

School Board of Sarasota County, Florida



Audit Presentation
February 20, 2018

The Honorable Members of the District School Board School Board of Sarasota County, Florida Sarasota, 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 statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board of Sarasota County, Florida (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2017.

Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

As required by auditing standards generally accepted in the United States of America, we are providing you with the information shown in this presentation relative to the conduct of our audit. This information is intended solely for the use of the Honorable Members of the District School Board and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Cherry Bekaert LLP

REPORTING ENTITY

- The financial reporting entity of the District includes the following entities:
 - **Primary Government**
 - **School Board of Sarasota County**
 - **Blended Component Unit**
 - **Financing Corporation for the School Board of Sarasota County**
 - **Discretely Presented Component Units**
 - **Charter schools (audited by other auditors)**

AUDITOR'S REQUIRED COMMUNICATION (AU 380)

- **Our Responsibility under Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAS), Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Chapter 10.800, Rules of the Auditor General of the State of Florida (AG), and Section 218.415 Florida Statutes (FS)**
 - Consider internal control to the extent necessary to design an effective and efficient audit approach, not for the purpose of providing assurance on internal control (GAAS, GAS, Uniform Guidance)
 - Performed tests of 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 (GAS, AG)
 - Performed tested of compliance with the types of compliance requirements which could have a direct and material effect on the District's major federal programs (Uniform Guidance)
 - Design and implement audit procedures based on our understanding of the District to gain reasonable, not absolute, assurance as to the absence of material misstatements in the financial statements (GAAS)
 - Opine on the basic financial statements based on our audit (GAAS)
 - Opine on compliance with Florida Statutes(FS)

AUDITOR'S REQUIRED COMMUNICATION (AU 380)

- The financial statement disclosures are neutral, consistent, and clear.

- **Significant Accounting Policies**
 - The District's summary of significant accounting policies are described in Note 1 to the financial statements and are in accordance with accounting principles generally accepted in the United States of America and consistent with industry practices and standards.

 - **Adoption of, or change in, accounting policies**
 - None
 - GASB Statement No. 74 (OPEB – reporting for the plan) had no impact
 - GASB Statement No. 77 (tax abatements) had no impact

AUDITOR'S REQUIRED COMMUNICATION (AU 380)

- **Planned Scope and Timing of the Audit**
 - We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated July 18, 2017.

- **Significant Issues Discussed with Management Prior to Retention**
 - We generally discuss a variety of matters, including business plans and strategies and the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

AUDITOR'S REQUIRED COMMUNICATION (AU 380)

➤ Management Judgments and Accounting Estimates

- Accounting estimates are an integral part of the financial statements prepared by management and are based upon 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 from those expected. The most sensitive estimates affecting the financial statements were:
 - Management's estimate of the useful lives of property and equipment is based on management's analysis of the asset's life expectancy.
 - Management's estimates of the liabilities for insurance claims payable, early retirement payable and other post-employment benefits are based on actuarial calculations.
 - Management's estimate of pension costs is based on the calculation of an actuary who uses management's inputs to calculate the pension liability.
 - Management's estimates of the fair value of investments.
- We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

AUDITOR'S REQUIRED COMMUNICATION (AU 380)

- **Corrected Misstatements**
 - One in the current year to eliminate the interfund prepaid assets and unearned revenues on the government wide statement of net position related to self-insurance prepayments of expenses from the fund level financial statements to the internal service fund
- **Uncorrected Misstatements**
 - None in current year
- **No Disagreements or Difficulties with Management**
 - There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the District's financial statements, nor were there significant difficulties in dealing with management in performing our audit.
- **Consultations with Other Accountants**
 - Except for the reliance on the audits of the component units which were audited by other auditors, to the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that were subject to the requirements of AU 625, Reports on the Application of Accounting Principles.

AUDITOR'S REQUIRED COMMUNICATION (AU 380)

➤ Material Written Communications

- We have received a representation letter that was provided to us by management
- Management letter as required by the *Rules of the Florida Auditor General*
- Report on Compliance with Local Government Investment Policies

➤ Supplemental Information

- With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.
- The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

SINGLE AUDIT RESULTS

- **Unmodified reports issued under Uniform Guidance**
- **The District was considered to be a low-risk auditee, as defined by Uniform Guidance**
- **The federal grants tested in the current year were:**
 - **Title I Grants to Local Education Agencies**
CFDA Number 84.010
 - **Student Financial Assistance Cluster**
CFDA Number 84.007 and 84.063
- **No reportable deficiencies were identified during the current year**

OTHER COMMUNICATIONS

Area

- Auditor's Judgment About the Quality of the Accounting Principles
- Fraud and Illegal Acts
- Independence and Objectivity

Comments

- Management employs an appropriate level of conservatism in applying accounting principles.
- Inquiry of the Board, management, and others about their knowledge of significant fraud or illegal acts.
- We are not aware of any relationship that we believe, based on current authoritative guidance, would impair our independence.

CONTACT INFORMATION

Presented by Cherry Bekaert LLP:

John Gilberto

Lauren Strobe

Email: jgilberto@cbh.com
lstrobe@cbh.com

Phone: 813-251-1010

Fax: 813-251-9235