate K-8	1	Inventory	\$ 10,531		
		Classes			\$ (5,565)
		Departments			\$ (180)
		General			\$ (4,786)
Performance Based Prep Academy	1	Departments			\$ (210)
		General			\$ 210
			<u>\$ 79,946</u>	<u>\$ (5,049)</u>	<u>\$ (74,897)</u>

Summary of Audit Adjustments

Passed (Uncorrected Journal Entries)

School	#	Description	Assets	Liabilities	Revenue/ Expense
Chester A Moore School	1	Inventory	\$ 816		
		Trusts			\$ (816)
Fairlawn Elementary	1	Inventory	\$ 2,587		
		Trusts			\$ (2,587)
Floresta Elementary	1	Inventory	\$ 2,038		
		General			\$ (2,038)
Lakewood Park Elementary	1	Accounts Payable		\$ (94)	
		Athletics			\$ 94
Lawnwood Elementary	1	Inventory	\$ 446		
		General			\$ (446)
Lincoln Park Academy	1	Inventory	\$ 1,581		
		Music			\$ (272)
		Clubs			\$ (914)
		General			\$ (395)
Rivers Edge Elementary	1	Inventory	\$ 3,005		
		Music			\$ (1,316)
		Trusts			\$ (1,689)
Savanna Ridge Elementary	1	Accounts Payable		\$ 2,299	
		General			\$ (2,299)
	2	Inventory	\$ 349		
	Classes			\$ (264)	
	Departments			\$ (85)	
St. Lucie Elementary	1	Accounts Payable		\$ (748)	
		Trusts			\$ 748
Village Green Elementary	1	Inventory	\$ 300		
		General			\$ (300)
Windmill Point Elementary	1	Inventory	\$ 974		
		Trusts			\$ (974)
Creative Arts Academy of St. Lucie	1	Inventory	\$ 326		
		Clubs			\$ (326)
Palm Pointe Research School	1	Inventory	\$ 6,164		
		Departments			\$ (3,493)
		Trusts			\$ (2,671)
Samuel S Gaines Academy K-8	1	Inventory	\$ 1,148		
		Music			\$ (394)
		Classes			\$ (464)
		Clubs			\$ (290)
Southern Oaks Middle	1	Inventory	\$ (190)		
		Classes			\$ 190
St Lucie West K-8	1	Inventory	\$ (728)		
		Trusts			\$ 728
Ft Pierce Central High	1	Inventory	\$ 10,585		
		Athletics			\$ (3,523)
		Music			\$ (949)
		Classes			\$ (6,113)
	2	Inventory	\$ (3,354)		
		Music			\$ (726)
	Classes			\$ 4,080	
Port St Lucie High	1	Inventory	\$ 24,503		
		Departments			\$ (24,503)
			<u>\$ 50,550</u>	<u>\$ 1,457</u>	<u>\$ (52,007)</u>

Listing of Management Representations

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 20, 2017, including our responsibility for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statement referred to above is fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the Internal Funds. There are no component units that are required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) There were no accounting estimates made that are significant to the financial statement.
- 6) There were no related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties that were required to be appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statement and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statement.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statement for the Internal Funds. A list of the uncorrected misstatements is attached to the representation letter. In addition, we are in agreement with the adjusting journal entries you have proposed; however, they will not be posted in the accounts because our accounting records are kept on a modified cash basis.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP. (There are no such amounts noted that need to be accounted for or disclosed in the financial statement.)
- 10) Guarantees, whether written or oral, under which the School District of St. Lucie County, Florida's Internal Accounts Fund are contingently liable, if any, have been properly recorded or disclosed. (There were no such guarantees.)

Listing of Management Representations

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of School Board or summaries of actions of recent meetings for which minutes have not yet been prepared
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- 14) Except as made known to you, we have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statement.
- 15) Except as made known to you, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statement communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing the financial statement.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statement. (There were no such matters noted.)
- 18) We have disclosed to you the identity of the school district's related parties and all the related party relationships and transactions of which we are aware. (There were none noted.)

Listing of Management Representations

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, violations of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the required communications letter. (There were no such findings in the current year that are required to be reported.)
- 24) The School District of St. Lucie County, Florida has no plans or intentions that may materially affect the carrying value or classification of assets or liabilities.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives. (There were none noted.)
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives. (There were none noted.)

Listing of Management Representations

- 29) There are no violations or possible violations of laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements and any related debt covenants whose effects should be considered for disclosure in the financial statement, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statement and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 31) The School District of St. Lucie County, Florida has satisfactory title to all owned assets reported on the Internal Funds' financial statement, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The School District of St. Lucie County, Florida has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 33) There are no component units, joint ventures with an equity interest or other related organizations that are required to be disclosed in the financial statements.
- 34) The financial statements properly classify all funds and activities related to the Internal Accounts Fund in accordance with GASB Statement No. 34.
- 35) Investments (reported as cash equivalents) are properly valued.
- 36) Deposits and investments (reported as cash equivalents) are properly classified as to risk and are properly disclosed.
- 37) All deposits are held with financial institutions listed as a Qualified Public Depository by the Florida Department of Financial Services.
- 38) With respect to the schedule of fiduciary assets and liabilities and the schedule of additions, deductions, and changes in internal accounts payable by school for the year ended June 30, 2018:
 - a) We acknowledge our responsibility for presenting the schedule of fiduciary assets and liabilities and the schedule of additions, deductions, and changes in internal accounts payable by school (the "supplementary schedules") for the year ended June 30, 2018 in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary schedules, including its form and content, are fairly presented in accordance with accounting principles generally accepted in the

Listing of Management Representations

United States of America. The methods of measurement and presentation of the supplementary schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the schedule of fiduciary assets and liabilities and the schedule of additions, deductions, and changes in internal accounts payable by school for the year ended June 30, 2018 are not presented with the audited financial statement, we will make the audited financial statement readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

The School Board of St. Lucie County, Florida
and Management

In planning and performing our audit of the financial statement of fiduciary assets and liabilities for the School District of St. Lucie County, Florida's Internal Accounts Fund ("St. Lucie Internal Funds") as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the School District of St. Lucie County, Florida's Internal Accounts Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 St. Lucie Internal Accounts Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Lucie Internal Accounts Fund's internal control.

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

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

We did identify matters that we feel are appropriate to communicate to the School District of St. Lucie County, Florida for improving the efficiency of the present accounting system and the operation of the schools' Internal Accounts Fund. We included in the accompanying chart internal control recommendations for Management's consideration. We also noted specific matters involving the internal control of the individual schools and their compliance with applicable laws and regulations that we included in our report dated December 21, 2018.

This communication is intended solely for the information and use of management, the School Board, and others within the St. Lucie Internal Accounts Fund, and is not intended to be, and should not be, used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
December 21, 2018

Internal Control Findings

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness	
18-01	IP	Cash collections	Cash collected by teachers and sponsors is not always remitted to the bookkeeper in a timely matter. School Board Policy (A Principal 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 12 schools this year. This is a repeat finding from June 30, 2015.	We recommend additional training be provided to the school principals, bookkeepers, 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.
18-02	IP	Fundraisers	Fundraiser Financial Forms were not completed for all fundraising activities. We noted that Fundraiser Financial Forms were not completed for all fundraisers at 22 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, 2015.	We recommend the sponsors and principals at each school be reminded of the policies with regards to fundraising activities to ensure that activities are pre-approved and the financial outcome of the fundraisers are properly accounting for by those involved in the activities.

Internal Control Findings

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
18-03	IP	Principal's Reports and Bank Reconciliations	Not all monthly Principal's Reports and bank reconciliations were completed and authorized timely. We noted this matter at 7 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 20 th of the following month. This is a repeat finding from June 30, 2015.	We recommend the principals and bookkeepers be familiarized or reminded of the above policy in order to ensure the monthly Principal's Reports and bank reconciliations are completed and approved timely.
18-04	IP	Sales Tax	Sales tax was not paid as required by the Florida Department of Revenue where items were resold for profit. This matter was noted at 3 schools. School Board Policy (A Principal's Manual for Internal Accounting) states that, if items are purchase to resell, they are subject to sales tax. This is a repeat finding from June 30, 2016.	We recommend the bookkeepers, sponsors and principals at each school be reminded of the District's policies for compliance with Florida sales tax laws to ensure that taxes are properly paid on items sold for profit as part of a fundraising activity.

Internal Control Findings

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
18-05	IP	Ticket Inventory	Ticket inventory logs are not being maintained as required by the Financial & Program Cost Accounting & Reporting for Florida Schools manual issued by the Florida Department of Education (the “Red Book”). This matter was noted at 5 schools. This is a repeat finding from June 30, 2017.	We recommend the District develop and implement policies and procedures to provide for perpetual inventory tracking of tickets used for admission events in compliance with the Florida Department of Education Red Book.
18-06	IP	Check Requisitions	Not all check requisitions (or purchase orders) were approved by the principal in advance of the purchase being made. This matter was noted at 17 schools. School Board Policy (A Principal’s Manual for Internal Accounting) states that check requisitions (or purchase orders) must be submitted to the principal for approval prior to the purchase being made. This is a repeat finding from June 30, 2017.	We recommend the bookkeepers, principals, teachers and sponsors be reminded of the importance of obtaining prior approval for all purchases using internal accounts monies to ensure that purchases are appropriate and that sufficient funds are available in the internal account to provide for the purchase.